

RUSSIAN PROFILES

Alexei Mamakov

Age: 25

City: Kazan, Russia (CCI Dubna office)

Internship: Advertising Agencies, Tulsa, OK, Jan-Feb 1998



Alexei surprised us with a CCI sign made of bronze and a blue-black polymer for our San Francisco office!

Alexei Mamakov, 25 year old CEO of a bustling Kazan advertising company, is multi-talented and enthused about his business. An artist at heart, Alexei began his one-person operation by creating classy signs for new businesses. Soon word spread. Now Alexei's neon and bronze signs are the proud emblems of private companies around Kazan.

"My American internship was a turning point for me. I knew how to make artistic signs, but I didn't know how to make a business out of it. Americans were totally open with us. They invited us in to their advertising businesses, answered our questions, and helped us with many secrets of the trade. My mind was on fire after my visit; new ideas were coming to me 24 hours a day! I now practice according to what I saw in America."

"Our life here is not easy, but I like it. It's a challenge everyday. We never get bored. Meanwhile I get to do this work and see my creations all over my city,"
Alexei muses with an excited modest smile.



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Olga Maiatskaia

Age: 28

City: St. Petersburg, Russia (CCI St. Petersburg office)

Internship: Nursery/Horticulture, Franklinton, LA,
Feb-Mar 1998



Olga Maiatskaia, Director of
Neskuchnyi Sad

Olga Maiatskaya of St. Petersburg at 28 owns her own plant nursery with 12 permanent employees and 60 seasonal workers. She visited Franklinton, Louisiana and found a vision for her future. *"I learned so much. It was a different life in Louisiana! I caught all kinds of new idea: how to develop a sod farm (there is market for this in Russia), how to produce small nurseries in containers, how to start a consulting service for clients, and how to narrowly specialize workers, concentrating their efforts on specific responsibilities. We opened a lawn service like in the US. We now mow grass, trim trees for the Coca Cola plant and other individuals."* Olga's hands and nails show that she not only manages her company but digs right in with the hard work.

"The [August 1998 Financial] Crisis improved our position. We have more clients now, maybe because it's spring. More clients are necessary to make the same amount of money as before the Crisis. We still have the same revenue or better this year compared to last."

"My clients are private individuals with new homes, also companies who want landscaping, and even the city administration."

"We donate part of our seed materials to the monastery and also organize free educational classes for the agricultural college where I graduated."



When asked what other Russians think of her as a new businesswoman, she remarked, *"Clients treat me respectfully, they are the strongest people of our city. They show no signs of resentment or aggression toward me. Five years ago, there was hostility towards anyone in business. Partially, this attitude still exists when I visit the city administration or state enterprises. They don't respect any of us. But even my grandmother approves of my business. She likes it when I drive her around in my car. Although she is afraid I am undermining my health because I work too much!"*

RUSSIAN PROFILES

Dmitri Staroverov



Dmitri Staroverov, Director of Alamida Farm

Age: 28

City: Zaprudnia, Russia (CCI Dubna Office)

Internship: Crop Farmers, Chico, Colusa & Corning, CA,
Feb-Mar 1998

Dmitri is at age 28 the creator and sole owner of a 60 hectare crop farm (148 acres) in the Taldomsky region (north Moscow Oblast). His US internship in northern California with a delegation of Russian crop farmers opened up a new world for him.

"I met successful American farmers. They proved to me that my direction is right. They explained the next steps of how to make a business out of farming. A lot I knew, a

lot I didn't know. Farming is hard work, but I enjoy it. It's my only hope for survival, for my two-year old daughter Liza to have a foundation."

Dmitri's hands tell it all—they could be fifty years old. *"We put everything into the farm. I started with a tent in 1993 upon graduation from the institute. First I built 50 beehives. We have a small shed with a wood fire and no electricity. Without electricity I can't have animals, but we grow good crops."*

"During the {recent Financial} Crisis, I lost 80% of my money. I couldn't get money out of the bank. Even the high-ups in Moscow region couldn't influence the situation. It was a great tragedy for me. Now I have to start all over again, but my crops sell well."



