

Russian Venture Company Business Plan

The key implementation tool
of the Russian Venture Company's
2010 Strategy

summary

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Introduction

Guided by its newly adopted Development Strategy, Russian Venture Company ("RVC") identified the most critical bottlenecks in the Russian innovation and venture capital (VC) ecosystem and developed a detailed 2010 Business Plan designed to deal with the identified problem areas and facilitate further development of the Russian innovation and VC ecosystem. The Business Plan features programs that were incorporated in RVC's Development Strategy and received high-level approval of the Company's Board of Directors in September 2009. Each program and its constituent initiatives are assigned their own sets of 2010 implementation targets, which are directly linked to the Company's overall performance indicators. The programs and the respective initiatives are expected to be carried out by RVC staff and the Company's partners and subcontractors in cooperation with other development institutions of the Russian Federation, as well as competent ministries and agencies.

The Russian innovation and VC ecosystem

Any innovation and VC ecosystem features some essential elements, with stable relationships between them. Research undertaken by the Monitor Group, a consultancy, and the Massachusetts Technology Institute (MIT) in different countries of the world (both mature and emerging markets, Western and Asian) suggests that the structures of innovation and VC ecosystems of these countries are quite similar.

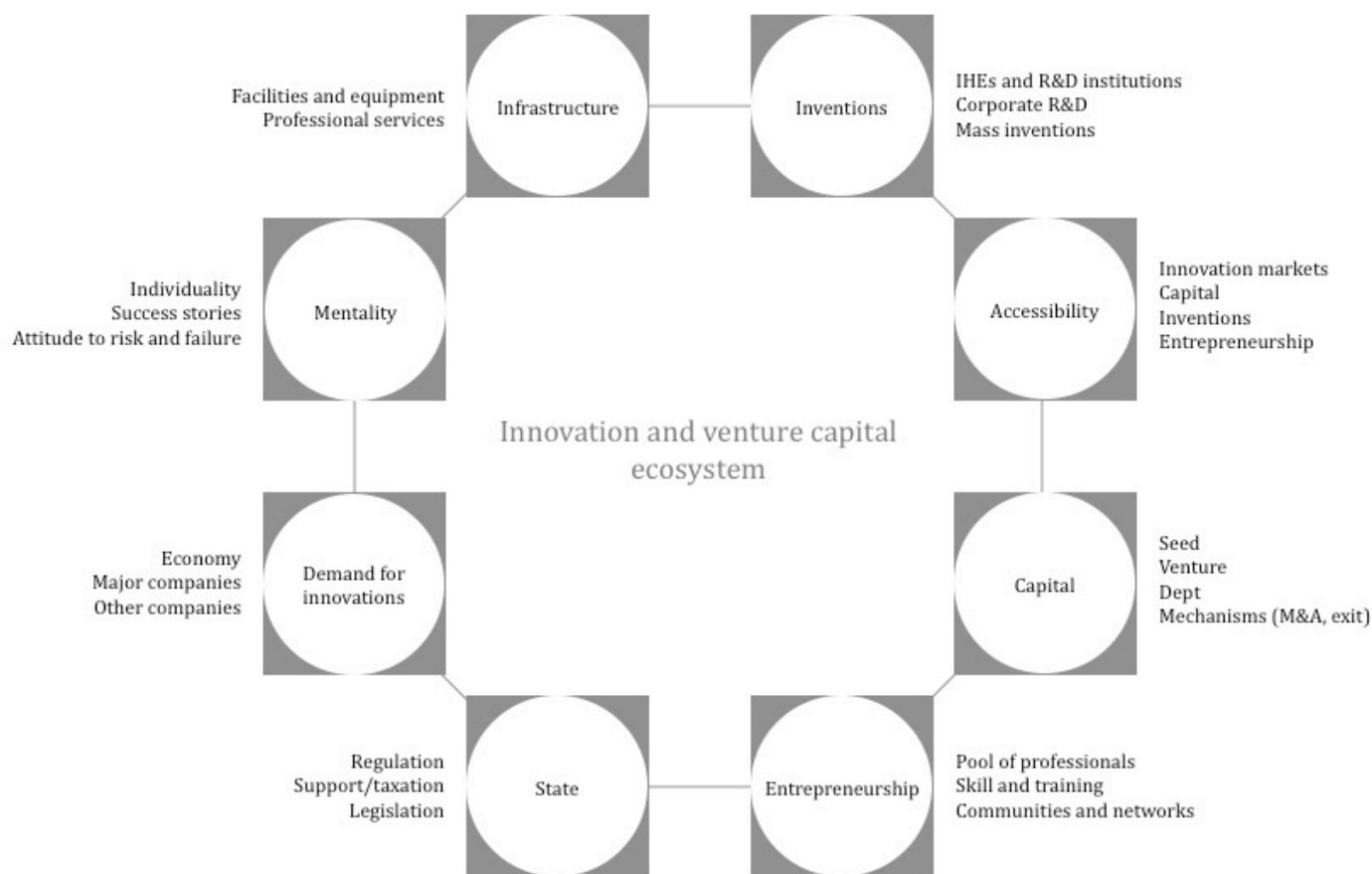


Figure 1: A Model of innovation and VC ecosystem

Based on the model suggested by MIT and the Monitor Group, RVC identified the most critical bottlenecks of the Russian innovation and venture capital ecosystem and, pursuant to its newly

approved Strategy, prepared a detailed plan of activities intended to eliminate the identified problem areas, to be undertaken in 2010.

The key bottlenecks of the Russian innovation and VC ecosystem

A study conducted by RVC in 2009 identified bottlenecks in virtually all elements of the ecosystem. They were subjected to a detailed analysis, which involved parallel application of two different approaches (mathematical simulation and tailored Delphi method), with the results of their application used for mutual cross-validation. The analysis resulted in identification of the following main bottlenecks in the Russian innovation and VC ecosystem:

1. Inadequate integration into the global innovation and venture capital ecosystem;
2. Lack of necessary factual, expert, analytical, comparative and prognostic data on the venture capital and innovation market of the Russian Federation;
3. Lack of mechanisms of coordinated support (including state support) to innovation and venture capital companies, especially at the seed stage;
4. Lack of transparent and effective mechanisms of access of innovation and inventions with VC potential in higher education institutions, research institutes and corporate R&D facilities;
5. Shortage of "intelligent" seed and venture capital and complicated access thereto;
6. Weak demand for innovations from large and mid-sized companies of the real sector of the Russian economy;
7. Insufficient number of companies targeting innovation and VC market players and capable of providing professional, advertising, publishing and other services of appropriate quality;
8. Weak coordination of activity of federal and regional authorities designed to support the innovation business, lack of proper legislative framework underpinning the development of innovation and VC sector;
9. Underdevelopment of data flows, communities and networks of people involved in the innovation and venture capital ecosystem;
10. Inadequate professional skills and experience of persons involved in the innovation and venture capital ecosystem, limited accessibility of technological and business expertise and experience;
11. Vague perceptions of the general public about the nature of the venture capital business, its relative unpopularity and absence of innovation and venture capital culture in the country.

RVC programs as an innovation and VC ecosystem development mechanism

Following the identification and "clusterisation" of the VC sector bottlenecks, RVC developed a set of programs aimed at overcoming the most critical of the identified problems and facilitating the development of the national innovation and VC ecosystem. The programs listed below and their expected results for 2009-2010 were incorporated in the RVC Development Strategy and gained high-level approval of the Company's Board of directors in September 2009.

Program 1. Seed segment infrastructure development;

Program 2. Encouraging demand for innovation companies, products and services;

Program 3. RVC's partnership network development;

Program 4. Institutional initiatives;

Program 5. Encouraging the development and self-organization of the innovation community;

Program 6. Globalisation of the Russian innovation industry;

Program 7. Ensuring accessibility and high quality of business expertise;

Program 8. Inventory survey and monitoring of the innovation ecosystem;

Program 9. Promotion of the innovation business and highlighting its success stories.

At the operational level of planning the programs were decomposed into initiatives (sub-programs), perceived as independent areas of target-specific activity in the context of each program. The

programs' decomposition into the respective initiatives is shown below. Each program and initiative have their own set of implementation targets for the year of 2010; their achievement has a direct impact on RVC's overall performance indicators approved by the Company's Board of Directors.



Figure 2: RVC programs and their constituent initiatives

Implementation of programs and initiatives in 2010

The Programs and their constituent initiatives will be implemented by the Company's employees partners and contractors in cooperation with other development institutions of the Russian Federation, as well as competent ministries and agencies.

