



Cross Border ICT Business Bridge

FINNISH – RUSSIAN ICT BUSINESS SURVEY

**Technopolis Ventures Kareltek Ltd &
Ardin Software and AAI Partners &
Finnish Consulting Group Ltd with**

- Mannet Partners Ltd
- Culminatum Ltd

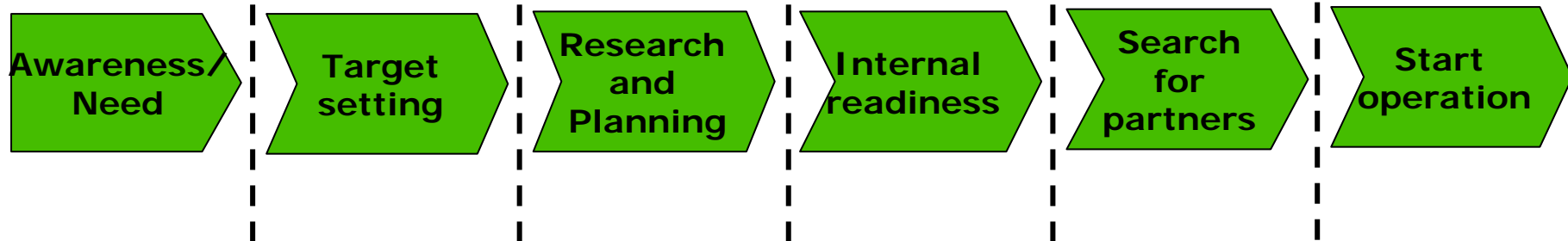
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St. Petersburg, Mobile Monday on December 17,2007



CHALLENGES IN INTERNATIONALIZATION - PROCESS CHART



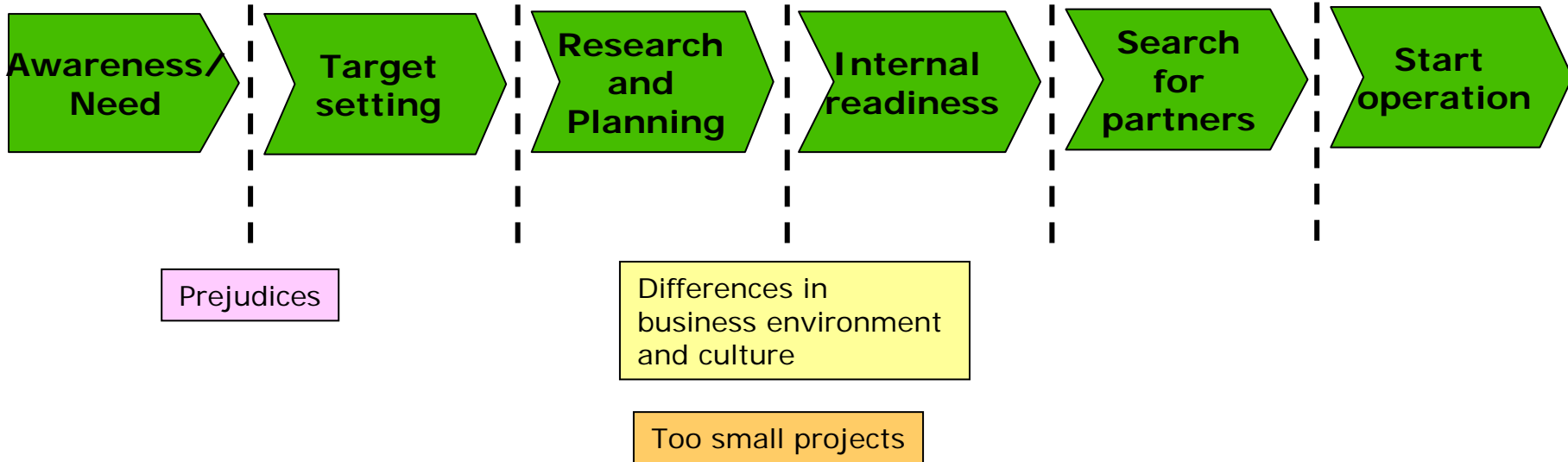
The Finnish ICT cluster:

- 6600 firms
- 109.000 employees
- 56 bill. Revenues = approx 10 % of GDP
- ‘one product mature companies’, professional, tough to penetrate (from Russian view) but still potential to reach wider intern. market

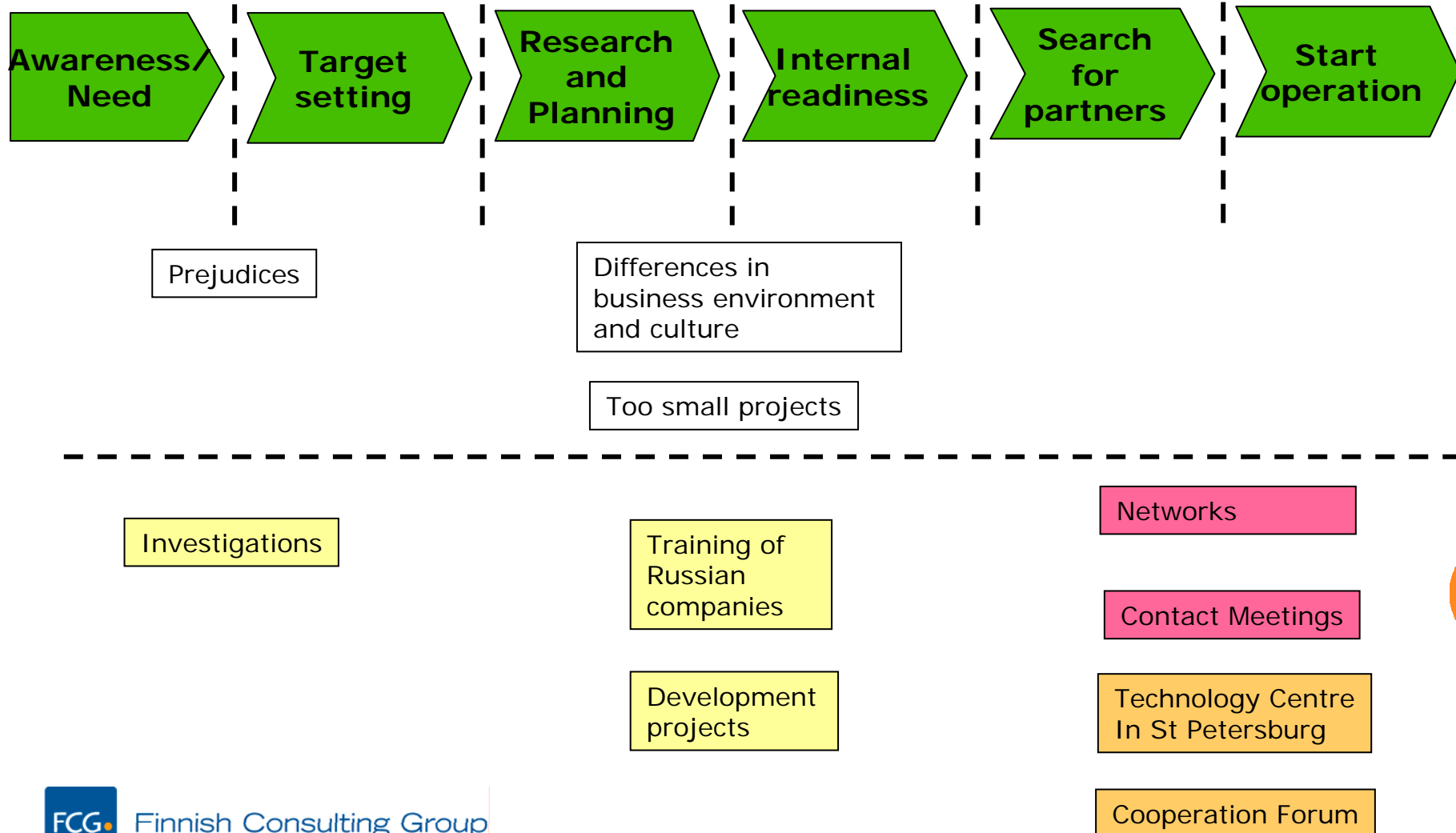
The Russian ICT cluster:

- still fast growing and far from saturation
- cheap solutions for domestic integrators and vendors
- retail, bank, finance, insurance growing -> ‘mega projects ahead’
- workforce shortage and growing costs
- looking abroad but lack experience

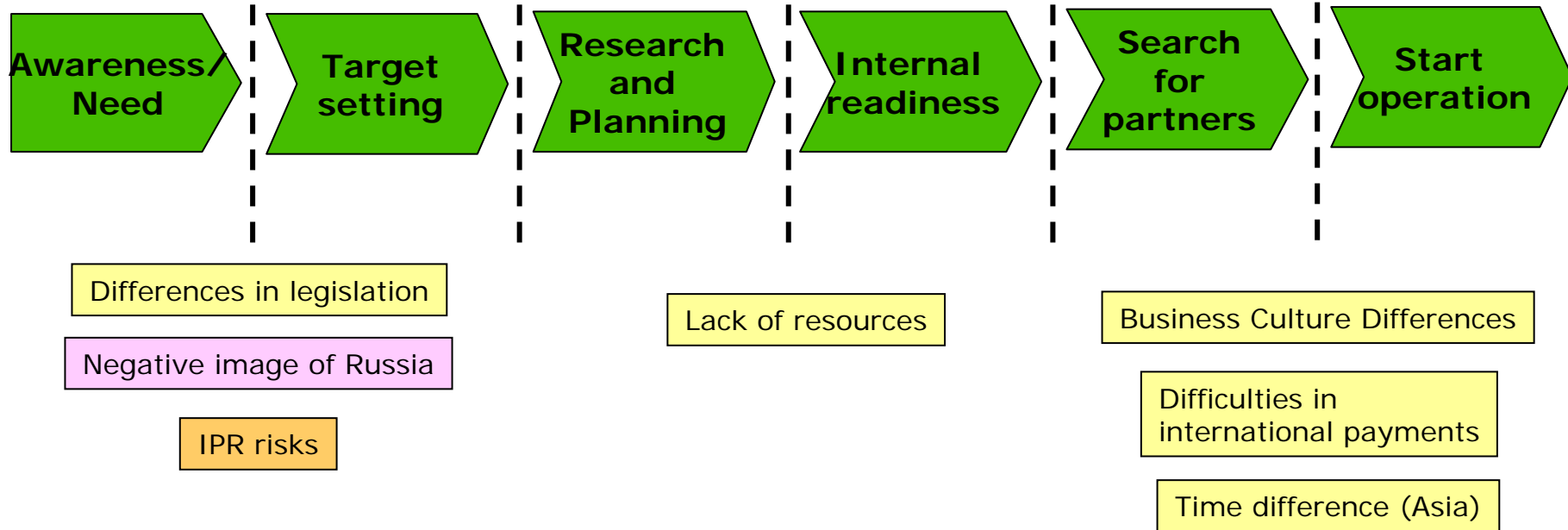
WHAT'S THE PROBLEM WITH RUSSIANS – FINNISH VIEW



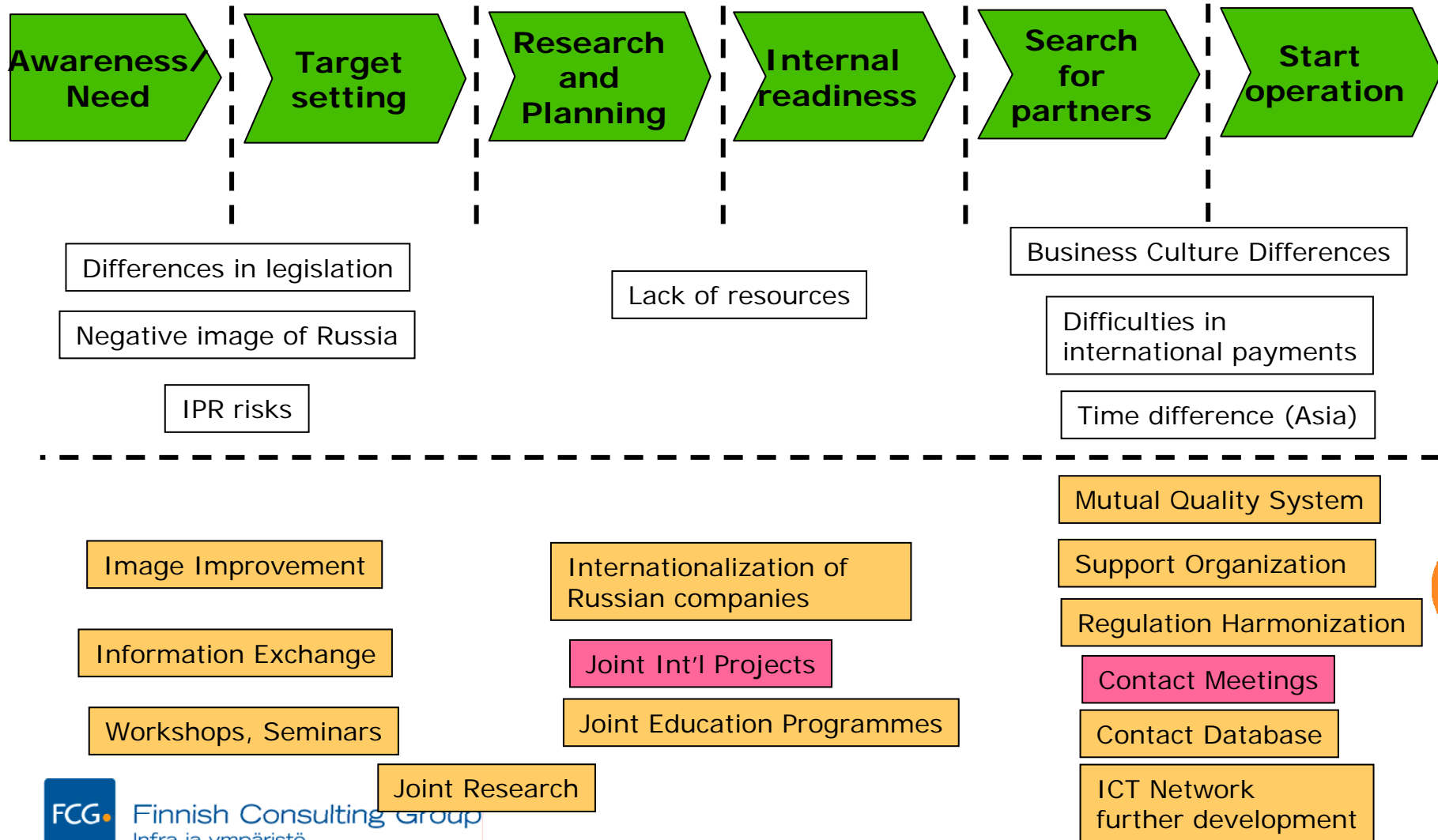
PROBLEMS AND THEIR SOLUTIONS – FINNISH VIEW



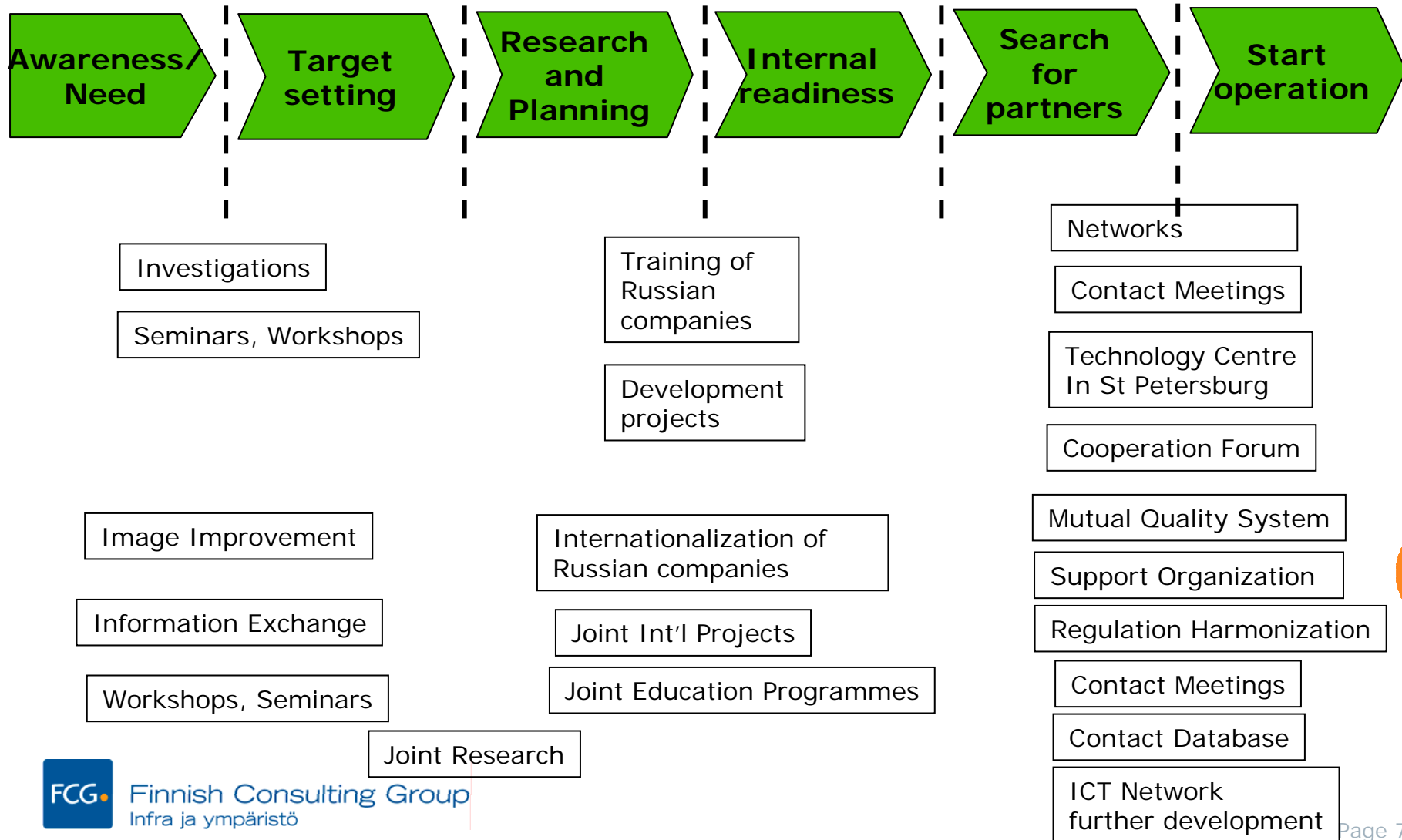
WHAT'S THE PROBLEM IN INTERNATIONALIZATION – RUSSIAN VIEW



PROBLEMS AND THEIR SOLUTIONS – RUSSIAN VIEW



Proposed actions – Summary



Who goes and where?

- Seems that Russians are not so interested to enter to Finland
- > Finnish firms should enter to Russia
- > Russian companies provide their services to Finns here (in Russia)

SUMMARY

- The main finding of the survey showed that within ICT business between Finland and Russia the **same challenges appear than in any international business**. This is true regardless of the business sector or target country: Lack of information of the target country causes prejudices and lack of interest to start internationalization. Differences in language, culture and business practices cause difficulties in starting the actual international business and cooperation. Differences in size of countries and companies cause different levels of expectations of size and volume of operations.
- This can be seen from a point of view of an ICT company in Finnish-Russian business, that best way to get further on the learning curve of internationalization is **to start getting involved in international business and taking advantage of the available services and possibilities**.
- The organizations supporting ICT companies with their Finnish-Russian business development activities need to offer similar services and competencies as in any internationalization services. The service organizations should not focus too much on offering Finland-specific or Russia-specific services, **but just business-to-business –services**, taking into account the special requirements when working over culture and other borders. It is important to stress that the internationalization services should **not be focused only on ICT sector, but considering that the customers and end-users of ICT in many cases are in other sectors**.