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A Genuine Success Story Made in Russia

By The Moscow Times

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The real question is: Will President Dmitry Medvedev go out to the airport to greet Yandex founders Arkady Volozh and Ilya Segalovich when they return from New York as national heroes following their triumphant IPO that saw their technology company's shares leap more than 50 percent in value at the close of the first day of trading?

Or will he wait atop the mausoleum on Red Square to greet them at the end of the parade route, expressing his gratitude for making his fairy-tale troika of clean business, innovation and foreign investment come true?

Whether the Kremlin understands the significance of the success of these two entrepreneurs and will lavish the praise that they deserve remains to be seen. But the fringe benefits of the Yandex success story are as evident to the business community as the need to modernize is to Medvedev.

Yandex serves as a case study in how innovation should be done. Free of government interference and independent of weighty questions like technoparks, tax breaks and

commission meetings, a group of clever and hard-working people took an idea to fruition, leveraging the country's best skills, creativity and perseverance — and managed to do it without stealing, emptying Mother Earth of her finite resources, or going into politics.

They are an example to all entrepreneurs, high- and low-tech alike. Domestically made machines and services that are useful to people — like Yandex's complex Internet search algorithms and brilliant traffic jam tracker that every savvy Moscow driver relies on — are a key indicator of a vibrant economy and a healthy society. Russia needs homegrown products that will benefit the economy and promote national pride. Rusnano investing in French microchips or British displays is not Russian innovation.

Perhaps no less important, the Yandex founders serve as role models for youth. Ongoing deficits of engineers for the tech sector, and polls consistently showing that young people entering universities view government jobs as being the most promising are proof that even if there is progress in creating the infrastructure of modernization, there are not enough willing candidates to participate in it.

Medvedev doesn't have to read Jack Welch to understand Management 101: If someone like a police general does something wrong and you fire them, let the public know the exact reason for the sacking so they can understand the behavioral standard. Conversely, when someone performs with excellence, reward and praise him so that his admirers and peers will take the example and strive for similar success.

While we wait to see if the message gets through at the top, we will watch YNDX on the ticker and wonder whether the price will go up and whether the next Russian IPO will have such an admirable story behind it.

The views expressed in opinion pieces do not necessarily reflect the position of The Moscow Times.

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