RVC Employees. The Company's staff responsible for the implementation of programs and initiatives comprises 35 employees and will be fully formed in the first half of 2010. Each RVC employee will participate in carrying out several initiatives that are similar as to their areas of application or implementation mechanisms.

RVC partners and contractors. The Company's innovation and VC ecosystem development programs and initiatives cover a wide range of industrial and sector-specific segments of the ecosystem and will be implemented through a whole range of activities and services (consultancy, educational, marketing and other services). To ensure proper scalability of these activities, as well be able to "nurture" strong infrastructure players capable of establishing and developing essential elements of the ecosystem and the relationships between them without RVC's support, RVC shifts the principal burden of implementation of its programs and initiatives onto external partners and contractors. The Company has developed and documented detailed criteria of selection of such partners and contractors in respect of each initiative. The partners' activity for the implementation of RVC's initiatives will be financed:

- directly from RVC's budget,
- using co-financing arrangements with other development institutions (see below),
- with contributions of the RVC Infrastructure Fund, to be established in 2010, to the charter capital of partner companies.

Cooperation with other development institutions. RVC is not the only party interested in the establishment of Russian innovation and venture capital ecosystem, and the programs and initiatives described below are expected to be implemented in cooperation with other domestic development institutions and innovation market participants, such as:

- "Vnesheconombank", GK "Rosatom", "RosNanoTech", "Fund of Assistance to the Reform of Housing & Utility Sector" state corporations;
- OJSC "Special Economic Zones";
- Regional venture capital funds of the Ministry of Economic Development of the Russian Federation, OJSC "Russian Information and Communications Technologies Investment Fund";
- Investment Fund of the Russian Federation, Small Research Entities Support Fund, Russian Fundamental Research Fund, Russian Technological Development Fund, Russian Humanitarian Fund;
- Higher educational institutions, research centers and industrial enterprises of ministries and agencies of the Russian Federation;
- Private sector companies interested in the development of various elements and markets of the Russian innovation sector.

In 2010, RVC plans to raise 25% to 40% of the funds required for the implementation of its initiatives through co-funding arrangements.

Principal stages of programs' and initiatives' implementation in 2010

Table 1: Principal stages of programs' implementation in 2010

Implementation stages	1Q10	2Q10	3Q10	4Q10
Staffing	X	X		
Identification and selection of partners and contractors	X	X		
Detailed planning of the initiatives' activities and their implementation mechanisms	X	X		
Launching the infrastructure fund		X		
Launching cluster funds and the international fund		X	X	X
Implementation of programs		X	X	X
Risk management, performance assessment, adjustment of plans		X	X	X

Programs, Program Objectives and Program Initiatives

Program	Program Objectives	Program Initiatives
1: Seed segment infrastructure development	<ul style="list-style-type: none"> Overcoming the acute shortage of capital available to seed companies; Creating conditions facilitating a continuous deal flow into VC funds, including funds set up with RVC's participation; Achieving a considerable increase in the number of technology start-ups as potential acquisition targets for VC investors and early stage funds; Considerable qualitative improvement of technology start-ups, raising their survival rate. 	<ol style="list-style-type: none"> Seed stage venture capital investments Setting up and support of a VC partnership network Raising the performance of the existing incubators and technology parks Supporting corporate TTCs at the industrial sector level Supporting TTCs at the higher education and research level Holding competitive selection events/conferences/rating events/surveys and supporting Russian start-ups' involvement in such events Developing sets of document templates on an "in-a-box" basis Setting up seed houses Monitoring seed houses' operation and raising their performance
2: Encouraging demand for innovation companies, products and services	<ul style="list-style-type: none"> Boosting the demand for innovative products / services in the domestic market; Boosting the demand for innovation companies in the domestic capital market; Raising the degree of involvement of large industrial companies with the development of the Russian innovation sector. 	<ol style="list-style-type: none"> Articulating the demand for innovation from the real sector Attracting financial resources of the real sector into VC funds Promoting innovation companies' products/services in the real sector Implementing early, middle and late stage venture capital investments
3: RVC's partnership network development	<ul style="list-style-type: none"> Increasing the number of infrastructure players in the domestic innovation and high-tech market and promoting the formation of all the essential elements of the VC market environment; Increasing the performance of infrastructure players operating in the domestic innovation and high-tech market; improving the quality of their services; Cutting the infrastructure-related costs of domestic 	<ol style="list-style-type: none"> Supporting partners and coordinating their activity Supporting the experts community

Program	Program Objectives	Program Initiatives
	innovation companies to improve their international competitiveness.	
4: Institutional initiatives	<ul style="list-style-type: none"> • Setting up mechanisms of RVC's cooperation with the state (both legislative and executive bodies) at the federal and regional level; • Focused work designed to identify and remove existing specific institutional barriers impeding efficient development of the Russian innovation and VC ecosystem; • Focused work aimed at the establishment of public-level mechanisms promoting the development of the Russian innovation and VC ecosystem (technology corridors, the institution of innovation ombudsman). 	<ul style="list-style-type: none"> 4.1. Monitoring, reviewing and suggesting mechanisms facilitating state support and removal of administrative barriers 4.2. Cooperation with representatives of the state in promoting regional legislative and executive initiatives aimed at removing administrative barriers and setting up support mechanisms 4.3. Cooperation with representatives of the state in promoting federal-level legislative and executive initiatives aimed at removing administrative barriers and setting up support mechanisms 4.4. Setting up innovation ombudsman's office and ensuring its operation 4.5. Establishing technology corridors
5: Encouraging the development and self-organization of the innovation community	<ul style="list-style-type: none"> • Setting up sustainable and independent non-governmental self-organization institutions of the innovation industry that would be capable, going forward, to independently support efficient development of the Russian innovation market and ensure its international competitiveness and promotion. 	<ul style="list-style-type: none"> 5.1. Supporting groups of enthusiasts, communities, associations 5.2. Developing and supporting innovation media 5.3. Designing and supporting RVC's online resources
6: Globalisation of the Russian innovation industry	<ul style="list-style-type: none"> • Attracting international VC market players to Russia; • Facilitating promotion of the Russian VC industry players and innovation companies' products in the global market; • Building a consistently positive attitude to Russian innovation companies in the global markets. 	<ul style="list-style-type: none"> 6.1. Integration of Russian innovation players into international communities 6.2. Integration of Russian innovation diaspora into the Russian innovation ecosystem 6.3. Assisting Russian innovation companies in launching their international business 6.4. Promoting Russian innovations with the global VC audience 6.5. Raising foreign capital for investment into Russian companies 6.6. Raising Russian capital for investment into global companies

Program	Program Objectives	Program Initiatives
7: Ensuring accessibility and high quality of business expertise	<ul style="list-style-type: none"> Ensuring accessibility and high quality of technology business expertise, both for RVC, its funds, and other market participants; Improving professional level of the expertise of various categories which is essential for the development of the domestic innovation sector; Assisting innovation companies in structuring their boards of directors and advisory boards; Strengthening integration links between the innovation business and expertise environment and the "traditional" environment. 	<ol style="list-style-type: none"> Implementing educational programs and seminars for mid-size audiences; Conducting conferences and congresses (for mid-size and limited-size audiences); Individual educational programs and transfer of expertise; Setting up and support of RVC's educational services infrastructure; Support of advisory boards and boards of directors; Engaging advisors to company advisory boards and boards of directors; Promotion of advisors, advisory boards, boards of directors and options Setting up and management of advisor networks; Management of the appraisal community and coordination of the appraisal operations.
8: Inventory survey and monitoring of the innovation ecosystem	<ul style="list-style-type: none"> Making sure that the key players of the domestic and global innovation and VC ecosystems are supplied with essential factual, expert, analytical, comparative and prognostic data on the Russian VC and innovation market. 	<ol style="list-style-type: none"> Inventory survey of the ecosystem Preparation of analytical reports Integration of Russian statistics into international research data
9: Promotion of the innovation business and highlighting its success stories	<ul style="list-style-type: none"> Building a positive attitude to the profession of an innovation entrepreneur in the Russian society: raising the prestige of this profession; Highlighting the opportunities for starting up new innovation companies and the prospects opening before innovation entrepreneurs in this area, positioning innovation business as a prestigious and profitable line of activity for successful people; Building interest for domestic innovation among the Russian public, raising confidence in its own potential and opportunities; Strengthening the RVC brand. 	<ol style="list-style-type: none"> Mass media and PR promotion campaign Institution and promotion of a national innovation entrepreneurship award Developing and implementing educational programs (online resources, books) and initiatives (contests, Olympiads) for the general public

Program 1. Seed segment infrastructure development

This program has the following objectives:

- Overcoming the acute shortage of capital available to seed companies;
- Creating conditions facilitating a continuous deal flow into VC funds, including funds set up with RVC's participation;
- Achieving a considerable increase in the number of technology start-ups as potential acquisition targets for VC investors and early stage funds;
- Considerable qualitative improvement of technology start-ups, raising their survival rate.

