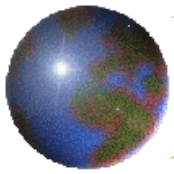


Marina Sheresheva
Lomonosov Moscow State University
Faculty of Economics

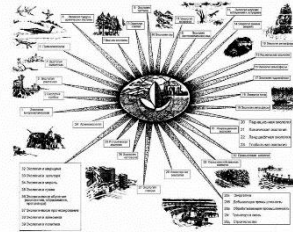
Tampa, FL, January 25, 2015



Networks in contemporary business environment

Business ecosystems

economic communities supported by a foundation of interacting organizations and individuals - the organisms of the business world



Relationship marketing in Russia

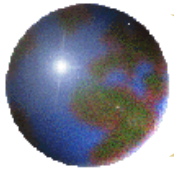
coopetition & networks of multidimensional exchange relationships between business actors providing value for customer



Social networks

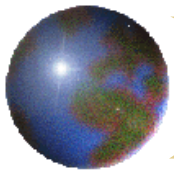
social structures made up of a set of actors (such as individuals or organizations) and a set of ties between actors





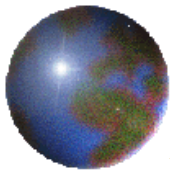
Agenda

- ❖ Coopetition and entrepreneurial ecosystems
 - ❖ SME development in Russia: main features of institutional environment
 - ❖ Emerging regional innovation systems: an example of Ural RIS
- ❖ Social responsibility of entrepreneurship

