Developing Entrepreneurship in Russia

Association of Entrepreneurship Development “SKOLKOVO Community” and Moscow School of Management SKOLKOVO

EFMD Excellence in Practice Awards Competition
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Executive Summary
In 2013, the Association of Entrepreneurship Development ‘SKOLKOVO Community’ and the Moscow School of Management SKOLKOVO launched a comprehensive education programme for SME entrepreneurs, named “Practicum”.

The goal of the programme was to create an educational space where entrepreneurs who are faced with the problem of creating a growth spurt for their companies can rethink their entrepreneurial framework and find a way of scaling up their businesses. Entrepreneurs committed to growth were provided with the tools to enable them to achieve their objectives. The programme has become a part of a new ecosystem created by the Association to support innovative entrepreneurship projects.

In the last 7 years (2013-2020), a total of 693 SME owners and CEOs have undertaken the programme, comprising entrepreneurs from 75 cities and 10 countries. Together we analysed what the future might hold for most of the industries that exist in Russia and its neighboring countries and provided a rich knowledge base and set of tools for entrepreneurs developing and aiming to scale up their own ventures. Of course, not all growth spurt projects were immediately implemented after the programme ended as some entrepreneurs preferred to wait for the best market opportunities. However, the overall outcomes have been very positive: 83% of participants started a new business after completing the programme; and 54% of participants started a new business direction. It has also been noted that the annual growth of the turnover of our graduate’s companies has increased on average from 20% to 60%.

THE ENTREPRENEURIAL FRAMEWORK combines:
1. the entrepreneur’s vision of the future; 2. a cost-effective, scalable and reproducible business model; and 3. the personal goals and values of the entrepreneur, that, together with the existing market opportunities, create a situation in which he or she begins to make efforts to implement his or her growth spurt idea.

693 SME owners and CEOs
75 cities
10 countries
83% of participants started new business
34% started new business direction
20% → 60% annual growth in graduates’ companies

1 Based on the results of a survey among 175 graduates (25% of the total number of the programme’s graduates) held in September 2019
The Challenge
The Association of Entrepreneurship Development ‘SKOLKOVO Community’ was founded in 2012. It brought together entrepreneurs who wanted to create an ecosystem that supports new entrepreneurial initiatives. These businesspeople were faced with a strange reality: they were part of other business networks in Russia but struggled to find partners to implement projects based on new entrepreneurial ideas (new products; new services; new markets, new business models).

The history of entrepreneurship in Russia is quite short. In the Soviet period entrepreneurial activity was almost completely prohibited in Russia. Some types of private economic activity (e.g. trade) even entailed criminal penalties.

In the 70 years of Soviet rule, the experience gained by entrepreneurs of the Russian Empire in the 19th and early 20th centuries was almost completely lost. The Russia of today is dealing with the first generations of entrepreneurs who appeared after the liberalisation of the economy in 1992.

Something is wrong with the Russian entrepreneurial sector. The number of small companies is almost three times that of medium-sized ones, and this proportion has not changed for many years. For some reason, a significant number of entrepreneurs do not scale their small businesses into medium-sized enterprises.
THE CHALLENGE

The Association of Entrepreneurship Development started a research project to try to identify the reasons for this phenomenon. Interviews with entrepreneurs made it clear that sooner or later they exhausted the capability of the entrepreneurial framework that had allowed them to succeed in the past. The figure below illustrates the business life-cycle curve of such a business reaching a plateau.

The most frustrating thing for entrepreneurs when their first entrepreneurial framework reaches the limits of its capabilities is that there is no ready-to-use solution on what to do next. The transition to the ‘next league’ requires not only a greater amount of resources than the company is used to operating with, but also a reassembly of the entrepreneurial framework that once allowed the founder to create a business and manage its growth. Faced with this situation, many entrepreneurs lose interest in their business. Some sell, some close down, while others continue to operate their company as a cash cow. Only a few manage to initiate the next stage of growth for their company.
THE CHALLENGE

For a significant number of Russian entrepreneurs, the first flush of business success becomes a conservation point: they are not ready to launch the next curve of business development for fear of failure (a temporary cognitive and emotional reaction to a threat to potential achievement). They are wary of risk—both in their own businesses and in those of their partners. This is why many of them close their companies at a time when the initial resources of their first business model are exhausted.