The program comprises the following initiatives:

- Seed stage venture capital investments;
- Setting up and support of a VC partnership network;
- Raising the performance of the existing incubators and technology parks;
- Supporting corporate Technology Transfer Centers (TTCs) at the industrial sector level;
- Supporting TTCs at the higher education and research level;
- Holding competitive selection events/conferences/rating events/surveys and supporting Russian start-ups' involvement in such events;
- Developing sets of document templates on an "in-a-box" basis;
- Setting up seed houses;
- Monitoring seed houses' operation and raising their performance.

Program 1: Seed segment infrastructure development

INITIATIVE 1.1: Seed stage venture capital investments

Description

For historical reasons, Russia experiences an acute shortage of private capital available to start-up companies. In view of that fact, RVC is implementing a program of seed investments in innovation business ideas in order to significantly increase the number and quality of start-up tech businesses available for review and acquisition by VC investors and early stage funds.

Objectives

Objective of the initiative is to establish, in conjunction with "intelligent" private capital, an investment tool for seed investment projects and RVC's venture capital partners and ensure its proper operation.

INITIATIVE 1.2: Setting up and support of a venture capital partnership network

Description

At present, there is no efficient mechanism in the Russian market to ensure catalyzing VC projects and directing their flow to venture capital funds. Such mechanism should include instruments for clustering business-expertise, integration of regional support programs, supporting co-investment programs with business angels and corporate funds, close cooperation with state programs of financial support of the small business in the R&D sector and interaction with other development institutions, participation in the establishment of programs of preferential lending to small businesses. RVC is establishing an institution of "venture capital partners" to operate as such mechanism. A network of such partners, with links in all the Russian regions, will assume the principal tasks of projects selection, their pre-investment preparation, engaging private investors, submitting proposed deals to investment committees of seed investments funds, participation in the management of investee companies and their preparation for the next investment rounds.

Objectives

Objective of this initiative is to establish a network of VC partners of seed investments funds, in order to:

- increase the flow of companies seen as targets of seed and early stage investments;
- ensure maximum involvement of professional managers, advisors, appraisers and business angels in the establishment of new tech firms;

INITIATIVE 1.3: Raising the performance of the existing incubators and technology parks

Description

Russia features more than one hundred incubators and technology parks offering infrastructure for starting up small innovation companies and their initial development. Successful operation of incubators and technology parks is crucial for the venture capital industry: it is this environment that is expected to breed innovation companies. On the other hand, incubators and technology parks tend to stagnate without a vibrant venture capital industry: when companies started in these environments are unable to access follow-on funding, their further growth and development prove impossible. This initiative will be structuring and invigorating incubators' and technology parks' activity of selecting and starting up small innovation firms and, what is especially important, moving them to the follow-on level of funding. Principal implementation tool of the initiative will be the active dissemination of

experience accumulated by some of the most successful Russian and foreign technology parks and incubators, such as Y-Combinator, Plug and Play Tech Center and others.

Objectives

Principal objective of the initiative is to increase the number and quality of innovation firms ready for seed or venture capital financing by raising the efficiency of incubators and technology parks.

The initiative is expected to address the following specific tasks in 2010:

- to increase the number of small innovation firms established with the help of incubators and technology parks, including businesses based on intellectual property assets owned by higher education institutions and the research centers of the Academy of Sciences;
- to increase the number of successful small companies having reached the next level of funding provided by VC funds or strategic investors;
- to document and actively disseminate successful experience of Russian and international incubators and technology parks;
- to set up mechanisms of cooperation between Russian and foreign incubators.

INITIATIVE 1.4: Supporting corporate TTCs at the industrial sector level

Description

According to the Ministry of Economic Development of Russia, Russian R&D investments represent about 1% of the country's GDP, while the proportion of R&D expenditure in the total costs of Russian natural monopolies is less than 1%. One of the key reasons behind this phenomenon is the fact that large Russian companies do not commercialize the results of their proprietary R&D. This initiative will help raise the performance of the structural units of large industrial companies responsible for technology transfer by raising the commercial efficiency of their R&D, patent registration and establishment of new innovation companies.

Objectives

Principal objectives of this initiative are:

- to increase the number of innovation entities established by contributing the results of research activities conducted by large industrial companies to the capital of such entities;
- to grow the proportion of intellectual property generated by large industrial companies that is properly identified and protected.

INITIATIVE 1.5: Supporting TTCs at the level of higher education institutions and the research centers of the Academy of Sciences

Description

Russia has more than 1000 higher education institutions and about 400 research centers of the Academy of Sciences. The Ministry of Education and Science of the Russian Federation is carrying out a program designed to achieve a reduction in the number of higher education institutions and a corresponding improvement of the quality of the educational process. Federal Law No. 217-FZ adopted in summer of 2009 allowed state-funded research and educational institutions to contribute intellectual property to the capital of newly established small innovation entities. Nevertheless, many Technology Transfer Centers (TTCs) of higher education institutions or research centers still didn't manage to find proper ways of structuring their operation in the new legal environment and establish

the most efficient process of starting small companies on the basis of technologies generated within them. This initiative will actively support dissemination of the best practice of foreign and domestic higher education institutions in the operation of their TTCs and help create favourable conditions for starting up small innovation firms.

Objectives

This initiative has the following principal objectives:

- increasing the number of small innovation firms created with the participation of technology and innovation commercialization centers operating at Russian higher education institutions and research centers of the Russian Academy of Sciences;
- mitigating seed investors' risks at the stage of investment in small innovation firms established with TTCs's participation;
- increasing the proportion of identified and protected intellectual property qualifying for being contributed to the capital of small innovation entities.

INITIATIVE 1.6: Holding competitive selection events/conferences/rating events/surveys and supporting Russian start-ups' involvement in such events

Description

Competition and rating events of start-ups represent an efficient and objective industrial mechanism for early identification of promising companies, and the status of a winner or an awardee offers the respective companies considerable marketing resource. Companies failing at such events nevertheless obtain new knowledge, high-level feedback and expand their networking opportunities. Participation in such events involves certain costs (both for Russian participants of international competition events for regional participants of all-Russia events), which the domestic novice technology entrepreneurs are not always prepared to accept – partly because of the limited budgets of seed companies and partly because they are not aware of the benefits of such events and lack experience of efficient participation in them. Provision of financial support to starting entrepreneurs for partial coverage of the travel costs, as well as consultancy and training resources improving the probability of their entering the group of leaders will help improve both the chances of success for specific start-ups and promote a culture of efficient participation in competition/rating activities within the Russian innovation environment as a whole.

Objectives

This initiative has the following principal objectives:

- increasing the number of domestic start-ups participating in competitions/ conferences/rating events/surveys, both domestic and international;
- increasing the number of domestic start-ups having won the status of winners /awardees of international competitions/conferences/rating events/surveys.

INITIATIVE 1.7: Developing sets of document templates on an "in-a-box" basis

Description

In the course of its development an innovation company is required to create and use significant number of documents. Compiling each of such documents involves considerable costs in terms of time and financial resources, yet, on the other hand, these documents are more or less similar for most of innovation companies. The situation is further aggravated by the fact that the market lacks a critical

mass not only of experts capable of generating such documents at a professional level, but even of experts capable of preparing their full list in advance. This, in turn, results in growing costs and risks associated with the preparation of document flow of innovation companies. Market availability of ready-to-use specialized sets of document templates prepared by skilled experts familiar with the customary practices of international venture capital market, as well as the specifics of the Russian market, will be of considerable help to innovation companies.

Objectives

This initiative has the following objectives:

- identifying the best business practices of the innovation industry and their dissemination among the start-up players of the innovation market;
- optimizing time and money expenses of innovation market player involved in the generation of model documents;
- building a uniform terminology base formation for use by the players of the Russian venture capital and innovation market.

INITIATIVE 1.8: Setting up seed houses

Description

One of the most important drivers of the emergence of new high-tech companies is the existence of cluster incubation mechanisms supporting the operation and development of a creative self-inductive innovative entrepreneurial environment, where representatives of all categories of the venture capital market players are present and actively interact within the same space. Such mechanisms emerged as part of the natural evolution of the geographical locations that have traditionally been considered development centers of the venture capital industry; they are currently absent in the Russian Federation. To ensure accelerated building of a critical mass of innovation players, both in Moscow and in the Russian regions, it is necessary to establish special “focal points of growth”: the catalyzing centers, of “seed houses” assuming the cluster incubation functions.