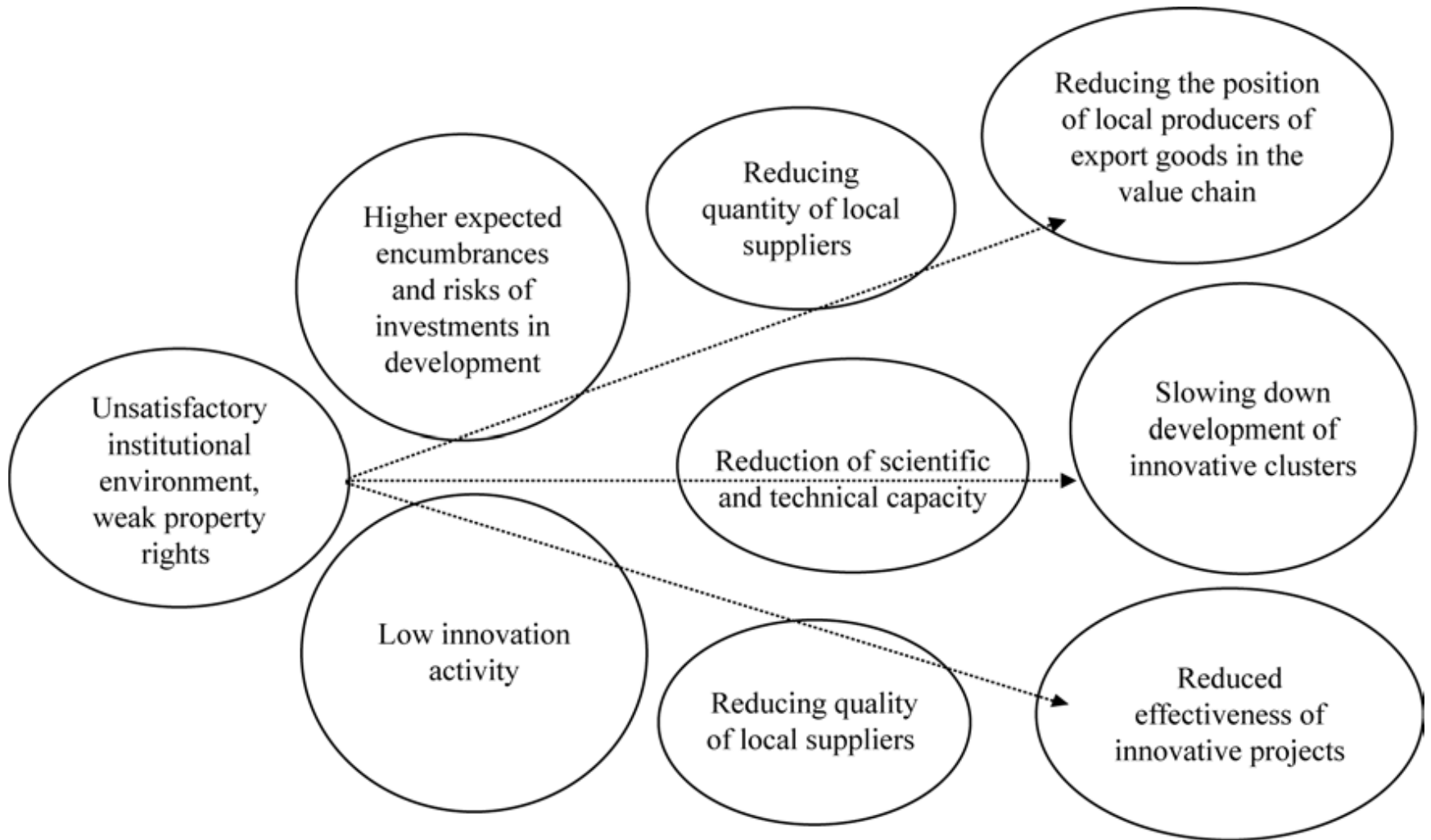


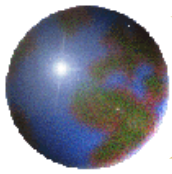
Institutional environment in Russia

- ✿ 2011-2013
- ✿ Based on statistical analysis and the results of a pilot survey of 192 local businessmen (SME), followed by imitation modeling analysis, we tested hypotheses regarding the impact of unsatisfactory institutional environment, including weak property rights protection, on innovation cluster development in Russia
- ✿ The findings were also triangulated with information on SMEs innovation activity and cluster development in Russia gained from public documents, annual reports, etc.
- ✿ The analysis shows that the impact of adverse factors on innovation activities of cluster members is crucial, and estimates to what extent the negative factors' influence should be reduced

