



**SWISS +
CENTER
SAMARA**

Making Russia Accessible for
Swiss and European SMEs

Business Culture & Market Entry in Russia

Conference in Zürich - 10.09.2018

www.swisscentersamara.com

10 September 2018

INTRODUCTION

SPEAKER



Founder & Director
Swiss Center Samara
Neuchâtel / Samara

NICOLAS WAEFLER

- Graduated from HES-SO in Business Administration
- Established in Samara Region since 2015
- Worked for 3 governments
- Led over 30 projects in Russia
- Runs a team of 7 people
- Specialized in market entry with a strong focus on B2B market and Russian regions
- Occasional guest speaker

SENIOR PARTNERS



MIKHAIL ROMANOV
Expert in Medtech,
Pharma &
Engineering
President of
PRANAFARM
Advisor to regional
Smart City Program
and Medical Cluster



ANTON LARIONOV
Expert in Finances &
Investment projects
Executive Director of
FINAM Samara
Economic Advisor to
the Samara State
Douma

BUSINESS DEVELOPMENT SPECIALISTS IN RUSSIAN B2B

We help foreign companies initiate, accelerate and improve their business and projects on the Russian market

THREE MAJOR COMPETENCIES



Market & Business Intelligence



Marketing & Sales



Business Setup & Management

INDUSTRIES

- ✓ Automotive
- ✓ Aerospace & Aviation
- ✓ Metallurgy & Metal-processing
- ✓ Machine-tool & instruments
- ✓ Medical Devices & Pharmaceuticals
- ✓ Agri-business and Food-processing
- ✓ Chemicals and Petrochemicals
- ✓ ICT (outsourcing)

The VOLGA REGION in a nutshell

FIGURES

- 14 regions
- 28 mln people
- >800'000 companies
- 165 bln \$ GDP (2016)
- 5 cities with pop. >1 mln
- 16 of the top 100 Russian universities

KEY INDUSTRIES

- Automotive
- Aerospace & Aviation
- Machine-building
- ICT & Telecom
- Agribusiness
- Chemicals
- Construction
- ...