Objectives

This initiative has the following principal objectives:

- creating “focal points of growth” of creative innovation and high-tech environment;
- raising the operational performance of individual innovation and venture capital market players by establishing mechanisms generating synergies between them.

INITIATIVE 1.9: Monitoring seed houses' operation and raising their performance

Description

This initiative is a follow-on and further development of Initiative 1.8 “Setting up seed houses” and is concerned with turning seed houses into sustainable and self-sufficient elements of the ecosystem.

Objectives

This initiative has the following objectives:

- increasing the flow of new innovation companies established as a result of the operation of seed houses;

- increasing the aggregate capitalization of companies established as a result of the operation of seed houses;
- bringing seed houses to the level of commercial viability.

Program 2. Encouraging demand for innovation companies, products and services

This program has the following objectives:

- boosting the demand for innovative products / services in the domestic market;
- Boosting the demand for innovation companies in the domestic capital market;
- Raising the degree of involvement of large industrial companies with the development of the Russian innovation sector.

The program comprises the following initiatives:

- Articulating the demand for innovation from the real sector;
- Attracting financial resources of the real sector into VC funds;
- Promoting innovation companies' products/services in the real sector;
- Implementing early, middle and late stage venture capital investments.

Program 2: Encouraging demand for innovation companies, products and services

INITIATIVE 2.1: Articulating the demand for innovation from the real sector

Description

Contemporary Russian economy has not yet come up with efficient mechanisms whereby real sector companies (medium business) could identify their requirements in innovation products/services and channel such information to the potential domestic suppliers of the respective products/services. Catalyzing the development of such mechanisms will promote the formation of a mature and balanced innovation ecosystem and result in the emergence of sustainable natural economy modernization and innovation funding instruments.

Objectives

This initiative has the following principal objectives:

- increasing the number of domestic start-ups generating innovative products (providing innovative services) for domestic real sector companies (medium business);
- building a mechanism facilitating the formation of stable commercial links between real sector businesses and innovation companies.

INITIATIVE 2.2: Attracting financial resources of the real sector into VC funds

Description

The Russian economy currently lacks a sustainable and scalable mechanism of directing the flow of domestic innovation products and services to large companies of the real sector, as well as commercialization of the innovations developed within such companies. Besides, information and financial links between innovation and industrial companies in general are rather weak, therefore such mechanism is unlikely to emerge in the near future. The most efficient way to establish such links is fostering direct financial relationships, and one of the means of achieving this is to attract investment resources of large real sector companies to innovation firms. This initiative deals addresses this particular task.

Objectives

Objectives of this initiative are to engage large Russian industrial companies in a process of the modernization of economy and to increase the involvement of private capital in investments in Russian innovation companies.

INITIATIVE 2.3: Promoting innovation companies' products/services in the real sector

Description

Consumption of innovation products of Russian origin by domestic real sector companies hasn't yet reached the levels comparable to the respective indicators of mature economies. One of the reasons behind this phenomenon is that the top management of the real sector companies is not sufficiently aware of domestic innovation already available in the market, while the domestic start-ups lack adequate knowledge, experience and/or resources for launching full-fledged marketing campaigns and building their sales infrastructure. Assistance to domestic innovation companies in undertaking marketing efforts of this level will help improve the chances of success for such companies, while also

facilitating accumulation of positive experience of interaction with innovation start-ups by domestic real sector companies and development of their culture of consumption of domestic innovation.

Objectives

This initiative has the following principal objectives:

- increasing the sales turnover of domestic start-ups generating innovation products (providing innovation services) for domestic real sector companies;
- building of a mechanism facilitating the formation of sustainable links between businesses of the real sector and innovation companies.

INITIATIVE 2.4: Implementing early, middle and late stage venture capital investments

Description

Although the venture capital investment is not any more a fundamentally novel issue for the Russian financial системы, yet, the market supply of capital for VC investments, especially in the form of the so called "smart money" enabling innovation companies to access not only investors' financial resources, but also their expertise, is still insufficient. Besides, a number of domestic and foreign investors willing to embark on high-risk investments in Russian innovation projects, are not prepared to assume all the investments risks associated with such investments, and are interested in identifying partner-co-investors who will be willing to share such risks with them. The additional risks of the domestic innovation and venture capital market are offset by some extra opportunities which are due to the young age of this market and the high rates of growth of both the innovations market proper and the Russian economy as a whole. All the above justify and necessitate RVC's efforts to set up mechanisms of the Company's indirect participation in the operation of the innovation market as a co-investor benefiting from investing in successful companies ensuring non-linear capitalization growth and minimizing losses from investments in less successful companies by sharing the associated risks with other co-investors. This initiative deals with the establishment of such mechanisms.

Objectives

Objective of this initiative is RVC's contribution in the charter capital of Russian venture capital funds in order to:

- facilitate the development of the Russian venture capital financing business that would boost international competitiveness of innovation firms, products and services, promote the application of the best VC investment practice and international business experience and expertise, using intellectual and business resources of our compatriots living abroad;
- facilitate investments of RVC's funds in promising innovation companies whose business models ensure considerable non-linear growth of capitalization and sales volumes relative to the invested resources and benefiting citizens and residents of the Russian Federation either directly or through subsidiary commercial companies;
- earn profits, to the extent compatible with a reasonable balance between the Company's institutional function and the need to ensure stability of its long-term financial position.

3. Program for Development of RVC's Partnership Network

The objectives of this program shall be as follows:

- to increase the number of infrastructure players in the domestic innovation and high-tech market and to promote the formation of all essential elements of the VC market environment;
- to enhance the efficiency of infrastructure players operating in the domestic innovation and high-tech market and to improve the quality of services they render;
- to reduce the infrastructure-related costs of domestic innovative companies with the view of improving their international competitiveness.

This program consists of the following initiatives:

- supporting partners and coordinating their activity;
- supporting the experts community.

Program 3: RVC's Partnership Network Development

INITIATIVE: 3.1. Supporting Partners and Coordinating Their Activity

Description

In virtue of underdevelopment of the innovation and VC market of the Russian Federation and a relatively small number of innovative companies and venture funds operating therein, the full range of infrastructure service companies required for servicing the ecosystem is not yet available in Russia. The very same infrastructure service companies that have already embarked upon their business in order to survive are forced, by reason of the market tightness, to charge rather high prices for their services. This bumps up the infrastructure costs of domestic innovative companies and undermines their ability to compete on the global market and thwarts the progress of the innovative economy in general. To smoothen the situation, it is necessary to make focused efforts to increase the number of infrastructure service companies, to improve the quality and to reduce the cost of their services for innovative companies. Furthermore, a greater number of niche infrastructure service companies will help attract them for implementation of particular RVC's initiatives at the specific market segments, which is necessary to provide for the scalability and efficiency of the process of implementation of said initiatives.

Goals and Objectives

The objectives of this initiative shall be as follows:

- an expeditious formation in the Russian Federation of a full range of infrastructure service companies required for servicing a well-balanced innovation and VC ecosystem;
- building of a scalable mechanism for the implementation of RVC's initiatives at various market segments.

INITIATIVE: 3.2. Supporting the Experts Community

Description

An accelerated development of the domestic innovation and VC ecosystem shall simultaneously go along two lines: expansion in the number and improvement of the quality of innovative companies, expansion in the number and improvement of the quality of infrastructure service companies. In each of these efforts, the essential (if not the primary) factor is that there are skilled business and technological experts and they can be engaged to work in innovative and service companies. This initiative concerns with solving the problem of formation and support of the activities of the RVC experts community, which will give the existing companies and experts a more effective way of finding each other, as well as will stimulate the process of stable increase of the number of local experts.

Objectives

The objectives of this initiative include formation and support of an open RVC Expert community that is called to take an active part in the Russian innovation ecosystem and to facilitate development of the Russian innovation ecosystem in the following areas:

- participation in the process of creation, commercialization or in support of Russian innovations;
- work with RVC partners;
- creation of, training in and promotion of best practices of the innovation and VC industry.

Supplementary targets shall be creation of a venue for searching for employees and executives for innovative companies, formation of a pool of potential members of closed RVC communities.

4. Program of Institutional Initiatives

The objectives of this program shall be as follows:

- setting up mechanisms of RVC's cooperation with the state (both legislative and executive bodies) at the federal and regional levels;
- carrying out of focused work designed to identify and remove existing specific institutional barriers impeding efficient development of the Russian innovation and VC ecosystem;
- carrying out of focused work aimed at the establishment of public-level mechanisms promoting the development of the Russian innovation and VC ecosystem (technology corridors, an institution of an ombudsman for innovative entrepreneurs).

