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Skolkovo Reality Becoming Less Virtual

By Guennadi Moukine

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Hovercraft, bionic arms, space tourism and nuclear laptop batteries may all be products of the future to be created and brought to market by Skolkovo, the business education and technology center taking shape on the outskirts of Moscow.

Despite a bumpy start that has included typical Russian corruption scandals, construction delays and political intrigues, the formerly sleepy dacha community of Skolkovo, just beyond the Moscow Ring Road on the west side of the capital, is now home to a functioning business school of the same name and a 400 hectare construction site that is to host the Kremlin's version of Silicon Valley.

One of the main drivers for this effort is the goal of diversifying the Russian economy to make is less reliant on revenues from oil and gas production that have kept the country afloat for decades.

The Skolkovo Foundation is charged with building a physical and virtual ecosystem to attract great minds from all over the world to live, work and drive around its zero-emissions campus

in electric cars, while focusing their mental energy to turn research discoveries in IT, energy, nuclear technologies, biomedicine and space technologies into viable products.

Unlike secret Soviet-era science cities, or *naukograd*y, where research and production facilities were hidden from the outside world, Skolkovo innovation city is on display for everyone to see.

When finished, the innovation center will become a neighbor of the business school and will include the campus of the brand new Skolkovo Institute of Science and Technology, or Skoltech, designed by a Swiss-based architectural team Herzog & de Meuron. The Technology Park, designed by French Valode & Pistre, will have office buildings, apartments, kindergartens and recreational facilities.

Technology giants such as Microsoft and Siemens have agreed to open research labs in the center and the foundation has accredited 52 venture funds to join the project. Another 940 startups will receive support and possible funding.

This progress has taken place despite some blips on the high-level radar screen.

Foundation deputy head Alexei Beltyukov resigned in late April under accusations that he broke the law by paying $750,000 to State Duma Deputy and opposition figure Ilya Ponomaryov for 10 lectures and a research paper.

This led to a raid of the Skolkovo Foundation downtown office by police and FSB officials that same month, during which billionaire and Skolkovo director Viktor Vekselberg was questioned.

In May, Deputy Prime Minister Vladislav Sukrov, an original high-level Skolkovo supporter, resigned. Power seems to have shifted to the Kremlin, with former education minister and current presidential adviser Andrei Fursenko taking over as top liaison for the project.

Weather, bureaucracy and cash flow have also taken their toll on the showcase ambitions of Skolkovo.

Last spring, Medvedev aide Vladimir Kozhin said the campus would be the site of the G8 conference that Russia is hosting in June 2014.

But, faced with increasing pressure on expenditures and a tight construction schedule — the campus is now scheduled for completion by late 2014 — the government has changed its mind.

"We do not plan to spend any funds on preparation for the G8 summit, so the summit will be held at Sochi's ready infrastructure three months after the end of the Olympic Games," Putin said, RIA Novosti reported Wednesday.

Even if you are not a world leader now crestfallen at the inability to see Skolkovo firsthand, but you are interested in more intimate interaction with the project, below is an update on the specific institutions and how to work with them.

Management School

The Moscow School of Management Skolkovo is a privately funded business university located a few kilometers from the technology center. It has no relationship to the government foundation, other than acting as a landlord for some of the temporary space, since the business school's campus is already complete.

It was established in 2006 by nine Russian and foreign companies, such as Itera Group, Severstal, Troika Dialog Group, Credit Suisse and nine prominent businessmen including Roman Abramovich, Leonid Mikhelson, Valentin Zavadnikov and others.

It is the largest privately funded business school in the country, focusing on the BRICS countries. The school offers MBA and executive MBA degrees and tailor-made executive training courses, focused on practical aspects of learning.

For example, the school sends EMBA student to BRICS countries with real business plans to negotiate business deals. These students get to apply their knowledge in a real world situation under the supervision of school professors.

Each potential student undergoes a vigorous selection process including formal testing and interviews with representatives of founding companies. Only the best are admitted, a spokeswoman for the school said. "The class profile is exclusive. They represent the business elite."

As of 2013, the MBA program has graduated 88 students, and 24 are now in the one-year program, while 175 business people have gone through the executive MBA program, and 173 are in it now. Corporate training programs have educated more than 9,000 people.

For people without prior business experience, the school runs Startup Academy, a program designed to turn innovative ideas into a functioning business.

"The Startup Academy was first and foremost the place where I learned how, when and where to build my own business, how to grow it, structure it, and take it to market," said Alexander Svinin, a Startup Academy graduate.

Executive education courses are designed for senior managers and young leaders to help them adjust business to changing market conditions.