Examples of manufacturers in the Volga



3 MISCONCEPTIONS ABOUT RUSSIA

Russians ≠ Europeans

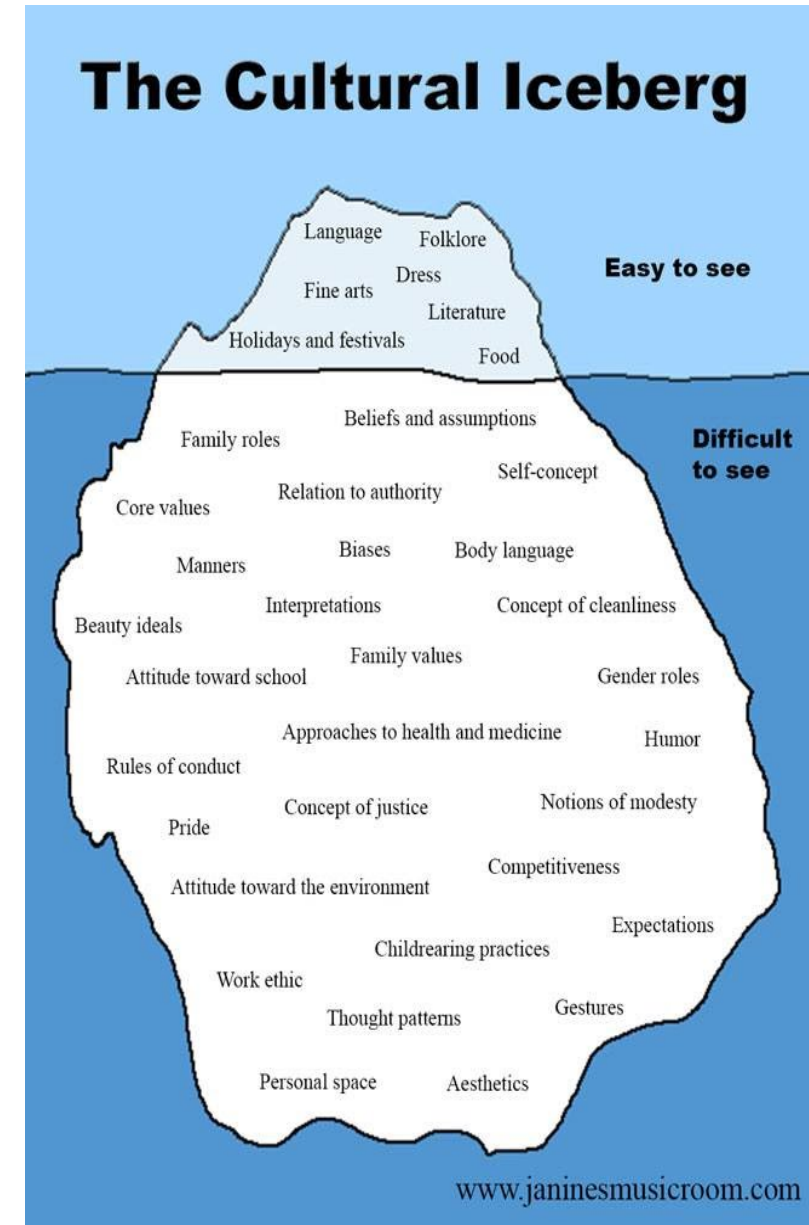
⇒ Don't underestimate the cultural gap

Russia ≠ emerging country

⇒ Avoid the superiority complex, keep in mind that nobody works better, we just work differently

Russian market ≠ quick wins

⇒ Approach the Russian market in a long-term perspective or don't approach it at all



