

'Role Models' Needed to Spur Innovation

By [The Moscow Times](#)

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Russia needs role models of successful entrepreneurs if President Dmitry Medvedev is to succeed in recreating Silicon Valley in Russia, said Faysal Sohail, a venture capitalist who accompanied California Governor Arnold Schwarzenegger to Moscow last week.

“You need some role models, people who are self-created, who’ve made something from scratch,” Sohail, a managing director at CMEA Capital in San Francisco, said in an interview. “Often soft investments are missed by countries that want to become innovation economies. That was my central message to the president.”

Medvedev, 45, took Schwarzenegger to the future site of the Skolkovo technology hub outside Moscow on Oct. 11, accompanied by two dozen executives from California. Sohail, on his first visit to Russia, was one of the visitors asked to share his experience in financing innovation.

The president is calling for an end to Russia’s resource dependence and the transformation of the country into a knowledge-based economy. Improved ties to the United States, based on Medvedev’s relationships with President Barack Obama and Schwarzenegger, are key to

making Skolkovo a success.

Providing “hard infrastructure” such as buildings and roads is just the first step, said Sohail, who also toured a technology park in Kazan, 700 kilometers east of Moscow on Wednesday.

“Create those things, and then get out of the way,” Sohail said he told the president. “Let the entrepreneurs loose.”

Two barriers to success in Russia are the country’s resource wealth and a culture that for 70 years stifled entrepreneurship, Sohail said. Russia is the world’s largest energy producer and had a communist command economy for most of the 20th century.

“That can change quickly as soon as you have role models,” Sohail said. “But it doesn’t happen overnight.”

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