This program consists of the following initiatives:

- monitoring, reviewing and suggesting mechanisms facilitating state support and removal of administrative barriers;
- cooperation with representatives of the state in promoting regional legislative and executive initiatives aimed at removing administrative barriers and setting up support mechanisms;
- cooperation with representatives of the state in promoting federal-level legislative and executive initiatives aimed at removing administrative barriers and setting up support mechanisms;
- setting up an office of an ombudsman for innovative entrepreneurs and ensuring its operation;
- establishing technology corridors.

Program 4: Institutional Initiatives

INITIATIVE: 4.1. Monitoring, Reviewing and Suggesting Mechanisms Facilitating State Support and Removal of Administrative Barriers

Description

Monitoring and reviewing of the results of the state activities in the sphere of innovative entrepreneurship is an essential feedback element that ensures the quality of the state support of the innovation and VC business. This initiative is implemented along several directions: monitoring of current actions of the authorities and framing of RVC's standpoint with respect to the state support of the innovation and VC ecosystem of the Russian Federation.

Objectives

The main objective of this initiative is to frame RVC's standpoint as an institution for development of the innovation and VC business in front of the Russian Federation bodies of legislative and executive power.

INITIATIVE: 4.2. Cooperation with Representatives of the State in Promoting Regional Legislative and Executive Initiatives Aimed At Removing Administrative Barriers and Setting Up Support Mechanisms

Description

The process of modernization of the economy of the regions and the economy of the Russian Federation in general involves implementation of a great number of activities aimed to improve the business climate and to raise the gross regional product. One of the objects of the economy modernization is to reduce the share of state monopolies in all spheres of economy and to ensure an active growth of small and medium-sized businesses. For this purpose, the federal government assigns strategic directions of development, and regional governments take particular measures to facilitate development of innovative and venture companies.

The viable solution of this task and its hit ratio directly depend on actions of the authorities of the RF constituents, their active participation and interest in the innovative development of their regions. This can be achieved through active involvement of representatives of the innovation and VC market and through the development of competence of regional state officials.

Objectives

The main objective of this initiative is to assist state government bodies of the RF constituents in creating conditions for the sustainable development of the venture industry throughout the country. To achieve the designated objective, the following set of tasks will be dealt with:

- development of a plan of work with regional authorities;
- popularization of the support and development of the venture industry at the level of regional authorities;
- organization and participation in forums, conferences and panels focused on the issues of development of the regional economy;
- establishment and maintenance of working relations with representatives of regional authorities.

INITIATIVE: 4.3. Cooperation with Representatives of the State in Promoting Federal-Level Legislative and Executive Initiatives Aimed at Removing Administrative Barriers and Setting up Support Mechanisms

Description

Modernization of the Russian Federation economy involves major efforts aimed to increase the business activity and to alter government regulation processes. The mechanism for such modernization includes determination of the strategic and tactical movement vector, direct activity of the Russian Government and responsible federal bodies of executive power, as well as legislative activity on the federal level.

Within the framework of said modernization, one of the priorities is development of the innovation component of the economy which requires involvement of the innovation and VC market players in that process and ensuring their effective communication with federal authorities.

Objectives

The main objective of this initiative is to assist in creating conditions for the sustainable development of the venture industry at the level of the federal legislation, to enlist support of key federal bodies of executive power, federal assembly, special-purpose committees and other consultative and coordinating bodies.

In the year 2010, the effort to achieve the designated objective will include the following set of tasks:

- development of a plan of work with federal authorities;
- implementation of measures aimed at implementing said legislative and other initiatives in support of the industry;
- involvement in the venture industry development process of representatives of federal government bodies, special-purpose committees and other consultative and coordinating bodies;
- organization and participation in forums, conferences and panels oriented to federal officials;
- establishment and maintenance of working relations with federal authorities.

INITIATIVE: 4.4. Setting up an Office of an Ombudsman for Innovative Entrepreneurs and Ensuring Its Operation

Description

On their way from a start-up to IPO venture companies come up against a great many problems and difficulties which reduce their in any case remote chances to launch a successful business in the sphere of innovations. These include an inadequate level of property rights protection, a high level of corruption, tax pressure, tightness of the financial base, difficulties in reaching the IPO stage, and a limited access to outside resources.

Many of these issues are constitutional which should be solved within the framework of global transformation of government processes and alteration of regulating tasks. However, part of the problems associated with the direct impairment of rights of small innovative entrepreneurs arising at the level of executive functions of the state and impairment of rights can be solved through the protection of such rights and other administrative support procedures. In 2010, RVC will prepare a

concept for "offices of an ombudsman for innovative entrepreneurs" and will carry out measures necessary for the promotion and implementation of that concept in state government bodies.

Objectives

The main objective of this initiative is to set up an institution in the Russian Federation for protecting rights of innovative entrepreneurs.

INITIATIVE: 4.5. Establishing Technology Corridors

Description

Establishing technology corridors – legal thresholds of technological parameters – has proved its worth as an effective mechanism for stimulation of the process of development of innovative products. In Russia, the practice of introduction of technology corridors is spread to a much lesser degree than in developed economies. RVC cannot undertake the functions of the chief organizer/coordinator of the process of establishing domestic technology corridors. Nevertheless it is ready to carry out supporting activities, primarily by way of creation/dissemination of analytical data and pre-reading materials, carrying out the educational work.

Objectives

The main objectives of this initiative include:

- promotion of the concept of technology corridors among representatives of federal and regional government bodies, participants of the VC and innovation ecosystem and journalists;
- granting representatives of federal and regional government bodies access to the objective analytical information about the accumulated world experience in using technology corridors and about the current activities the Russian Federation is engage in with the view of establishing such corridors;
- rendering assistance to federal and regional authorities in the course of preparation for the establishment of domestic technology corridors.

Program 5: Encouraging the development and self-organization of the innovation community

The program is aimed at:

- Setting up sustainable and independent non-governmental self-organization institutions of the innovation industry that would be capable, going forward, to independently support efficient development of the Russian innovation market and ensure its international competitiveness and promotion.

The program includes the following initiatives:

- support to groups of enthusiasts, communities and associations;
- development of and support to innovative media;
- establishment of and support to an online resource of RVC.

Program 5: Encouraging the development and self-organization of the innovation community

INITIATIVE: 5.1. Supporting groups of enthusiasts, communities, associations

Description

The communication environment for innovative economy players is a material catalyst for emerging of shared interests, new ideas, companies and groups of people with similar views that further become pioneer employees at innovative companies. Current underdevelopment of organised and existing communities results, first of all, from the fact that players lack information about their colleagues interested in similar matters. Creation of an online playground bringing active participants together within the same location and offering them instruments for organising and developing, *inter alia*, membership clubs on a geographical basis will help accelerate the establishment of innovative business movements, including regional ones. As for mature innovative professional and industry communities, RVC must be aware of their activities and, if interests are common, provide them required assistance.

Goals

Main goals of this initiative are:

- increase in the number of regularly operating groups of innovative entrepreneurs and other activists of the innovative movement;
- establishment of Russian domestic network of actively operating groups/communities of the kind;
- RVC's awareness of activities performed by specialised industrial associations and participation in such activities.

INITIATIVE: 5.2. Developing and supporting innovation media

Description

Nowadays, the media covering innovative and venture activities in Russia are not developed enough. Specialised media constitute an integral part of any full-fledged ecosystem and provide mechanisms of self-identification for certain types of market players, structuring of information streams and positioning of one or another business area on the market. Support to and accelerated development of innovative media will let increase the number of and upgrade information transfer and exchange channels, will catalyse the development of professional innovators' communities, and will facilitate various venture market players in understanding that they are a part of an independent innovative industry and will assist the promotion of this industry in the eyes of representatives of various social groups and market segments.

Goals

Main goals of this initiative are:

- increase in the number of media operating on the Russian market and covering innovation and venture matters;
- increase in the effectiveness of media coverage of innovation and venture matters and growth of target audience of the innovative mass media/programs/columns/journalists.

INITIATIVE 5.3. Designing and supporting RVC's online resources

Description

In order to ensure effectiveness of numerous programs and initiatives of RVC, it is necessary to create a scalable mechanism of informing the majority of the Russian innovation and venture market players about these programs and initiatives. In the modern international innovative economy, such mechanisms are usually structured as a combination of an information portal and an online community around it. This initiative is aimed at creating such a combined resource.