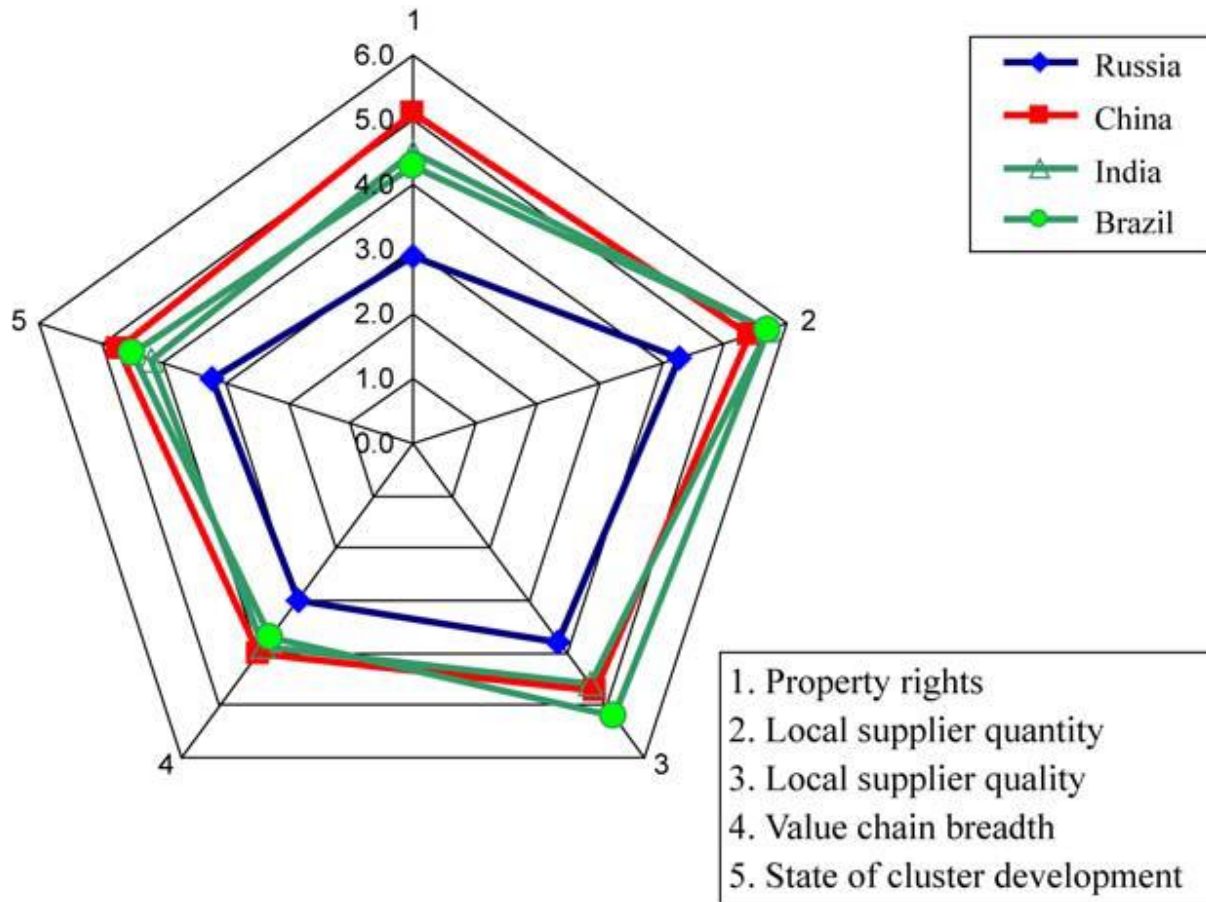


Theoretical framework

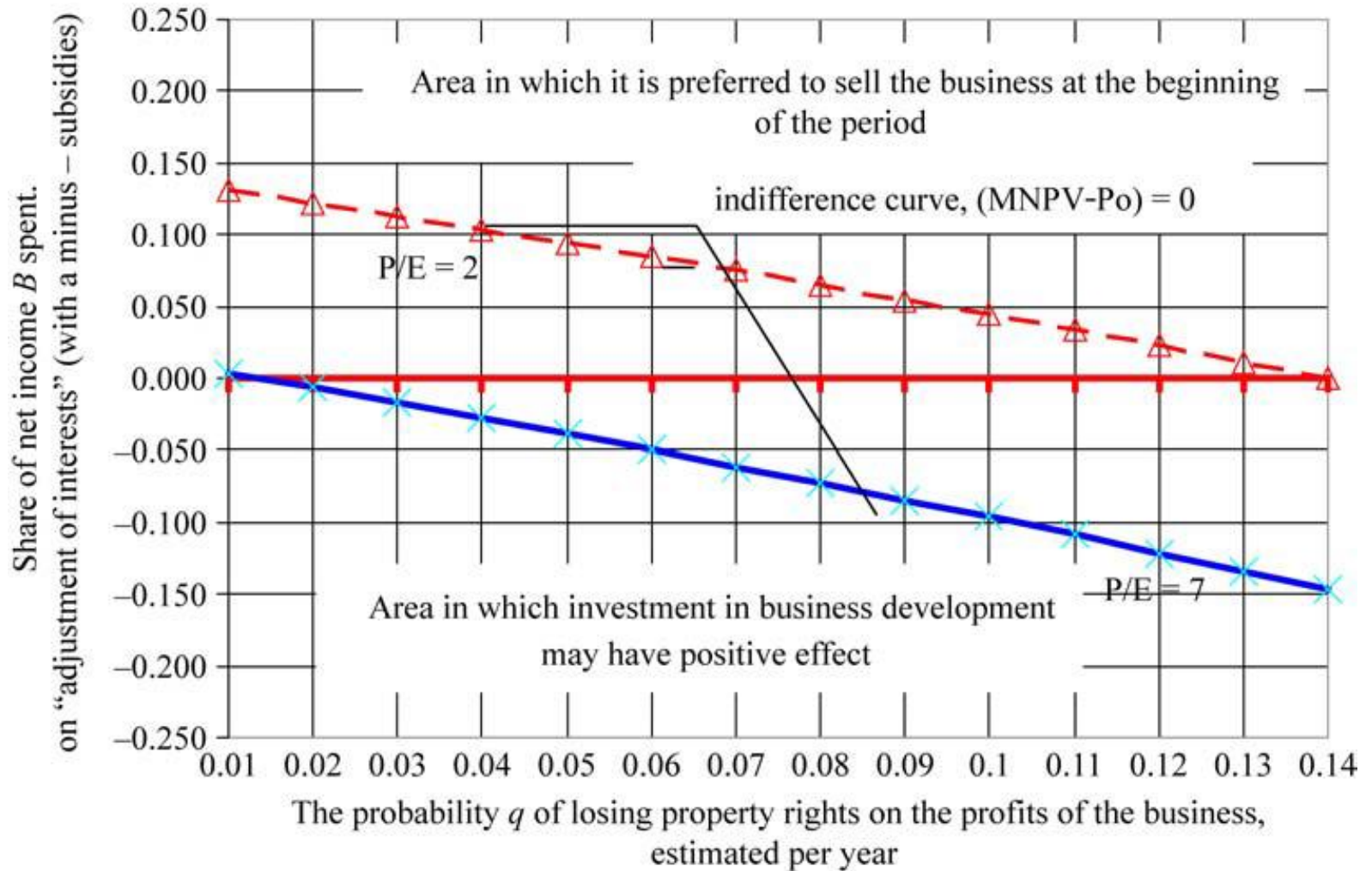
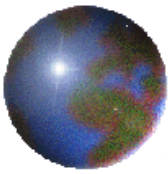