Switzerland & Russia

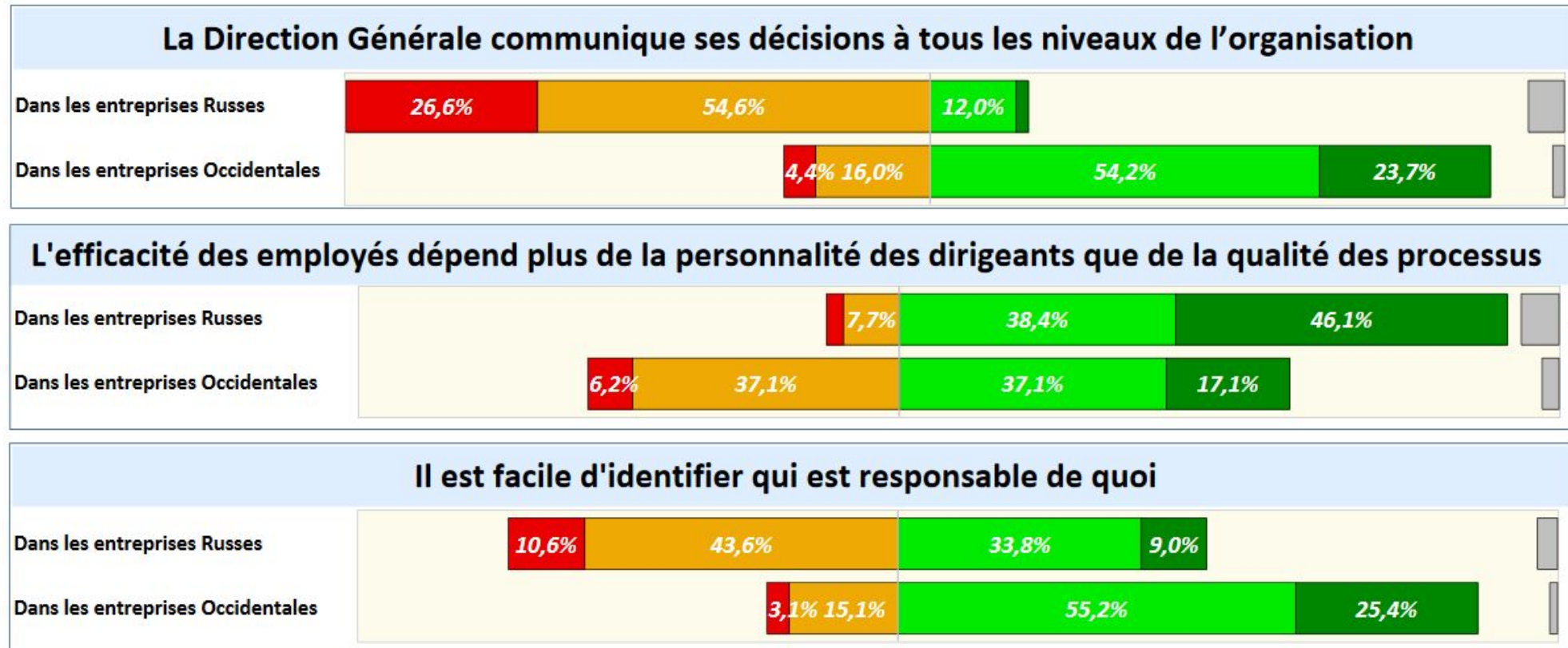
AN IMPORTANT CULTURAL GAP

RUSSIAN reality vs SWISS reality

Absence of trust	Trust is granted a priori
Strong disparities	Overall homogeneity
Survival through personal relationships and networks	Survival through competitiveness and innovation
Time is elastic	Time is not elastic
Short-term thinking	Long-term thinking
National and CIS markets	EU and international markets
Low productivity, quality problems, mass products	High productivity, premium quality, niche products
Heavy bureaucracy and administrative subjectivity	Less bureaucracy and clear rules applied objectively
50 to 70% of the economy under state control	Very little state control
Opacity and lack of reliable data	Transparency and abundance of reliable data
Oral communication is dominant	Written communication is dominant