Asked what other Russians think of him as a private farmer, Dmitri replied, *"At the beginning they were suspicious of me, thinking I was a speculator. Now they see I'm a real working farmer and there is no problem."*

Dmitri needs a loan to build a house on his land and says that \$30,000 would both build him a home and get the much needed electricity to his farm. If you know of any loan possibilities, we would vouch for his ability and determination to pay it off!

RUSSIAN PROFILES

Anatoli Sherman

Age: 47

City: Voronezh (Voronezh CCI office)

Internship: Food Storage, Rigby, ID, Aug-Sept 1998

Anatoli Sherman owns a diversified company, TRADING HOUSE NOVYI, in Voronezh. The largest revenue generator (within a larger umbrella company) is a food storage company. TRADING HOUSE NOVYI was started in 1995 and has 84 employees. ***"It's been a private business since the first day,"*** Anatoli happily told us.

"I'm a scientist with the highest academic degrees. My previous work was in nondestructive testing, useful for atomic power plants and chemical industries. Now 90% of my activities I do for money and the remaining 10% is doing what I love in my trained profession—not for money."

"All of those good things seen in the US, they won't let me rest! I think about how to use them all the time! Management techniques with employees, customers—all these were influenced by my internship in the US."



Anatoli Sherman, Director of Trading House Novyi

"Seeing successful American businesses, I felt that my mind was changing, my attitude toward business was changing. This new experience brought so many thoughts into my head. I've been able to change my business from those thoughts, those adaptations. American and Russian businesses are different. Everything has to be adjusted. But we have to see successful businesses, to see our possible future, in order to figure out how to grow these businesses for ourselves."

"I'm absolutely sure that this internship will have long-term results. All thoughts are still running in my head. I look at business with different attitudes. My eyes are even different now."

The August Financial Crisis: "It's a miracle my business was not destroyed because I traded many imports. Now we are coming back up again. Local products became much more important to my food storage business. But there is a sad thing about the Crisis. We no longer get products from around the world. We felt integrated into the world when using these imports. It was a very healthy feeling. Having only local products narrows our outlook. We need a healthy balance of local and imported goods."

Anatoli is Jewish and his mother lives in Israel, but he says his home is in Russia. ***"I visit Israel but always long to come back to my country."*** Is there anti-Semitism in Voronezh? ***"Yes, there has been some increase, but not serious. Whenever there is economic instability, anti-semitism crops up. It's life here."*** Anatoli was perhaps the most exuberant, alive, positive Russian this interviewer met in ten cities. He even brought a friend, who is a Russian Colonel, for discussions with a CCI representative one evening ***"to help him get over his anti-American feelings—to understand how good Americans are!"***

RUSSIAN PROFILES

Alexander Victorov

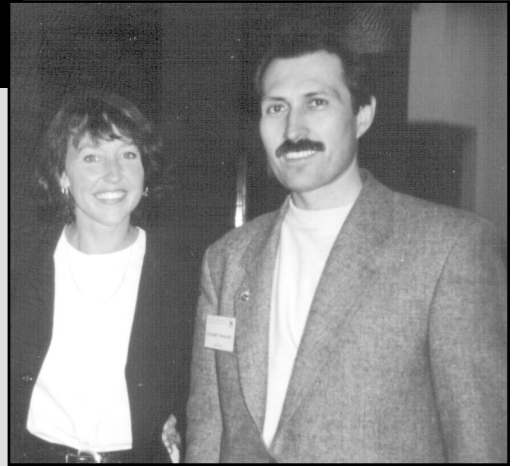
Age: 40

City: Yekaterinburg, Russia (CCI Yekaterinburg office)

Internship: Plastics, Leominster, MA, Oct-Nov 1997

Alexander Victorov, a '97 PEP Fellow, has a self-made business—believe it or not he made the equipment and production line for his Yekaterinburg plastics manufacturing company by hand!

