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**A changing business climate
MBAs taking control of Russia's future**

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In the first decade after the fall of the Soviet Union, a handful of wealthy businessmen grabbed the spoils — the state-owned big oil, metal and transport companies.

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But the future of Russia is being wrestled away by a growing group of young MBAs — the new army in Russia's economic revolution who started with little more than an education and a dream.

Vassily Siderov is the president of MTS, Russia's largest mobile phone company. His firm has over 22 million customers, trades on the New York Stock Exchange and has a market cap of about \$10 billion. The Wharton alum is just 33 years old.

"A lot of things, most of the things are being established from scratch. If one were to think of this country ten years ago, you would not see almost anything of what you see on the market realities of today. It's been a fascinating ride," Siderov said.

Siderov is one of a new breed of young Russian entrepreneur building wealth in the country.

Some have MBAs from Yale, Harvard and, increasingly, from Russian schools. They have lived through the fall of communism, the rise of capitalism and the wrenching financial crisis of 1998.

"These guys are all becoming experts on turnarounds," said investment banker Boris Jordan. "They have taken Soviet era companies, with absolutely massive inefficiencies, and are now starting to make these companies globally competitive."

While it is only a start, this new breed of entrepreneur means more Russians speaking the language of western business.

Russian dealmaker Dimitri Eremeev is a perfect example. He wants to invest in railroad cars.

"In the next five years, we want to spend \$500 million and buy 10,000 cars ... we invest money, build railcars and rent it," Eremeev said.

He's thriving because he knew that Russian businesses needed railroad cars, could navigate the Russian bureaucracy and pull in foreign investors. He is putting his Russian-earned MBA to work.

"MBAs — what did we know about that before 1995? We didn't need it," Eremeev said.

Before the MBAs, there were the oligarchs — a small group of wealthy businessmen who bought the Soviet Union's most lucrative assets on the cheap, and made great fortunes.

"The 90s ... was more people who wanted to make quick money soon as possible because didn't know what would happen tomorrow with them or the country ... now we see the big difference," said Troika Dialog's Ruben Vardanian.

Thirty-five-year-old Oleg Anikin is making that difference as the marketing director for Russia's largest pharmacy chain, 36.6 (that is the number for the normal human body temperature, in degrees centigrade.)

Anikin used his MBA from Yale to help shape a revolutionary idea — selling shampoo and cosmetics at a pharmacy, unheard of in Russia seven years ago. 36.6 has over \$80 million a year in sales and is growing around 20 percent on an annual basis.

"It started by grassroots entrepreneurs basically following their guts and growing now to the size where it actually needs professional management and professional financial

management and discipline," Anikin said.

The good news for Russia: The next time the country's economy crashes, there will be a lot more skilled and educated entrepreneurs on hand to pick up the pieces.

According to some estimates, some 13,000 Russians now have MBAs, and that number is growing rapidly. There is now an accredited Russian MBA program, and where once universities taught the history of the five-year plan, they are now ramping up offer business courses.