THE CHALLENGE: What can we do to increase the number of entrepreneurs who are consistently able to develop their small businesses into larger companies?

There is no easy answer to the challenge. The current culture of Russian entrepreneurship has been developing for decades and is directly related to the state of the economy as a whole.
The Commitment
In 2012, Vitaly Polekhin (Head of the Investors Club at the Association of Entrepreneurship Development ‘SKOLKOVO COMMUNITY’) proposed a partnership with the Moscow School of Management SKOLKOVO, as entrepreneurial development directly corresponds to its mission—“To inspire for the transformation of the region and the world”.

The main problem that the Association was trying to solve was how to increase the number of entrepreneurs who are confident and capable of developing and scaling up their businesses. The proposed way forward was to create an educational programme for entrepreneurs who already had experience in creating and developing a business, but had hit a brick wall, which they were unable to get through on their own. This challenge was extremely interesting for the Moscow School of Management and the programme for entrepreneurs became a unique executive education project—a true partnership between the client and the school.

“Today, the proficiency of an entrepreneur lies in his or her ability to sense the necessity of relaunching the entrepreneurial scheme and then to implement that idea with thoughtfulness and skill. They understand the lifespan of the schemes embedded in their businesses and know how many resources will be needed for transformation. They are aware of what positions they hold now and what positions they will hold in the future. All of this allows them to make an entrepreneurial bet with a cool head”.

ELENA BONDARENKO
Programme director in 2012-2019
Together the two organizations decided that the target audience should be SME owners and managers who begin to observe a slowdown in their business growth. The programme, which was named Practicum, was created to facilitate the transformation of their entrepreneurial plans and enable the creation of a growth spurt for their businesses. A working group was established and set not only educational tasks, but also practical ones. The programme has since evaluated its results according to the following criteria:

- the number of companies that crossed the threshold separating small and medium-sized business (revenue and profit/number of new jobs);
- the number of entrepreneurs who acquired the experience of implementing growth spurt projects for their business;
- the number of innovations created by entrepreneurs (new products, new services, new business models);

The problem for SKOLKOVO was how to scale the programme to have the maximum possible effect. Evidently, the School cannot work with tens of thousands of entrepreneurs simultaneously. So, how could SKOLKOVO make a programme that would have a real impact on the SME sector, given the school’s capabilities?

It was decided to rely on the competitive nature of entrepreneurs; all new profitable products and successful business models are quickly copied by competitors. We bet on trendsetters. While developing their own businesses and working within their industries and territories, the companies in the programme became role models for other entrepreneurs and triggered the development of business ecosystems.

Given this potential opportunity, the idea of financing the programme through grants and government schemes was abandoned. Thus, SKOLKOVO put itself in a situation of entrepreneurial risk: it was necessary to create an educational product, the value of which should exceed its cost.
The L&D Initiative
Learning journey

The Practicum programme is redesigned regularly based on the ongoing communication with the Association of Entrepreneurship Development ‘SKOLKOVO Community’, current participants and graduates.

The duration of the programme is now two years. The basic programme has been supplemented with a pre-event (Admission stage), three meetings after the main body of work has been completed and a set of additional programmes:

- **ReUnion** – a 3-day programme for graduates held twice a year and aimed at enriching graduates’ entrepreneurial schemes with new contexts
- **Programmes providing special tools**: Financial Tracking, Building Efficient Teams
- **Leadership UpGrade Programme**
- **Programme “HEADQUATER”** – graduates with there teams build a new management system for the new entrepreneurial project implementation

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**PROGRAMMES FOR PRACTICUM ALUMNI**

- 2 weeks – 5 months before the programme starts
- 5 modules of on-site studies / 5 days each 3-week intermodular periods
- 1-day meetings after the end of the programme

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Admission

Today, the number of applicants is three times higher than the number of places available on the programme. Despite this, the Admission meeting exists not only to evaluate applicants and select the best; this first meeting also becomes the first educational event of the programme.