Business culture within RUSSIAN COMPANIES

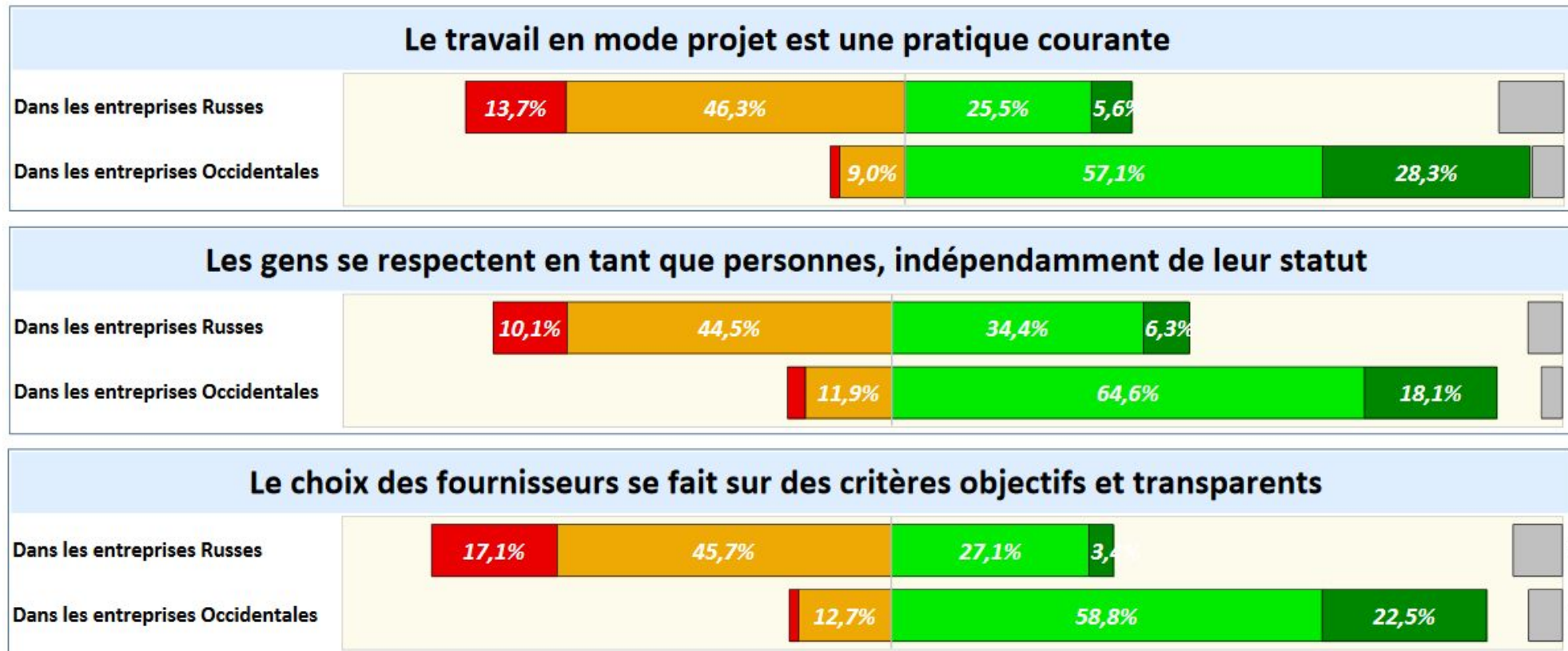
COMPANY MANAGEMENT



Source: Kadry Consulting, June 2017. [Full Survey here](#)

Business culture within RUSSIAN COMPANIES

WORK RELATIONS



Source: Kadry Consulting, June 2017. [Full Survey here](#)

MARKET ENTRY

OPPORTUNISTIC VS PROACTIVE APPROACH

OPPORTUNISTIC

“The Russian market is not part of our priorities right now but we feel it might change soon”

Low-cost measures to increase your visibility

- Translating your company website in Russian language and reference it properly on Yandex
- Taking secretarial services with a Russian number and email address (virtual office)
- Opening your doors to delegations and official visits from Russia to Switzerland
- Monitoring the market regularly, things change rapidly in Russia

PROACTIVE

“We are interested in the Russian market but have not found the right angle yet”

Main strategies available

- Direct Sales vs Intermediaries
- Commercial agent (success fees)
- Distribution partner(s)
- Oustaffed sales agent (on payroll)
- Sales office in Russia
- Local assembly & production

MARKET ENTRY OPPORTUNISTIC APPROACH

COMPANY WEBSITE IN RUSSIAN

- Double check translation
- Clarify who implements the translation
- Don't forget referencing in search engines !

MONITOR THE MARKET

- There are great resources out there !
- Swiss-Russian platforms (JCC, UCC, SRF, TPP...)
- Market reports and reviews (SCS, The pharma letter, RusAutoNews...)

VIRTUAL OFFICE

- Users are more likely to reach out with a local number and email
- Most requests will come in Russian language
- Having someone to qualify your leads and follow-up will save you time

TAKING IN DELEGATIONS

- Russians work in networks; if the participants are not your profile, someone in their circle might be
- These often come with a visit report and publications in the Russian press

MARKET ENTRY APPROACH

PROACTIVE

DISTRIBUTOR(S)

- Compare and analyze portfolio
- Don't give exclusivity straight away
- Beware product certification

OUSTAFFED AGENT

- Don't save on recruitment fees (and no rush)
- Plan for training and operational support
- Maintain a close grip and set up KPIs

COMMERCIAL AGENT(S)

- Be quick to react
- Paperwork and translation is on you
- Do you have exclusivity with him ?

SALES OFFICE

- Project leader is key
- Senior management must be closely involved
- Localize where your customers are, Moscow might not be the best option

FINAL ADVICES

COME WITH A PLAN

Do your research:

- Does your product need a certification in Russia ?
- What will be the final price after taxes and logistics ?
- Who are your local competitors and sales channels ?
- Are there any legal and regulatory restrictions ?
- ...

DON'T GO ON YOUR OWN

Work with a local partner who will save you time and money by

- Giving your market insights and advices on what works
- Opening the right doors and establishing trust
- Preparing you to mentality and business peculiarities
- Being your hands and legs on the field



SWISS ADVANCED VISION
INTRAOCULAR LENS

Max Boysset
CEO
SAV-IOL SA

«We were impressed by the quality of market information and the business partners introduced by Swiss Center Samara. After one week of meetings, we left Moscow with a distribution contract».

Thank you for your attention



Making Russia accessible
to Swiss & European SMEs

 www.swisscentersamara.com

IN SWITZERLAND

Swiss Center Samara Sàrl
Faubourg de l'Hôpital 18
CH-2000 Neuchâtel

Tel: +41 79 512 03 56
info@swisscentersamara.com

IN RUSSIA

ООО «Тсентр Свисам»
Ул. Ново-Садовая 23
RU-443110 Samara City

Tel: +7 846 313 18 50
info@swisscentersamara.com