Goals

This initiative is aimed at creating an Internet-resource that will become:

- for RVC: the main channel to aggregate and communicate to the public information that is generated during the implementation of RVC's programs and initiatives by its various structural divisions and RVC's contractors and partners, RVC's funds and portfolio companies;
- for established participants in the Russian innovation and venture market (funds, innovative companies, service and infrastructure companies, the mass media, etc.): the main source of information required about this market and a mechanism for interaction with other market participants;
- for newly established participants in the Russian innovation and venture market: the main source of information required for their further upgrade and increase in their effectiveness.

6. Globalisation of the Russian innovation industry

The program is aimed at:

- Attracting international VC market players to Russia;
- Facilitating promotion of the Russian VC industry players and innovation companies' products in the global market;
- Building a consistently positive attitude to Russian innovation companies in the global markets.

This program comprises the following initiatives:

- integration of Russian innovative players into international communities;
- integration of the Russian innovative expatriate community into the innovative ecosystem of the Russian Federation;
- assistance to Russian innovative companies in entering foreign markets;
- promotion of Russian innovations among the international venture audience;
- attraction of international investments into Russian companies;
- attraction of Russian investments into international companies.

Program 6: Globalisation of the Russian Innovative Industry

INITIATIVE: 6.1. Integration of Russian innovation players into international communities

Description

Nowadays a large number of major international business and technology communities such as international venture associations, business angels associations, IEEE, ACM, etc operate globally. Active participation in the work of such communities enables its participants to gain access to various resources, expand the data base of business contacts and to share experience, etc. Currently, the majority of such international communities lack representation in the Russian Federation which results not so much from the absence of their interest in Russia as from the absence of initiative shown by national potential participants in such communities. Such absence, in its turn, is determined by insufficient awareness of Russian professionals of advantages brought by cooperation with international communities and of existing methods of such cooperation.

Goals

Main goals of this initiative are:

- increase in the participation of Russian representatives of the innovation industry in the operation of international business and technology communities;
- increase in the number of activities performed on the Russian innovation market by international business and technology communities.

INITIATIVE: 6.2. Integration of Russian speaking foreign community of innovators into the Russian innovation ecosystem

Description

An effective trend in development of the innovative component of Russian economy is to adopt and to implement progressive foreign experience in domestic practice. It can be carried out through studying international experience, attending and participating in foreign initiatives and engaging foreign experts. Examples shown by India, Israel, China and other countries prove that an effective method of adopting international experience is to actively engage and involve nationals with successful experience in foreign companies in the development of the innovation area of home economy. By virtue of a number of historical and social reasons, the Russian expatriate community is not involved enough in the upgrading and development of Russian economy. This initiative is designed to increase such participation in number and quality.

Goals

This initiative is aimed at engaging expatriates having experience, knowledge and other resources in the development of Russian innovation business.

In 2010, the following fundamental tasks will be performed:

- strategic and tactical tasks will be determined;
- mechanisms and methods of interaction with expatriates will be worked out in detail (work manner, promising trends and expected results will be determined, regions to establish representation offices will be identified, mechanisms of engagement and further work will be elaborated);
- preparation work will be performed (data base on expatriates will be drawn up and success stories will be prepared);

- experiment will be carried out on setting up mechanisms for engaging representatives of Russian innovative expatriate community from certain regions abroad.

INITIATIVE: 6.3. Assisting Russian innovation companies in launching their international business

Description

In the majority of cases, the entry to and consolidation of a position on foreign markets is one of essential but not easy steps to be taken by a developing venture company of any country. The step is especially hard for Russian innovation companies owing to the business culture different from other countries. Assistance to Russian innovative companies will not only help increase the export turnover of these companies but develop a corresponding culture and infrastructure within the domestic innovation environment.

Goals

The initiative is aimed mainly at the increase in and stabilisation of the growth of Russian innovative companies' turnover received on account of foreign markets.

INITIATIVE: 6.4. Promoting Russian innovations with the global VC audience

Description

Today Russia has no image, within international venture community, of a country giving innovative companies to the world, which, in its turn has a bad impact on both the interest of international investors in Russian innovations and the readiness of global market participants to purchase Russian innovation products and services. It is significantly conditioned by unawareness of representatives of innovative community of the processes taking place on the Russian high-technology market and of the potentials of Russian innovation companies. A number of measures, especially the marketing ones, should be taken to change the situation.

Goals

Main goals of this initiative are:

- increase in the awareness of the Russian innovation industry and development of positive attitude to it among the officials of leading international venture funds;
- increase in the awareness of the Russian innovation industry and development of positive attitude to it among "opinion leaders" of international innovation and venture industry (journalists and experts).

INITIATIVE: 6.5. Raising foreign capital for investment into Russian companies

Description

Institutional investors not only provide their portfolio companies with access to financial resources but also give them an opportunity, which is more important, to apply their accumulated business expertise and previously established channels to access particular markets, and stimulate a synergic effect resulting from the interaction with their other portfolio companies. The most potential for the nonlinear return of investments is shown by the companies focused on international market.

International institutional investors, however, are not ready enough to work on the Russian market which means the deficiency of the relevant nonfinancial investment resources for domestic innovative companies planning to enter global market and, consequently, the decrease in competitiveness of the most promising Russian innovations on the market. The initiative is aimed at solving the problem.

Goals

This initiative is aimed at integration of Russian innovative companies into global innovative ecosystem by attracting international innovative capital into Russian innovative companies.

INITIATIVE: 6.6. Raising Russian capital for investment into global companies

Description

The existing trend in the development of global innovative system makes participants in international venture market concentrate businesses and capitals and perform mergers and acquisitions of complimentary technological assets in different countries. Within the framework of this initiative, RVC itself performs and supports Russian innovative companies and venture funds in performing operations on purchase/acquisition/accession of international assets providing a stable ground for the development and capitalisation growth of Russian technological companies and funds, both in Russia and abroad.

Goals

Goals of this initiative are:

- to work out RVC's strategy for accession to international venture funds and acquisition of international infrastructure companies;
- to create and maintain the infrastructure for purchase/acquisition of international assets by both RVC and Russian innovative companies;
- to access leading international venture funds and acquire interest in international infrastructure companies;
- to maintain processes of the accession to international venture funds by Russian venture funds and acquisition of technological assets abroad.

Program 7: High Quality Business Expertise and its Accessibility

This Program is developed to fulfil the following tasks:

- secure the availability and high-quality technological business expertise both for the RVC with its funds and for other participants of the market;
- improve the professional skill of various categories of experts required for the development of the domestic innovative market;
- render assistance to innovative companies in forming their boards of directors and advisory councils;
- strengthen the integrating links between innovative and “traditional” business- and expert environments.

This Program consists of the following initiatives:

- the average-audience training Programs and workshops/seminars;
- conferences and congresses (for average- and targeted audience);
- individual training programs and expertise transfer;
- establishment and support of the RVC training service infrastructure;
- support of activities of the companies’ advisory councils and boards of directors;
- engagement of [business] consultants for companies’ advisory councils and boards of directors;
- promotion of [business] consultants to companies’ advisory councils, boards of directors and options thereof;
- establishment and supervision of consultative networks;
- management of valuation experts and coordination of appraisal procedures.

Program 7: High Quality Business Expertise and its Accessibility

INITIATIVE: 7.1. Implementing educational programs and seminars for mid-size audiences

Initiative Description

The most widespread methods of knowledge transfer in Russia today are classroom workshops and courses of lectures. Owing to the specific nature of the expertise required from the managers and experts involved in the venture market, training of most categories of such professionals cannot be conducted in classrooms. In the instance of the categories of the professionals whose classroom training is possible and justifiable, however, we confront scarcity of requisite curricula, shortage of qualified instructors, and absence of the educational facilities capable of organising the necessary training procedures. The purpose of this initiative is to eliminate such obstacles.

Objectives

This initiative has the following objectives:

- to ensure the expertise transfer in the most critical directions in compliance with the following criteria:
 - the expertise transfer in a specific direction cannot be carried out in a online mass training mode;
 - the expertise transfer is possible in a group training mode (no individual education Programs are required) on the territory of the Russian Federation;
- to increase the number of the domestic expert instructors capable of conducting average mass training Programs, to raise their qualification level, first and foremost, in the critical directions where the RF cannot provide the necessary number of specific experts;
- to increase the number of regional expert instructors capable of conducting average mass training Programs, to raise their qualification level, first and foremost, in the critical directions where the regions in the RF cannot provide the necessary number of specific experts.