Complete details on how to participate in all aspects of the Moscow School of Management Skolkovo can be found at: skolkovo.ru/public/en/exed/exed-about/

Skolkovo Foundation

The Skolkovo Foundation was announced in 2009 by then-President Dmitry Medvedev and is headed by business magnate Viktor Vekselberg, with former Intel CEO Craig Barrett as the co-chair.

The foundation is charged with creating the Skolkovo Innovation Center and processes applications from those who want to join.

The project is set to address one of the main problems inhibiting the development of the Russian economy: the gap between scientific research and industry and the absence of a mechanism allowing new technologies to reach the market.

Innovation Center

The Innovation Center is a special economic zone: It has special benefits for participants, including five- to seven-year tax holidays for startups, no import duties and simplified customs procedures.

The center encompasses a group of organizations including Skolkovo Institute of Science and Technology, or Skoltech, the future Technology Park with scientific laboratories and startup offices, residential space and social infrastructure.

Established technology companies of all sizes and nations are invited to partner with the foundation and set up research and development facilities to benefit from the forming pool of talent and the bureaucratic and tax benefits. Local and foreign startups are invited to apply for "resident" status in order to benefit from grants, venture funding, research labs and business coaching.

Global Partners

Some leading technology giants are already on board. Microsoft, Cisco, IBM, Siemens, Boeing and others have agreed to build research and development centers in the city, improving access to the Russian market, gaining brownie points with the government and connecting Skolkovo with the international innovation community. Details on the partner program can be found at: community.sk.ru/foundation/partner/

Information technology giant Hewlett-Packard has not yet signed on to work with Skolkovo, but regards the project as a positive development. "We are always happy to see governments around the world investing in high-tech development. Russia is no exception and we are ready to support with the world's leading IT expertise innovation initiatives," said HP Russia managing director Alexander Mikoyan, who is also an independent member of the Skolkovo Foundation tender committee.

The foundation's goal is to have 50 key global technology partners with 2,500 people in their R&D centers by 2016.

Residents

Startups seeking resident status must do research in one of the five named cluster fields — IT, energy, nuclear technologies, biomedicine and space technologies — and be willing to set up shop at Skolkovo, once the campus is ready.

More than 940 companies have received resident status so far, and more than 100 have secured funding totaling over 9.3 billion rubles ($291 million).

Applicants have to agree with the foundation's strategy and vision in creating technology that is relevant and globally oriented at solving practical problems.

Applications submitted online at sk.ru take about a month to process. Each submission is assessed against the criteria of theoretical possibility, market advantage and commercial feasibility. Applicants that have a team able to turn the idea into reality are awarded status of a resident.

Residents receive access to venture funding, grants and research laboratories. A current list of residents can be found at: community.sk.ru/net/

Average citizens with a hankering for scientific knowledge can attend various events. Consult the program at: sk.ru

Skoltech

The Skolkovo Institute of Science and Technology, or Skoltech, was founded in 2011 in partnership with the Massachusetts Institute of Technology to address the gap between research and industry.

Its approach to organizing education is nontraditional, said Edward Crawley, Skoltech president and a former dean at MIT. There will be no departments; the education model will be centered on actual problems in industry, where scientists from different disciplines will be working together on a common project.

There will be no disciplinary boundaries, Crawley said. "There will be just scholars, working together on problems."

"Skoltech will bridge research and innovation areas that are of particular interest for the Russian Federation and internationally, for example, energy and health. Students will be working on problems in engineering and technology with a view to make an impact in innovation and business in these areas," he added.

"Our professors and the physical environment will only attract the top of the top. I think companies will find these students very attractive," Mats Hanson, Dean of Education, said.

The education process began with a pilot group of 20 students, who were accepted in May of last year, and spent the first year of study abroad at one of four universities: ETH Zurich, Hong Kong University of Science and Technology, Imperial College London and MIT.

This year it will come onshore in a temporary home at the Moscow School of Management Skolkovo, where 47 new masters of science students will begin two-year programs in information technology, energy, and biomedical science and technology.

"I wanted to take part in the most promising government project ... to be among people that have a similar mind-set, to be able to grow. Science plus business is awesome," said Dmitry Vasilyev, a student in energy science and technology.

The university expects to grow to 500 master's and 700 Ph.D. students by 2020 lead by 200 professors and 300 scientists. A 128,000 square meter campus that is being built on the territory of the Innovation Center will be ready in 2014.

Prospective students can go to skoltech.ru/admissions for details on how to apply. Academics

and scientists seeking employment at Skoltech should visit: skoltech.ru/faculty/become-professor

Contact the author at g.moukine@imedia.ru

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