Each of these admission meetings ends with the applicant determining the goals he or she wants to achieve by working with SKOLKOVO and the results that he or she wants to achieve through their involvement with the programme.

In 90% of cases, participants make it clear at the admission stage that at the end of the programme they expect to have a development strategy for their business, a new or improved business model, a refined individual strategy, as well as an understanding of their business’s prospects over the next 5, 10, and even 15 years. However, other goals are often only specified when the programme has already begun, and are taken into account when determining the participant’s educational trajectory.
THE L&D INITIATIVE

Not every applicant gets enrolled in the programme. The most common reason for a rejection is that the applicant is, for some reason, not yet ready to transform their entrepreneurial framework. It may also be the case that the initial business resources have not yet been exhausted: the market situation is favorable, and the company is in a stage of scaling up. Another reason to turn down an applicant is when an owner is not ready to exert an effort to create a growth project but wants to copy a business model that has already shown its effectiveness. Finally, the programme has a strict ethical stance. Those entrepreneurs who consider the use of toxic business models, tax evasion, or unethical behaviour in relation to other entrepreneurs or clients as acceptable are not allowed onto the programme.
THE L&D INITIATIVE

Programme design

The design of the programme is based on the learning by doing method. The key process is revising the entrepreneurial frameworks of the participants and creating two projects for business development: the first focuses on how to create a growth spurt for the business and the second targets improvements in efficiency. Together these two projects allow participants to take the next step in the development of their business and correctly utilise the resources accumulated by the company in its previous stage.

Each participant paves their own route within the programme, focusing on their specific business problems and personal goals. They are supported in this process by:

- Special educational technologies (reflective analysis, personal learning journey, decision making practice and business modelling practice)
- Personal journals, where participants set goals for each of the educational modules and can further analyse their progress
- The SKOLKOVO Learning Management System stores all materials used in the programme—videos of all lectures, all tasks, and all materials created by participants during the programme for their projects

“We train the ability of entrepreneurs to look differently at their business and the situations that are relevant to them. Our task is to develop our students’ potential. Everyone who comes to us definitely has it.”

ALEXANDER TILDIKOV
Tutor for Management Tools Flow

Association of Entrepreneurship Development “SKOLKOVO Community” and Moscow School of Management SKOLKOVO
THE L&D INITIATIVE

The programme accompanies the entrepreneurs on their journey, allowing participants to cover five key topics (each of the topics corresponds to one module):

subscribe MARKET
An understanding of what is happening in the market and industry in which the entrepreneur operates is necessary for building a feasible entrepreneurial plan.

subscribe CUSTOMER
The programme aims to reintroduce the entrepreneur to their customers, since very often the solutions developed in previous years are no longer useful today. In some cases, entrepreneurs fail to realise this and do not develop new solutions in time.

subscribe PRODUCT
By creating new solutions within their industries, entrepreneurs return to the whole range of tasks related to creating a product, from organising production processes to establishing excellent communication channels with customers.

subscribe BUSINESS MODEL
The business model that entrepreneurs aspire to create during the programme must be not only profitable, but also have the potential to multiply growth without jeopardising business stability. A thorough analysis of the entire range of issues related to this task is necessary at the design stage.

subscribe RESOURCES
No matter how thoroughly a development project has been worked out, any entrepreneurial project entails some uncertainty and risk. For this reason it is essential that entrepreneurs work comprehensively with all the resources involved in the project in order to minimise and control risk when investing in new opportunities or ventures where profitability has not yet been confirmed.
Developing personality – developing business

The programme is based on the idea that for SMEs where founders take the position of CEO, business development is directly related to the development of the personality of the owner. New business models are usually only created by entrepreneurs that are burning with a sincere desire to bring innovation to their industry. In the projects implemented by participants, such a desire is associated not only with the size of the expected profit, but also with the new value that can be created for customers, partners and employees.