“The US internship at plastics’ companies was very important for my business life. At that time my production was at a much lower level and I did not have very many different products. I saw my future in America, and understood the direction I should go in. After coming back to Russia, my partner and I experimented—created new production lines with our own hands.”



Alexander Victorov with Andi Mowrer, CCI Evaluator, in Alexander's corporate office

“You understand, when the Soviet Union fell apart, our institute just let us engineers go. We had no way to survive, so we had to create our new lives. With our heads and hands, we came up with an idea for a plastic molding company. We built our first molds and lines from old metals and electrical wiring. We experimented with how to do each step. Today we design new molds and lines on paper and give them to others to create for us. It's our luxury.”



Alexander's company contains huge rolls of sheet plastic, dozens of automated plastic lines, and thousands of plastic products ranging from candy boxes to women's torsoes for selling lingerie. The business is an undisputable success.

“The August '98 Crisis has been good to us. Imported plastic products can no longer be bought by ordinary companies. Now they've learned that our product is as good as the imports. The Crisis will be good for Russia in the long run.”

RUSSIAN PROFILES

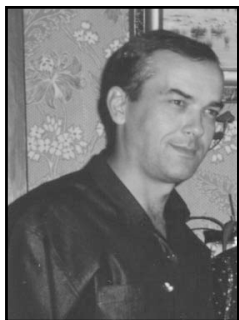
VOLGOGRAD ASSOCIATION OF ENTREPRENEURS

The VOLGOGRAD ASSOCIATION OF ENTREPRENEURS, initiated by CCI program graduates in October 1997, is pioneering change for small business in their region.

In its short history, the Association has held three conferences. The latest attracted 600 regional entrepreneurs. "Round tables" with the Volgograd administration are regularly conducted to stimulate legislation favorable to small and medium-sized businesses.



Alexander Lubyanoi (left back row) with board members of the Volgograd Association of Entrepreneurs. Members range from bankers to bakers, food distributors to construction company owners.



Alexander Lubyanoi

"Most of us are people who have been to the US on CCI internships. We, who have traveled abroad, understand the right direction of business. Anything I try to do in Volgograd, I try to do in the way I saw it work in America," said Alexander Lubyanoi, the Association's president and founder.

Sergei Polyakov offered, ***"We have to be persistent (in our lobbying efforts). This year our Association will support several candidates for the Volgograd City Council which has 24 seats. Corruption is still 100%, from the municipal level to the highest Russian offices."***



"The lower mafia of yesterday have matured. They now build businesses and have something to lose. They want stability. The mafia we have to worry about is the institutionalized mafia [officials, bureaucrats, and tax collectors]."

THE VOLGOGRAD ENTREPRENEURS ASSOCIATION spends 80% of its time working with the local micro-business entrepreneurs. When asked why not spend the time with their own level of business, they explained, ***"Because these little guys have to develop into larger businesses in order to develop a stable local economy in Volgograd."***

RUSSIAN PROFILES

Alexander Pribludov & Evgeni Safranov

Age: 39
City: Bryansk, Russia
Internship: Legal Services,
Greensboro, NC, Oct 1997

Age: 40
City: Bryansk, Russia (CCI Dubna Office)
Internship: Legal Services, San Francisco, CA,
Oct-Nov 1998



*The opening of the first ever Bryansk Legal Bureau—
May 30, 1999 (during CCI's visit to Bryansk)*

PEP Fellows Evgeni Safranov and Alexander Pribludov worked a year to create their private legal bureau after seeing similar bureaus in North Carolina and California. Upon their return to Russia, they immediately began shifting their services—determined to carve out their niche serving Bryansk's small and medium-sized businesses.