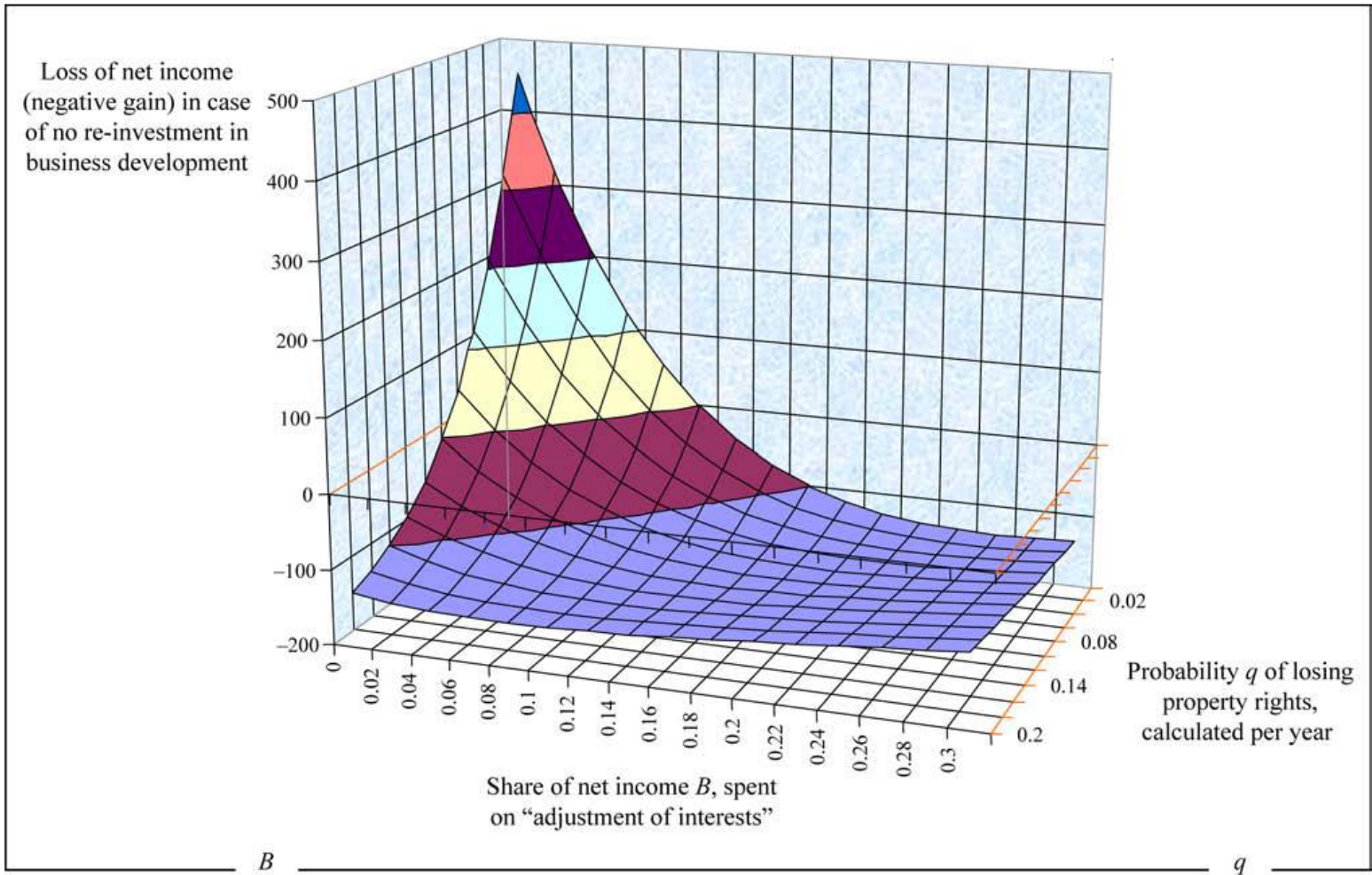
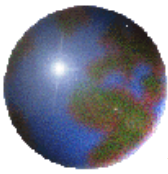
Russia lags behind other BRICS countries