To speed up the process of developing growth and efficiency improvement projects without reducing the complexity of the task, 6 educational technologies were combined. Each of them provides tools that help participants to transform their entrepreneurial outlook and find new ways forward for business development.
THE L&D INITIATIVE

Developing personality

Business development is always a personal matter for an owner. This requires energy, effort, and a clear understanding of why he or she is doing it.

“Increasing our consciousness in entrepreneurship is about linking two lines: the line of our talent realisation, and the line of asset formation. Proper combination of these two components allows you to avoid energy loss, to obtain satisfaction, and to achieve success. Figuratively speaking, the balance between these lines makes you an entrepreneur.”
PERSONAL LEARNING JOURNEY

Part of the programme is devoted to developing the skill of building an individual project trajectory. The educational space makes it possible, via both content and tools, to create projects differing in scope and complexity in accordance with the purpose articulated by the participant. SKOLKOVO facilitators help with the development of the skills needed to form such a purpose and then distill this into educational objectives by regularly checking with the participants about why they have joined the programme, what results they want to achieve, what they need (in terms of content, tools, and resources), what they have already done together with the programme team to develop their businesses, and what still needs to be done. The aim is to teach them how to learn all over again: to be curious about the new and unfamiliar, to try new approaches and tools without losing focus on the ambitious goal of creating rapid growth for their businesses.

On the last day of the programme, each participant invites his or her stakeholders (team, partners, investors) and presents a project that has been created during the programme. As a result of this presentation, an agreement for the implementation of the objectives set out in the project is signed, where all guests add their comments on the project and specify in what role they are ready to support it. In many cases, this event becomes the first step of project implementation.

LEADERSHIP COACHING

Leadership coaching has been developed to allow participants to work with their own goals and values. Almost all SMEs in Russia are managed by their founders. The vast majority of entrepreneurs set up their first business out of necessity—some couldn’t find a job, others needed income to support their family, etc. But having achieved initial success, many owners find themselves in a personal crisis: the goals that have inspired them for so long have already been achieved and they cannot formulate the new goals necessary to take their business to the next level. In this stream of the programme, participants build an individual strategy and personal credo, learn how to link their personal goals with those of their businesses, and find new non-standard business solutions based on their values.

SOCIAL DYNAMICS

The programme creates a social environment for each group that supports their learning journey. By using various formats of interaction, a friendly learning mechanism is put into action: participants begin to teach each other about those issues where they have expertise and when they manage to go faster along the path of creating their project than others. This not only enriches projects with the experience and expertise of various entrepreneurs, the programme team and guest experts, but also helps to create new business partnerships and communication environments that endure when the programme has ended.
Developing business

Despite the fact that entrepreneurial talent is tacit, possessing an effective set of tools and having the right knowledge are key to the creation and implementation of the development project.

“It is difficult for an entrepreneur to see the factors that are significant to the business, behind all the routine and trifles, to understand where problems come from and what their source is, how to protect the business, make it sustainable and organize it so that it can reproduce itself for a long time. Only by placing yourself on a larger scale do you begin to see new opportunities in the current situation, vacant niches, and new markets. In other words, you begin to see signs of the future in the present, to see your business in a new way.”
THE L&D INITIATIVE

DECISION MAKING PRACTICE

The programme utilises game mechanics to enrich the decision making process of the participants. It helps to bridge the gap between the real experiences of entrepreneurs and the conceptualisation of these. The cognitive and communication skills of participants are developed in game simulations (see APPENDIX C).

BUSINESS MODELLING PRACTICE

The SKOLKOVO project method is used as a tool for creating new entrepreneurship business models. This educational technology, developed at SKOLKOVO, is designed to create projects of a higher level of complexity than those already implemented by the participants (see APPENDIX D).

PROVIDING MANAGEMENT TOOLS

A set of tools was developed for each module topic (market, client, product, etc.) in the format of a workshop. Participants can use them in their project right away and discuss the results with their tutor.

“Education at Skolkovo has nothing to do with classical lectures, it is an action game that makes you become faster, higher, stronger, makes your neurons move more actively. It helps to see the world around you with new eyes – more globally.”