“All of our business comes by ‘word of mouth,’” explained Alexander. “We help our Bryansk businessmen to understand how to work with Russian law. It’s not easy. But with our knowledge, they can develop their businesses. We lost money during the crisis, since than we have GAINED business and have already made back our losses. Our clients know they need good legal advice to survive. “

Evgeni offered, ***“We never look at the clock. Whatever time our clients need, we take. It’s a good investment in the future of our legal bureau.”*** At their recent office opening, Evgeni and Alexander looked very comfortable ensconced in their sparkling new modern office interior—as champagne was uncorked and typical Russian toasts were offered by friends and supporters.



Evgeni Safranov and Alexander Pribludov make a toast to success.



Their new legal home operates out of the first floor of an old Soviet apartment building of which they purchased a section. Note (photo top left) how they renovated their small section with new plaster, a fine entrance way, modern door, and windows—and even sidewalk shrubs! Also, notice the typical Soviet brick, windows and balcony surrounding the new facade.

RUSSIAN PROFILES

Vadim Bokov

Age: 41

City: Kamensk (Rostov-on-Don CCI Office)

Internship: Wholesale Foods, Asheville, NC

Feb-Mar 1998

A “money back” guarantee changed Vadim Bokov’s life forever. After Vadim’s business colleague returned from the US, he insisted that Vadim sign up for PEP—even offering a full refund if he was not completely satisfied with the business training. It is now Vadim who is trying to convince his colleagues to apply for PEP.

“This market [see photo right] is a concrete result of my PEP internship,” Vadim proudly explains. When he visited an outdoor farmer’s market in North Carolina, his eyes opened wider and he began taking photos with keen interest. He knew that before him was the design for the new farmer’s market of Kamensk, Russia. Today his dream is a reality, and he considers this new market his “most significant business achievement.”



Vadim Bokov, winter 1998 PEP Fellow, in front of his newly built outdoor market in Kamensk, Russia

Following the August ‘98 Crisis, Vadim’s new market was perfectly poised. With imports becoming too expensive there was a greater demand for domestic products. Local sellers currently demand more space at the market. Sales are now so brisk that Vadim plans to convert a portion of the complex into an indoor shopping center. His greatest reward comes when he goes to work at five in the morning and sellers thank him for building the market.

Vadim is not simply pouring all of his money back into his business. He estimates that 30% of his revenues go toward supporting charitable activities. ***“Last year we renovated the city polyclinic, supported children’s sport teams, and assisted different disabled people. This year we plan to repair the whole floor of the children’s hospital.”*** When asked about his donations he simply replied, ***“My staff is well paid and I have good profits. It is just immoral not to help.”***



Vadim Bokov, Director of the Kamenski Open Market

On a final note, Vadim was quick to share how the internship changed him personally: ***“I have given up smoking and no longer conduct business relations while drinking alcohol.”***



RUSSIAN PROFILES

Valentina Sigaeva

Age: 42

City: Bryansk, Russia (CCI Dubna office)

Internship: Banking, Poughkeepsie, NY, Oct 1998



Valentina's new bank, designed by a PEP Fellow, visually communicates that her directors are all women—powerful feminine Russian women. Stuffed furniture and pale blue, orchid and pink walls indicate the style of those who run the bank.

Want to know whose bank in Bryansk survived the August 98 financial crisis?

Valentina Sigaeva's BRYANSKY NARODNY BANK did!

"We can only dream for conditions like in America. During my internship, I was trained in banks of various sizes. Credit unions, the US alternative banking system, were very important for me to understand. We also were shown the NY Stock Exchange to learn how your market operates. Very interesting. We saw so much that I'll be overwhelmed with impressions for the rest of my life!"

"What did I bring back to Russia? The whole look of the American business environment. Very important. Next, how to manage personnel, which is new to us.

Then, how to service clients. So many ideas, I hope to implement them in the coming years. Your American banking system is not totally different from ours, but the greatest difference is in banking legislation in Russia. In principle, US legislation would work in Russia, but as yet, banking mentality here isn't ready for it."