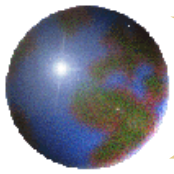
- ✦ The degree of property rights protection in Russia is assessed by 2.9 points on a seven point scale while 5.1 in China, 4.5 in India, and 4.3 in Brazil (Switzerland which rates at the first place in the global competitiveness index 6.4 points)
- ✦ Cluster development: 3.2 points, compared with 4.7, 4.2 and 4.6 points in China, India and Brazil
- ✦ Quality of local suppliers: 3.8 points, compared with 4.7, 4.6 and 5.2 points in China, India and Brazil



Impact of the external conditions on the investments in development expediency

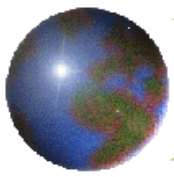


Effect of weak protection of property rights and encumbrances on the commercial effectiveness of reinvestment in the business development



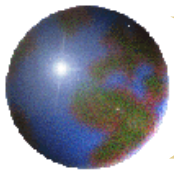
Two viable strategies for SMEs

- ❖ worsening conditions for innovative business development
- ❖ given the current level of risk of property loss and current cost of encumbrances there are two viable strategies:
 - ❖ Develop the business to a potentially successful form within and sell it as soon as possible. Given our models and data this provides the greatest net present value to the owner. However, this is simply transferring the problems of ownership to another
 - ❖ Remain owner over the life cycle of the business, but invest little or no profit into the business and simply harvest all value possible. This leads over time to degradation of the business and little or no innovative behavior



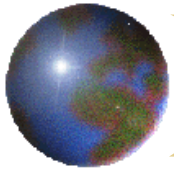
Government responsibility: to change the institutional environment

- ❖ "The era of benevolent passed irrevocably... It is necessary to correct the government's actions. First, you need to help small and medium businesses, to reduce the regulatory burden - in fact abandon the system of checks and controls of small businesses and virtually free it from the tax burden, for example through the patent system with a nominal cost of the patent. ... fiscal policies should be mitigated" (*Alexei Ulyukayev, Minister of Economic Development of the Russian Federation*)
- ❖ "The idea is to change the very model of our development" (*Dmitry Medvedev, Prime Minister of Russian Federation*)



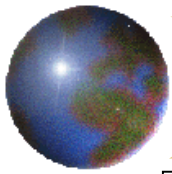
Main areas of social responsibility

- ❖ To survive in the hard conditions of worsening environment and thus to retain jobs and preserve the welfare of a local business ecosystem
- ❖ To innovate and be successful and thus give a positive example in the absence of long-term traditions of entrepreneurship in Russia
- ❖ To be engaged in relationships with local community providing help to socially vulnerable groups
- ❖ To serve as a conductor of Russian culture and Russian traditions
- ❖ To participate directly in the knowledge transfer/ entrepreneurial education



Emerging RIS in the Ural Federal District

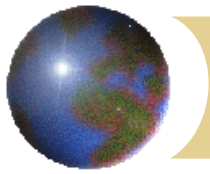
- ❖ 2013-2014: joint research project to assess knowledge-based networking and conditions which are essential for the effective RIS development:
 - ❖ public awareness of the need for innovation development;
 - ❖ consensus on priorities;
 - ❖ high quality education at all levels;
 - ❖ sufficient (high) science funding, elimination of administrative barriers to business and transfer of technology;
 - ❖ tolerance to innovative changes in legal, financial and tax systems