EUGINE REIMER
Practicum 18
Restaurant Group Milimon
Founder and CEO (Samara)
THE L&D INITIATIVE

PROGRAM DEVELOPMENT PROCESS

The co-creation mechanism for developing the programme was already established when it was launched. Over the course of seven years, a community of graduates has formed that:

- offer additional topics and educational modules
- act as experts for the projects of other entrepreneurs
- provide the programme team with the most up-to-date information about what is happening in the economy and in individual industries

New participants become another development source for the programme. Together with these stakeholders, the programme has undergone significant transformation and change of content over the course of its existence.

Now the programme is facing new challenges, and there is a need to refine the content and upgrade all of the educational technologies again:

SUCCESSORS: heirs of the first generation of entrepreneurs, who have had businesses handed down to them, are increasingly becoming participants in the programme

DIGITALIZATION: more and more entrepreneurs do not just want to revitalise their businesses and take it to a different scale, but also wish to use advanced technologies to do that

GLOBAL SHIFT: today, many small businesses are willing to go beyond their ‘home territory’ and are trying to build international companies, whereas previously, this was something only medium-sized companies would attempt to do in Russia
THE L&D INITIATIVE

THE EXAMPLES OF THE PROGRAMME CHANGES AND THEIR REASONS

WHAT WERE THE CHALLENGES

- In the period between modules, there was no work on the projects so we needed to spend some time during the next module for participants to recollect what they had already done.
- Having built a development project, participants didn’t understand where to get resources for its implementation.
- Participants were nervous at how ambitious and radical their ideas and plans are.

WHAT WE DID

- Starting from Practicum 5, we introduced a project group meeting that is held between modules and based on the SKOLKOVO project method.
  
  We also started to recommend that the team should do homework.
  
  Participants began to manage their time and improve the efficiency of their daily work in order to allocate time to work on their projects.

- The Resource Map format was introduced as part of Module 5: each participant publishes their own request for resources and a list of resources and opportunities that they are willing to share.
  
  It transpired that up to 80% of the resources needed for new projects can be found within the group.

- The Event Map format was introduced: participants put the key events that accompany the implementation of their projects onto a single board.
  
  By placing their project in the common space of entrepreneurial ideas formed during the programme, participants stopped seeing their own ideas as being too radical because they realised how ambitious their colleagues were.
The Impact
The Impact on SMEs in Russia

It would be premature to say that during the seven years of the programme’s existence, it has managed to completely solve the problem of transforming a small business into a medium-sized one.

However, some of the statistics on the graduates of the programme show positive trends:

- 693 SME owners and CEOs
- 650 companies
- 10 countries

THE PROGRAMME MOOD AND SCALE VIDEO:
https://youtu.be/RWrG7UoABJU

Association of Entrepreneurship Development “SKOLKOVO Community” and Moscow School of Management SKOLKOVO
“The programme is designed very competently. Just sitting in an audience with 50 people, it is impossible to understand their situations. But in a small group when you start sharing your stories and cases, you begin to understand that no matter where you do business - in Russia, Uzbekistan or Kazakhstan, entrepreneurs face similar challenges. Such discussions bring together and build trust.”

Feedback is received from participants throughout the whole study process, following each module and also at the end of the programme. The average Net Promoter Score (NPS) of the programme (during the study period) was 9.2 of 10.

However, the most significant outcome of the programme is that it has succeeded as an effective way to interact with the most active and ambitious Russian entrepreneurs from different regions and industries.

As of the end of 2019, 70% of new applicants to the programme stem from recommendations from our graduates (and the number of participants is growing with each intake).