INITIATIVE: 7.2. Conducting conferences and congresses (for mid-size and limited-size audiences)

Initiative Description

The process of further development of the national innovation and venture ecosystems calls for a new impetus needed to stimulate the organisation of conferences, seminars and workshops. In the process of implementation of various Programs and initiatives RVC is planning to carry out a great number of specialised conferences and workshops. In addition to the undertakings bearing a clear thematic message predicated on the peculiarities of each particular initiative, it becomes expedient to conduct more venture-oriented conferences, forums and workshops organised by other market participants. The pattern of most of the conferences organised by both RVC and its partners is largely the same, hence they require similar infrastructural support. Therefore, centralised allocation of said infrastructural support will help cut down the parties' joint expenditures for the organisation of such conferences and facilitate the process of their preparation. This initiative is intended to address and provide solutions to the above tasks.

The Initiative's Tasks and Objectives

This initiative has to fulfil the following tasks and objectives:

- to increase the quantity and improve the quality of conferences, seminars and workshops dedicated to the issues of business ventures and innovations in Russia;
- to increase the quantity and raise the level of customer satisfaction among the participants of conferences, seminars and workshops dedicated to the issues of business ventures and innovations in Russia;
- to set up a joint infrastructure between RVC and its partners for conducting such conferences and workshops, effecting monitoring and optimisation of infrastructural costs incurred by such events.

INITIATIVE 7.3. Individual educational programs and transfer of expertise

Initiative Description

The business venture activities require conscientious efforts to succeed; the higher the level of responsibility vested in a manager / expert the more difficult it becomes to single out the alienated decision-making algorithms, the greater becomes the role of the manager / expert's preceding practical experience. In addition, the efficiency of key managers /experts is largely determined by their personal connections and their credibility. Neither of these virtues can be transferred to the trainees through the traditional classroom forms of tuition. They can only be acquired through unique individual experience which can only be most effectively gained in the process of interaction with various mature experts. In the framework of this initiative, RVC proposes a series of measures aimed at individual upbringing of unique key managers /experts by way of providing them with opportunities to closely interact with leading experts in the world venture industry.

Initiative Objectives

The main objective of this initiative is to enhance the emergence at the Russian market of the required number of innovative players that are critically important for its successful functioning.

Therefore, the main task of this initiative is to ensure the expertise transfer along the most critical directions meeting the following criteria:

- absence in the Russian Federation of a “critical mass” of the experts in this field stands forth as a critical impediment to the development of Russia’s innovation and business venture ecosystem;
- expertise transfer in this direction cannot be effected in the course of online tuition;
- expertise transfer in this direction cannot be effected through group training courses on the territory of the Russian Federation.

The list of directions meeting the above-listed criteria consists of the following players of the Russian innovation market:

1. the top management of the RVC venture funds;
2. the venture lawyers;
3. heads of the infrastructural companies and organisations (incubators, TTC’s, business angel associations, etc.).

INITIATIVE 7.4. Setting up and support of RVC's educational services infrastructure

Initiative Description

The organisation and conduct of various training courses and workshops is envisaged by sundry initiatives featuring them as the Programs intended to ensure the accessibility and high standards of business expertise, as well as RVC's other programs scheduled for 2010 and later years. Each such function has to pursue a specific designated theme predicated on the peculiarities of respective initiatives. In the meantime, almost all of the training courses are based on almost the same pattern and require similar infrastructural support both in the process of their preparation and during their conduct. This initiative deals with the task of provision of the requisite infrastructural support.

Initiative Objectives

This initiative has to achieve the following objectives:

- establishment of a reliable general infrastructure ensuring high-quality training services provided by RVC's partners;
- effective exchange of knowledge between the instructors and their support;
- supply of high-quality up-to-date content to assist the instructors of RVC's training partners;
- establishment of a common venue for the participants of the RVC training Programs;
- allocation of infrastructure to the RVC training partners for conducting conferences / prize contests / workshops / seminars and other educational Programs.

INITIATIVE 7.5. Support of advisory boards and boards of directors

Initiative Description

The boards of directors and the advisory councils constitute a widespread start-up mechanism providing access to the most advanced business expertise. However, this mechanism is not sufficiently used by the Russian companies so far. Since this mechanism is not widely used in Russia, most of Russian businessmen do not have either a proper understanding of the principles of operation of such bodies or any knowledge of the instruments required for their effective functioning. In most instances, the individuals appointed to such bodies do not have sufficient experience of participation in such entities; therefore they often are not capable of making any tangible recommendations as to how the operation of their council /board could be made more effective. As a result, the domestic innovative companies that have adopted the use of the advisory councils and the boards of directors are compelled to resort to a "trials-and-error" method, therefore waste excessively their time and financial resources. This initiative is thus intended to offer a series of measures aimed at resolving this problem.

Initiative Objectives

This initiative has the following objectives:

- to institutionalise the mechanisms of contemporary corporate governance in Russian innovative companies;
- to improve the quality of the corporate governance mechanisms;
- to secure access to most advanced technologies of contemporary corporate governance;
- to establish sustainable partnership relations capable of providing proper infrastructure on a commercial basis.

INITIATIVE 7.6. Engaging advisors to company advisory boards and boards of directors

Initiative Description

The contemporary international innovation and venture industry relies on two most widespread mechanisms for attracting business and technological experts to collaborate with innovation companies as their advisors: through their participation in the boards of directors or the advisory councils. The degree of effective application of said mechanisms in Russian venture companies is significantly lower than that in average international companies of the same profile. One of the reasons for such a situation lies either in the absence or in the inefficiency of Russian companies' instruments capable of attracting highly qualified experts to work in the companies' corporate bodies. The intent of this initiative is to create and promote sustainable instruments of such kind.

Initiative Objectives

The purpose of this initiative is to enhance business activities of Russian young innovation companies through the attraction of the RVC advisors to their advisory councils and boards of directors, as well as formation of an institution of independent brokers capable of rendering such services.

INITIATIVE: 7.7. Promotion of advisors, advisory boards, boards of directors and options

Initiative Description

The process of development and consolidation of an innovative company requires repeated attraction of business and technological experts in two different roles: as valuers of innovative companies and as advisers to those companies. While the efforts of experts in the former role are aimed at rendering assistance to investors with regard to making decisions on their investment of monetary resources into innovative companies, the experts' activities in their second role are devoted to offering direct assistance to the companies with a view to increasing their efficiency hence augmenting their chances to succeed. Under the conditions of today's Russia, the valuation efforts undertaken by the experts in their former role have been somewhat appreciated whereas their second role has not yet gained sufficient popularity among the Russian innovative companies. In the framework of this initiative, RVC is planning to fulfil a series of activities aimed at increasing the level of awareness on the part of the players at the domestic innovative market with regard to the actual benefits of attracting the experts positioning themselves as advisers, as well as the existing mechanisms of advisers' interaction with innovative companies.

The Initiative Objectives

The main objective of this initiative is to enhance in Russia's innovative ecosystem:

- the role of boards of directors and advisory councils in Russia's innovative companies hence increase their number;
- the accession of knowledgeable and motivated experts into boards of directors and advisory councils in Russia's innovative companies;
- adoption of the optional schemes as one of the primary mechanisms for reimbursing company employees, its top managers, advisors, and directors.

INITIATIVE: 7.8. Setting up and management of advisor networks

Initiative Description

The process of development and consolidation of an innovative company requires repeated attraction of business and technological experts in two different roles: as valuers of innovative companies and as advisers to those companies. Under the conditions of today's Russia, the valuation efforts undertaken by the experts in their former role have been somewhat appreciated whereas their second role has not yet gained sufficient popularity among the Russian innovative companies. In the framework of this initiative, RVC is planning to fulfil a series of activities aimed at increasing the number of experts functioning and company advisors, the number of companies using advisors, as well as at further improvement of the existing mechanisms of engagement of expert advisers in the course of administrative decision making undertaken by the directors of innovative companies.

Objectives

The primary objectives of this initiative consist in the establishment and support of the RVC Advisory Pool with an intent to render assistance to RVC in the development of Russia's ecosystem in the following spheres:

- preliminary analysis of innovative and venture projects earmarked for investments;
- the development of innovative companies through accession into the company advisory councils, boards of directors, purchase of shares, paid consultations, etc.;
- the development and promotion of the most advanced practices in the innovative and venture sphere;
- creation of a strategy for the development of Russia's innovative and venture ecosystem through RVC's involvement in various company councils.

INITIATIVE: 7.9. Management of the appraisal community and coordination of the appraisal operations

Initiative Description

Due diligence appraisals constitute an integral and crucially important component of the venture investment process. The capability to effectively accomplish such appraisals, block the way to ineffective companies and give "green light" to perspective companies determines success of the venture fund. It becomes especially important for RVC and its funds where the fact of use of state-allocated funds necessitates additional appraisals hence due substantiation of a decision to allocate investment funds. The efficiency of due diligence appraisals is determined by a possibility to attract most qualified valuation experts as well as by the optimal nature of the valuation process organisation. This initiative is devoted to these two factors ensuring adequate efficiency of project valuation procedures.