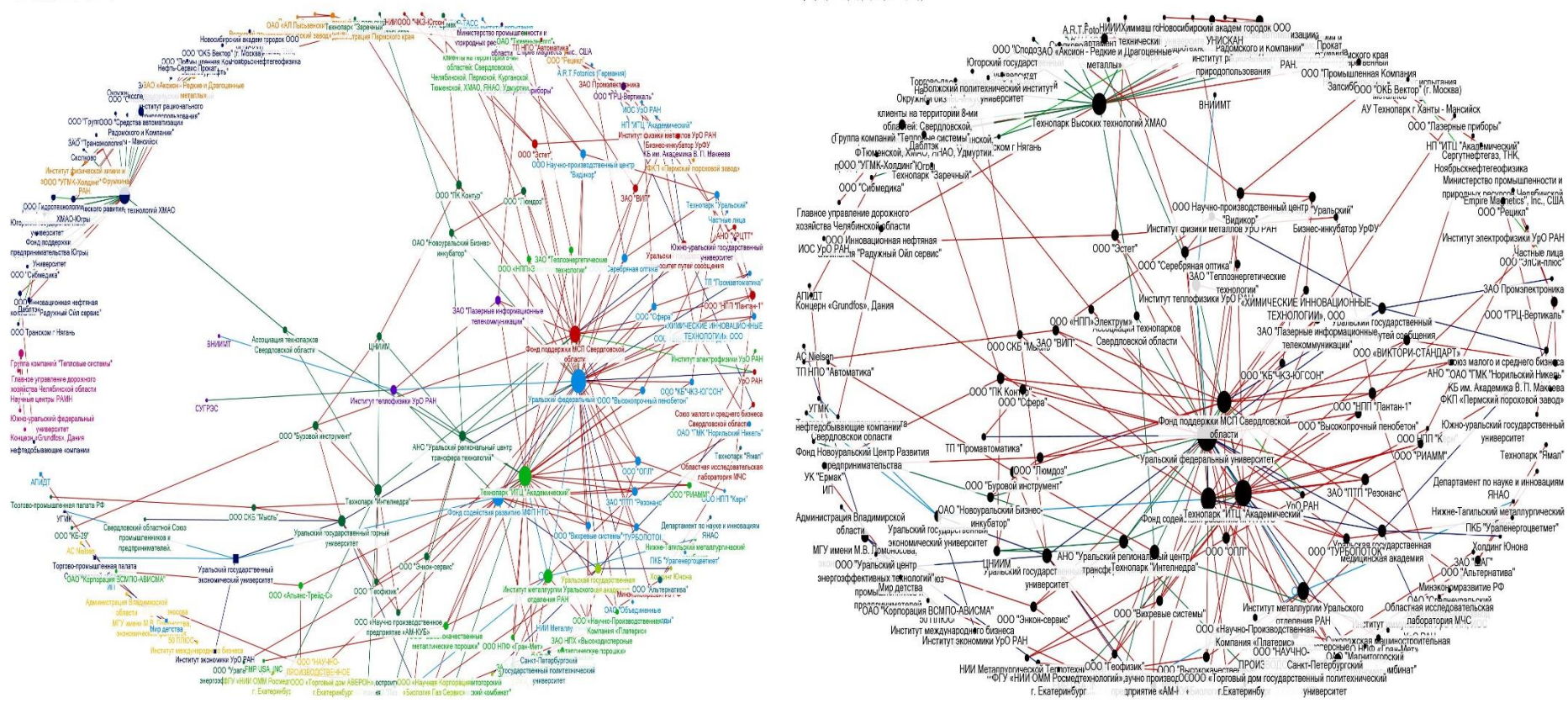
Emerging RIS in the Ural Federal District



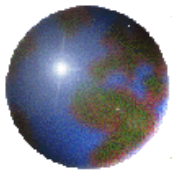
UrFD consists of six regions and autonomous districts; total size counts 1788.9 km² (10.6% of Russian territory); third place in Russia by the number of innovation active enterprises