Our graduates use the paradigms of interaction with colleagues developed during the programme in their business development projects, involving not only their partners, contractors, and clients, but sometimes even competitors within their industry or region. The fact that people now routinely come to the programme thanks to recommendations from its graduates suggests that what they are seen to be doing is seen as something useful and interesting in their social circles, and that those who witness their new activities and their results want to learn from them.
THE IMPACT

MAIN RESULT OF PARTICIPATING IN THE PROGRAM

70% of participants are referrals of graduates

60% Turnover growth rate before and after the programme

20%

IMPACT ON BUSINESS/ENTREPRENEURSHIP

Start of a new business 83%
Start of a new business direction 34%
Increase in business efficiency 31%
Finding new business partners or investors 30%
Partnership in another business 10%
Business shutdown 11%
NO CHANGES 5%

1 Based on the results of a survey among 175 graduates (25% of the total number of the programme’s graduates) held in September 2019
THE IMPACT

STRATEGIC PLANNING HORIZON FOR BUSINESS DEVELOPMENT

- 2.5 years before programme
- 16 years after programme

CHANGE IN THE COMPANY’S REVENUE

<table>
<thead>
<tr>
<th>Significant increase</th>
<th>Slight increase</th>
<th>Remained almost the same</th>
<th>Slight decrease</th>
<th>Significant decrease</th>
<th>N/A</th>
<th>Business/company sold</th>
</tr>
</thead>
<tbody>
<tr>
<td>26%</td>
<td>25%</td>
<td>14%</td>
<td>5%</td>
<td>4%</td>
<td>18%</td>
<td>8%</td>
</tr>
</tbody>
</table>

51%  
9%
During the past seven years SKOLKOVO has worked with entrepreneurs from almost all Russian industries, from the traditional: agriculture, construction, retail and logistics, to the modern: e-commerce, digital agencies and others. Graduates have launched many innovations in different markets and some of them have become trendsetters for other entrepreneurs.

For Example,

OLEG BUNIN holds the largest professional conferences for IT developers in Russia (www.highload.ru), has more than 4,300 followers on Facebook and has become one of the most respected experts in his industry. His conferences have become the standard for these types of professional events with a very high level of organisational quality and content.

YANA POPOVA, Founder of Altaria (www.altariaoil.ru), manages a cooking oil factory in Altai and was the first in Russia to produce cooking oil sprays from sunflower, cedar and flax.

IVAN ZAYCHENKO Founder of a sushi and pizza restaurant chain in Yekaterinburg. After completing the programme he created a new format for his shops by providing high quality food from local producers at affordable prices. By the end of 2019, five franchise agreements to open stores in Yekaterinburg had been signed. Setting up stores in other cities is now envisaged.

DENIS KOCHERGIN, Founder of biggest Russian D2C platform and marketplace for entrepreneurs and artisans that produce handmade and design items (www.livemaster.ru) created digital educational programmes for people starting their own businesses using his platform.

We are happy to be a part of this growing and developing community of international entrepreneurs.
APPENDIX A. GRADUATE CASES

BEFORE THE PROGRAMME (2017)

Company: RUSSIAN BESPOKE - Russian manufacturer of individual furniture solutions

**Turnover:** 180 million RUB per year  
**Number of employees:** 50

PROGRAMME EXPECTATIONS

"Organise a chaotic business; find new development opportunities; create a new strategic vision"

IMPACT (AS OF JANUARY 2020):

**Turnover:** 240 million RUB per year (+33%)  
**Number of employees:** 70 (+20)

WHAT CHANGED AFTER THE PROGRAMME:

- Launched retail sales
- Started participating in international exhibitions
- Began business activities in Qatar
APPENDIX A. GRADUATE CASES

BEFORE THE PROGRAMME (2012)

In the 2000s, he opened a chain of antique stores on Arbat Street, Moscow. Later, the core activity changed to providing loans secured by antiques (loans of up to 1 million dollars). Several years after he founded Premium auto pawnshop and Microfinance organization issuing microloans “as an advance on salary”

**Turnover**: 114.4 million RUB per year

**Number of employees**: 19

IMPACT (AS OF JANUARY 2020):

In 2016, he launched the CarMoney project together with partners. Microfinance company that provides payday loans secured by vehicles.

He has made the shift towards a sustainable business model that makes money from releasing the liquidity frozen in cars. The main item to secure the loan is an expensive car; the target audience is entrepreneurs (SME sector) who use these funds to bridge cash flow issues.