"I started this bank five years ago with no banking experience. I was an administrator, (Deputy Director of the Pension Fund). I decided to register this bank. I had no personnel, no space, no money—I had to gather everything. We got start-up capital from the Pension Fund and convinced others to help."



"Ours is a commercial bank with a variety of services and accounts in both rubles and hard currency. We are also the only regional bank which gives loans to small businesses. Unlike most banks, our clients trust us. In Bryansk before the August Crisis, there were 14 banks—after it only three. We aren't connected with Western credit, so we were protected. The crisis was inevitable. And I'm happy to admit that the Crisis to some degree affected us positively!"





RUSSIAN PROFILES

Vladimir Demidov

Age: 51
City: Volgograd, Russia (CCI Volgograd office)
Internship: Food Storage, Kansas City & St. Joseph, MO,
Sept-Oct 1998

Stretching as far as the eye can see is **PRODSERVIS**, Volgograd's western-style wholesale market. It's the first of its kind in Russia. More than 800 metric tons of food products move through the market daily.

The speed with which these goods move can be matched only by the enthusiasm of its energetic leader, **Vladimir Demidov**. In 1995 he became General Director, creating the market from scratch using models he saw in Europe.



Vladimir Demidov, General Director of Prodservis Volgograd wholesale market, proudly displays a map of his complex.



Wholesale market entrance for patrons and vendors. Admission is gained through security access cards, smart cards or entrance fees.

At age 51 Vladimir's vision and energy seem that of a much younger man. His words could hardly keep pace with his thoughts when he spoke about future plans. Now the Vice-President of the National Association of Wholesale Markets in Russia, Vladimir's dream is to establish 46 markets similar to the one in Volgograd.

The US internship was the culmination of his professional training. ***"It helped us make cor-***

rections in product flow and the organization of consumer goods. Americans were willing to give us all their secrets and more. Every request for additional meetings and documents was thoroughly accommodated."

Regarding the August '98 Financial Crisis he said: ***"We were prepared for such a Crisis. In 1996 when our company was legally registered, 80% of our goods were imported, but we had a goal to create conditions which support domestic production. By the time the Crisis hit 40% of our goods were domestic and that number has since climbed to 75%. This has not only helped the agricultural and food processing sectors in Russia, but has also contributed to increased food security. My next goal is to become an international distributor for Russian food products."***

RUSSIAN PROFILES

Sergei Kulikov

Age: 36

City: Luga, Russia (St. Petersburg CCI office)

Internship: Crop Farmers, Chico, Colusa and Corning, CA,
Feb-Mar 1999



Sergei Kulikov, Chairman of
Jam-Tesevskoje Farm

A farmer in his bones, **Sergei Kulikov** never thought that anything would change his opinion about the private ownership of land. A month in America changed his mind. ***“Before the trip I thought Russia didn’t need private property, but now I consider it one of the main prerequisites in order to overcome the Crisis.”*** His speech became impassioned when he explained, ***“If the land does not belong to you, then someone else will reap the benefits. If it is your land, you will take care of it.”***

On the flight home Sergei and his colleagues concluded that the lack of available credit is a major stumbling block to their progress. ***“We realized that land can be used as collateral to get loans only if it belongs to us.”***

Sergei was greatly impressed by American business relations: ***“The way Americans relate to each other helps them to be more productive. I didn’t hear about a single case where Americans were trying to cheat each other in business. In our country cheating takes place at every step.”***

He was also struck by the enhanced productivity and automation of the American farm. ***“The US dairy farms we visited were more like dairy factories. With only four employees they are able to milk the same size herd of cows as I milk with 60 employees.”***



For Sergei August 17, 1998 had a much different outcome than for other Russians. For many bankers, financiers and speculators, the ruble crash shattered dreams. For Sergei it was just the break his farm needed. Imports came to a standstill. ***“It has become much easier to sell our produce, and we have even raised our prices. For us this is very good news. I personally believe we have enough agricultural products to feed the whole country,”*** he remarked with a delightful confidence.