Objectives

This initiative has the following objectives:

- improve the quality of due diligence appraisal procedures and expert valuation by Russia's venture funds and the RVC venture funds;
- form the RVC Expert Valuator Pool and encourage its growth;
- facilitate the formation in the Russian Federation of professional valuation companies capable of carrying out due diligence appraisals and expert valuation of innovation projects;

support of the formation of the RVC position at RVC fund investment committees.

8. Program for Inventory Survey and Monitoring of the Innovation Ecosystem

The objective of this program shall be as follows:

- to make sure that the key players of the domestic and global innovation and VC ecosystems are supplied with essential factual, expert, analytical, comparative and prognostic data on the Russian VC and innovation market.

This program consists of the following initiatives:

- inventory survey of the ecosystem;
- preparation of analytical reports;
- integration of Russian statistics into international research data.

Program 8: Inventory Survey and Monitoring of the Innovation Ecosystem

INITIATIVE: 8.1. Inventory Survey of the Ecosystem

Description

In the course of carrying out their activities, subjects of the VC and innovation industry require access to factual information that is essential for taking the best decisions. By virtue of the fact that this industry is relatively young, the Russian Federation currently has no single center for obtaining access to all consolidated information the market entities require about the innovation ecosystem: some information is available but it is fragmentary and significant efforts are needed for its collection from various sources; some information is completely unavailable. Such situation leads to slowing down the decision-making process, impairing its efficiency and, eventually, to the loss of the competitive edge of the domestic innovation industry on the global market. Setting-up of an independent analytical center under the auspices of RVC to consolidate information from various sources (including to acquire and process data inaccessible from the existing statistical reports through its individual effort) will allow solving the described problem.

Objectives

The objectives of this initiative shall be as follows:

- to provide key players of the innovation and VC ecosystem with the objective information about its current state and values of key parameters;
- furnishing of key players of the innovation and VC ecosystem with the results of its quantitative analysis.

INITIATIVE: 8.2. Preparation of Analytical Reports

Description

In the course of carrying out their activities, subjects of the VC and innovation industry require access to analytical and expert information that is essential for taking the best decisions. By virtue of the fact that this industry is relatively young, the Russian Federation currently has no single center that would offer access to all analytical information the market entities require about the innovation ecosystem: some information is available but it is fragmentary and significant efforts are needed for its collection from various sources; some information is completely unavailable. Such situation leads to slowing down the decision-making process, impairing its efficiency and, eventually, to the loss of the competitive edge of the domestic innovation industry on the global market. Setting-up of an independent expert center under the auspices of RVC to review information about the market and to disseminate reports containing the results of such review will allow solving the described problem.

Objectives

The objectives of this initiative shall be as follows:

- to make sure that the key players of the innovation and VC ecosystem are supplied with expert, analytical and prognostic data;
- furnishing of key players of the innovation and VC ecosystem with the results of qualitative analysis of its current state and expected trends.

INITIATIVE: 8.3. Integration of Russian Statistics into International Research Data

Description

Today in the world there are a large number of regularly published ratings and analytical reviews that offer comparative information about the VC and innovation markets of different countries. Such ratings and reports are used by key players of the international VC ecosystem (primarily by investment funds) in the course of their strategic decision making. In a good many of said ratings and reports, Russia is not on the list of countries under review which, in the eyes of global institutional players, means its absence from the global innovation market. Aside from that, this significantly complicates an unbiased comparative assessment of the present situation and dynamics of its development by the Russian entities of the innovation market, including by government bodies in charge of the modernization of the national economy. This initiative is dedicated to solving the task of adding the Russian Federation to the lists of countries included in regularly published respected ratings and analytical reviews.

Objectives

The objectives of this initiative shall be as follows:

- to make sure that the key players of the global innovation and VC ecosystem are supplied with objective factual, expert, analytical and prognostic data on the Russian innovation market;
- to make sure that the key players of the domestic innovation and VC ecosystem are supplied with objective comparative data on the present position of the Russian Federation on the international innovation market.

9. Program for the Promotion of the Innovative Entrepreneurship and Highlighting Its Success Stories

The objectives of this program shall be as follows:

- building a positive attitude to the profession of an innovative entrepreneur in the Russian society: raising the prestige of this profession;
- highlighting the opportunities for starting up new innovative companies and the prospects opening before innovative entrepreneurs in this area, positioning innovative entrepreneurship as a prestigious and profitable line of activity for successful people;
- building interest in domestic innovations among the Russian public, raising confidence in its own potential and opportunities;
- strengthening the RVC brand.

This program consists of the following initiatives:

- mass media and PR promotion campaign;
- institution and promotion of a national innovative entrepreneurship award;
- developing and implementing educational programs (online resources, books) and initiatives (contests, olympiads) for the general public.

Program 9: Promotion of the Innovative Entrepreneurship and Highlighting Its Success Stories

INITIATIVE: 9.1. Mass Media and PR Promotion Campaign

Description of the Initiative

At the moment, innovative entrepreneurs in public perception are not "idols", i.e. those on whom the masses wish to model. What is more, every so often the notion of innovative entrepreneur itself is not perceived as an independent one: people do not know its meaning. To increase the number of those who wish to engage in the innovation and VC activities, it is necessary to carry out large-scale popularization work and explain the essence of innovative entrepreneurship. It is also necessary to popularize success stories – examples of domestic thriving innovative entrepreneurs whose achievement will stimulate active population to try to follow in their wake. This initiative is dedicated to dealing with these tasks.

Goals and Objectives of the Initiative

The objectives of this initiative shall be as follows:

- unambiguous wording and fixing the notion of innovative entrepreneur in dictionaries / conceptual use;
- introduction of this notion in daily use of authoritative target audiences;
- wide popularization and building of a positive image of the innovative entrepreneurship; positioning of the innovative entrepreneurship as a prestigious and lucrative kind of activity for successful people;
- building interest in domestic innovations among the Russian public, raising confidence in its own potential and opportunities;
- strengthening of the RVC brand and its reputation as an ideologist of cultural evolution of the innovative entrepreneurship in Russia.

The target audience for the initiative includes:

- authoritative audience: introduction of a new for the mass consciousness notion of innovative entrepreneurship should come into being through authoritative audiences, namely prominent representatives of state organizations, business elite, academic community, etc.;
- wide audience: the authoritative audience in its turn will promote the notion of innovative entrepreneur into the general Russian public;
- already existing and potential innovative entrepreneurs who should become active participants in the program.

INITIATIVE: 9.2. Institution and Promotion of a National Innovative Entrepreneurship Award

Description

At the moment, the Russian society at large lacks understanding of how the career of a successful innovative entrepreneur is formed, what the key factors of the innovative entrepreneurs' success are and what the results of their activity are like. Without such understanding, the mass emergence of new innovative entrepreneurs treading in the steps of path breakers of that course is impossible. To provide the society with answers to such question in the most efficient manner with specific

references. This initiative is planned to be implemented with the view of public identification of such examples and of drawing attention thereto in a customary for the consumers media-show format.

Objectives

The objectives of this initiative shall be as follows:

- to place emphasis on the significance of the innovative entrepreneurship industry and to raise the status of the profession;
- to form a sustained interest in this kind of activity;
- to identify meaningful achievements of the players of the innovative entrepreneurship sphere;
- to attract attention of the general public to that program.

Target audience:

- existing and potential innovative entrepreneurs who should become active participants in the program;
- opinion leaders;
- public at large.

INITIATIVE: 9.3. Developing and Implementing Educational Programs (online resources, books) and Initiatives (contests, Olympiads) for the General Public

Description

Each year the Russian Federation puts more and more emphasis on the matters of development of the innovative entrepreneurship. However, so far all popularization projects and educational activities in that area are generally concentrated in Moscow and regional metropolises. Moreover, predominantly they are focused on several narrow segments of the audience: participants of technology parks and incubators, scientists and postgraduates of leading technical institutions of higher education and research institutes, faculty members and students of business schools, etc. Population of small- and medium-sized settlements remains uninvolved in this work. Likewise, the relevant activities so far fail to reach fringe audiences: faculty members, postgraduates and students of higher education establishments of the humanitarian orientation, employees of non-innovative companies, etc. To work with representatives of these categories, it is necessary to use highly-scalable channels of reporting, primarily such as Internet and literature.

Objectives

The objectives of this initiative shall be as follows:

- to attract attention to the opportunities of the innovative business, to stimulate interest of active population of various regions and social groups in setting-up their own innovative companies;
- to allow people from all regions of the Russian Federation and from all walks of life access to educational resources in the field of the innovative entrepreneurship.