**Turnover**: 1,979 million RUB per year (+1729%)

**Number of employees**: 409 (+390)

Anton is an active speaker and takes part in the discussion and promotion of relevant legislative initiatives. He regularly acts as an invited guest at various business venues, where he shares his experience of business transformation, partnership, and work in markets with a difficult reputation. He is a member of the SRO MiR Expert Council. Having had many years of experience working with collateralised assets, creating new product niches and with expertise in attracting private investment, he actively interacts with new and existing entrepreneurs.
Denis Dobryakov
Practicum 7
Graduated 2016

Before the Programme (2015)
Founder of Artskills
Production of personalised gifts and souvenirs and their sale through an online store
Turnover: 70 million RUB per year
Number of employees: 25

Programme Expectations
Obtain new management and scaling tools.

Impact (as of January 2020):
In June 2019 founded new IT company - Eggheads
By May 2020 investors valued the company at 310 million RUB, based on reached turnover of 24 million RUB per year in 2019 and MoM (Month on Month) Revenue Growth from 30 to 50%.

What Changed After the Programme:
1) He became an investor in 2 companies
2) He attracted investment in 3 companies
3) He increased the scale of thinking and moved from production into IT.

Denis also became a speaker and began to give lectures on the introduction of management tools into companies.
APPENDIX A. GRADUATE CASES

BEFORE THE PROGRAMME (2016)
Founder of DVPI (2010). Building engineering & design company

Turnover: 80-100 million RUB per year
Number of employees: 69

IMPACT (AS OF JANUARY 2020):
Turnover: 150-200 RUB per year (+80%)
Number of employees: 99 (+30)

WHAT CHANGED AFTER THE PROGRAMME:

“I changed my business vision, gained awareness, gained a clearer understanding of markets. I also changed my attitude to time: ‘Time is key resource. We must act!’ I began to create partnerships with entrepreneurs in different regions, so now we have a network to enter new territories. Now I plan to enter growing markets, for example, in the city of Manila, Philippines.”

In addition, he created an animation studio.
APPENDIX A. GRADUATE CASES

BEFORE THE PROGRAMME (2016)
Co-owner and managing partner of the ‘Aimoto Medical Alert’ company (www.aimoto.tech).

Aimoto Medical Alert is the first in Russia personal emergency response system designed as a social business project providing solutions for kids, senior and disabled people. One press of SOS button on our specialized device and professional 24/7 Medical Dispatch Center receives your request with GEO data and provides immediate help and support. Aimoto Medical Alert provides its services for more than 500,000 users and covers all regions of Russia, Kazakhstan and Armenia.

**Turnover:** 201 million RUB
**Number of employees:** 21

IMPACT (AS OF JANUARY 2020):
**Turnover:** 248 million RUB (+23%)
**Number of employees:** 24 (+3)

WHAT CHANGED AFTER THE PROGRAMME:
1. “We changed the poorly working business model and began to develop services rather than sell devices.”
2. “We started to build an internal system for the rapid development and testing of new products.”
3. “We updated the team taking into account the new strategy for the service model of the business.”

MAXIM PESIN
Practicum 16
Graduated 2019
APPENDIX B. PROGRAMME CONTENT MODEL

FLOW

MANAGEMENT TOOLS
- Market Analysis
- Market Competition

DECISION-MAKING PRACTICE
- Business Situation Analysis

BUSINESS MODELING - SCALING UP PROJECT DEVELOPMENT
- Personal Ideology: Self-Identification
- Presentation Skill

LEADERSHIP COACHING
- Work with Cultural Context

COMMUNICATION METHODS
- Work with the Body to Maintain a Resourceful State

CULTURAL CONTEXT

HEALTH PRACTICES

MARKET

CUSTOMER
- Customer Portfolio Management
- Business Management
- Problem Determination
- Personal Ideology: Self-Determination
- Storytelling
- Work with Cultural Context
- Work with the Body to Maintain a Resourceful State