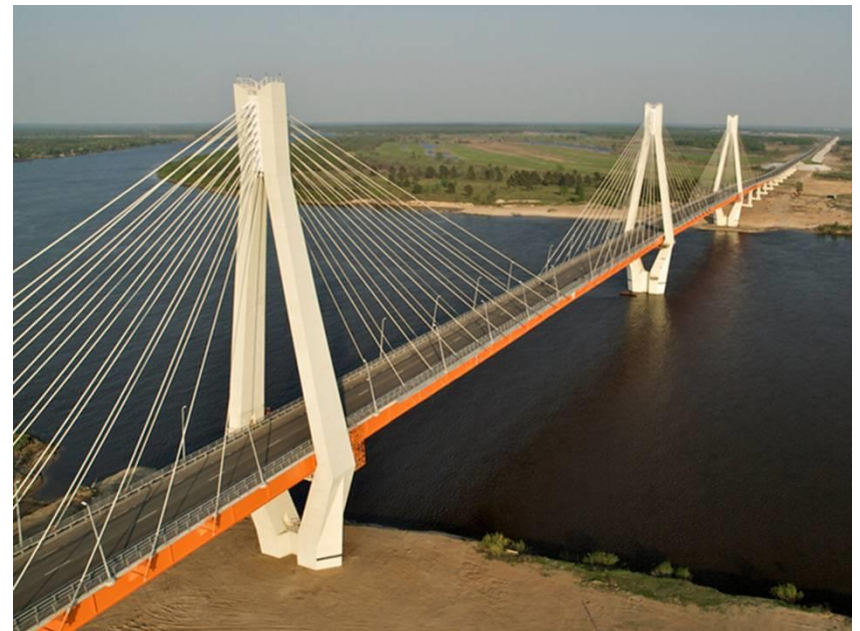
Emerging RIS in the Ural Federal District

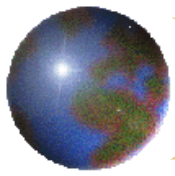


- The most common motive for cooperation is creating new products
- Cooperation in the forms of working groups based on universities or R&D departments; independent consulting and research teams
- Local authorities active in fostering cooperation behavior of RIS actors through framework programs in a number of key thematic areas



Vladimir region entrepreneurship



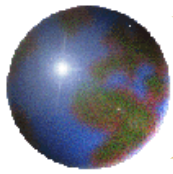


Assistance in the restoration of local historic & cultural sites

Vladimir K. Zworykin, “the father of modern television”, was born in Murom, Vladimirsky region



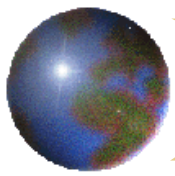
Preservation of the house (museum) and co-funding the establishment of a monument in Murom



Assistance in the restoration of local historic & cultural sites



Restoration of Castle by Vladimir Khrapovitsky in Muromtsevo



Relationships with local community: Adamant sponsorship projects



"What this violinist has achieved with this group is remarkable!"
The New York Times



http://www.classicalmusicnews.ru/wp-content/uploads/2014/02/vladimir_spivakov.jpg

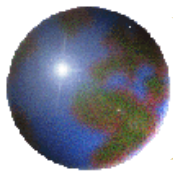
Vladimir Spivakov, one of the most renowned violinists and conductors of our day, with his *Moscow Virtuosi Chamber Orchestra*, a group of Russia's top-ranking soloists (one of the most sought-after orchestras in the world) in Vladimir and in small towns of Vladimirsky region (Kovrov, Muromtsevo, Kolchugino). Sponsored cheap tickets for citizens. *Oct 2014*



New cinema building
in Kolchugino

Vladimir
Academic Drama
Theatre Tours





Relationships with local community: Bogdarnya



* АГРОКУЛЬТУРНЫЙ
ТУРИСТИЧЕСКИЙ
КОМПЛЕКС
«БОГДАРНЯ»

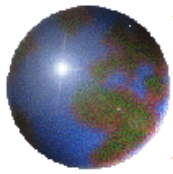


Владимирская область , М7 «ВОЛГА» 121 км

г. Петушки д. Крутово

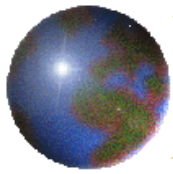
Фестиваль «РУССКАЯ
ТРОЙКА»





Relationships with local community

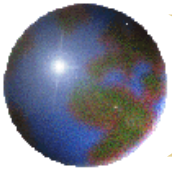




Participation in teaching new generation



John Kopisky – master class at the LMSU, MSc Program in Marketing, optional course “Networks and relationships in the experience economy”, topic “Entrepreneurship & relationships in agrotourism: Russian specifics”



**“The Russians
harness slowly,
but they ride fast”**

Otto von Bismarck