PRODUCT
- Financial Model: Product Portfolio Management
- Industry Transformation
- Fixing an Image of the Future
- Personal Ideology: Self-Determination
- Positional Communication
- Work with Cultural Context
- Work with the Body to Maintain a Resourceful State

BUSINESS MODEL
- Building a Business Map
- Resource Map
- Creating a Project Solution
- Personal Ideology: Self-Realisation
- Schematisation
- Work with Cultural Context
- Work with the Body to Maintain a Resourceful State

RESOURCES
- Financial Strategy
- Event Map
- Project Presentation
- Resource Matrix
- Public Performance
- Work with Cultural Context
- Work with the Body to Maintain a Resourceful State

RESULT

INTERMODULAR WORK

INTERMODULAR WORK

INTERMODULAR WORK

INTERMODULAR WORK

INTERMODULAR WORK

INTERMODULAR WORK

SCALING UP PROJECT
- Resource/Partners

PERSONAL STRATEGY

RESOURCES/PARTNERS

VIDEO: https://youtu.be/xQQM3vGnKoI
APPENDIX C. THE DECISION MAKING PRACTICE

We use game mechanics to enrich the decision making process for the participants. It helps us to bridge the gap between the real experience of entrepreneurs and a conceptualisation of it. We develop their cognitive and communication skills in game simulations.

We place participants in game simulations in which they have to implement their entrepreneurial idea while competing with other participants in the same industry/market. The game lasts an hour and a half. At the end of it, the results achieved by each of the participants are recorded. After that, there is a group work session. Each participant’s actions during the game are analysed. Here is what is achieved:

Actions that had the greatest impact on the gameplay and allowed some of the participants to achieve a better result than others are analysed. The logic of the reasoning behind these actions is then articulated so that participants can learn and use each other's ideas next time;

For actions that did not lead to the intended result, the logic of the participant's reasoning is articulated and explained and all participants then try together to identify the errors in logic or understanding the situation that led to the development of the action;

The personal characteristics of participants that do not allow them to act effectively in competition with other entrepreneurs are identified (for example, someone reacts badly to the slightest failure, someone caves in to pressure from other participants); and a method is elaborated that will allow the individual to act differently in a similar situation in the future.

We run game simulations twice a day and carry out a thorough review after each game, so that participants have the opportunity to try some new options.
APPENDIX D: BUSINESS MODELLING PRACTICE

We use the SKOLKOVO PROJECT METHOD as a tool for creating new entrepreneurship business models. This educational technology, developed at SKOLKOVO, is designed to create projects at a higher level of complexity than those already implemented by the participants.

The technology is based on organising a discussion that allows us to take a comprehensive view of situations participants have faced, to accurately identify the problems that they failed to solve, and to develop solutions to overcome them.

Participants work in small groups of 5-7 people. Groups are formed either based on industry criteria (when all participants in a group have businesses in the same industry), or on problem criteria (when a group faces a problem that all its participants have failed to solve).

Through this technology, participants:

- conceptualise the problems that they face in their practice that prevents them from taking their business to the next scale
- analyse the experiences of other entrepreneurs who have faced the same problems
- create a model solution that facilitates different approaches to solving such problems
- use the model solution to complement their individual project

Moderators who work with the groups control the format of communication and the general methodology of work. But, besides functional tasks associated with the flow organisation, they also serve as partners for the participants in this work. They do not allow participants to lose sight of contexts that are important for them, work with participants to look for answers to emerging questions, and participate in group dynamics and discussions.
Principles and Tools of the SKOLKOVO Project Method

Participants create projects for themselves:
- The projects are in line with participants' goals and contexts
- They correspond to the scale of participants' goal-setting
- Participants understand the complexity of tasks they will have to solve when implementing their projects

Participants are responsible for the quality of their work and the results achieved

Everyone puts all their efforts into the group work, knowing that they will be able to use the co-created results

The Outcome

A project solution that allows to remove the limitations of the previous project and bring the business to the next scale

Participants who are carried away by their projects and really want to implement them

The set of models necessary for the implementation of the project:
- a new business model
- a financial model
- a marketing model