

Hi-tech is a Potemkin village in reverse

In the West, having a slick presentation and polished image is part of doing business. In Russia, businesses are focusing more on substance than on style. And that cultural divide means both sides may be losing out.

By **LEONID MALKOV**
Cogitum LC

In the early 1990s, Fred Langa, editor-in-chief of Byte magazine, visited Moscow and met with several programming companies. In an article about his travels, he described the situation with programming in Russia as resembling a "Potemkin village in reverse." He wrote of how he was led into grim-looking, shabby buildings, where, behind the off-putting facade, he would find cheery and comfortable offices full of qualified programmers, creating high-class products on modern computers.

The image of the Potemkin village in reverse is a perfect metaphor for the Russian high-tech sector and perhaps even for Russian business in general. Paying little attention to appearances is so natural for Russian businesspeople that, in most cases, they do not even notice the clash of cultures that takes place when dealing with Western firms.

Making things look good on the outside just is not seen as a priority in Russia. In a sense, starting your business in some shabby old building in Russia is as prestigious as starting out in a garage in the United States.

Shabby buildings are not the only way this lack of emphasis on outward signs of success manifests itself. Many American entrepreneurs are surprised that their Russian counterparts often do not have glossy files full of colorful information documents on their company and that their presentations and speeches often seem unprepared.

To a Western businessman, this looks like a lack of business culture, when it is really just a different business culture. In some countries, appearances can lead one to believe the real situation is better than it is, while in Russia, it is the other way round.

More trust in reality

Despite the undeserved reputation of Potemkin villages, Russians generally place more trust in what seems real rather than what looks rehearsed. Russians and Americans have very different attitudes towards presentations. For example, Americans learn to speak in public and use PowerPoint right from school, but in Russia, well-rehearsed presentations are seen as not reflecting the heart of the matter and are viewed with skepticism.

Someone who is obviously speaking impromptu, however,

will be seen as more sincere, personal and convincing. Russian businesspeople often perceive their Western counterparts' presentations as being like a show and find them highly off-putting because they seem so artificial. American businesspeople would go to a restaurant to talk informally, while Russians see no reason not to talk in a more informal style at official presentations.

Western business people who do not realize how natural this is for Russia, and who start using Western standards to judge the facades companies present, could find themselves seriously mistaken in their impressions.

This difference in business culture between Russia and the United States makes it difficult for Russia to attract orders and investment.

It is interesting how the idea of Potemkin villages came to be so strongly associated with Russia in the first place. The problem is that historians are seldom objective in describing past events, giving birth to misleading stereotypes that become entrenched over time and even make their way into the language.

Potemkin villages are a good example of this kind of stereotype. According to the Encyclopedia Britannica, the

expression "Potemkin village" came to denote any pretentious facade designed to cover up a shabby or undesirable condition.

This story has its roots in 1789, when Count Grigory Potemkin (1731-91), who was in charge of developing the southern lands captured from Turkey, accompanied Catherine the Great on a tour of the new territories to show how successful his work was. According to the legend, or, actually, to the parody published in Germany years later, Potemkin ordered artificial villages erected so as to impress the empress as she passed by.

Colorful character

Potemkin was certainly one of the most colorful figures in Russian history and, as such, was a target for all kinds of rumors and gossip. He seriously dreamed of rebuilding the Byzantine Empire under Russia's rule. As a field marshal, he conquered huge territories from Turkey, then organized their development in a matter of years and founded several cities including Kherson, Sevastopol, Simferopol and Yekaterinoslav, now known as Dnepropetrovsk.

The settlement of the Russian south during Potemkin's time was similar to American colonization of the Wild West in the 19th century, though it did not become so popular in history.

This is partly because, though Potemkin had an enormous influence, he also had many enemies. He was attacked by many hostile publications during his lifetime, and after he died his ornate tomb was vandalized and his remains disappeared altogether under the reign of Paul, who hated his mother and her favorites.

The spirit of this Wild South was reflected in the memoirs of a prominent British traveler, the brother of philosopher Jeremy Bentham, who served under Potemkin. "It would seem that Potemkin wanted to transplant British civilization en masse in Belarussia," he wrote.

Before leaving for Russia, he prepared himself for the hardships he expected to endure in such a barbaric land by sleeping on the floor for three weeks. But he found that the savagery at Potemkin's court amounted to the fact that, "though the table was served with silver dishes, the knives and forks were of iron, were very dirty and were not changed with the courses... All the gentlemen wore boots, even though there were many ladies present."

It's paradoxical that Russia should have become so closely associated with the idea of putting on pompous and superficial displays and creating Potemkin villages, because in many respects this idea is something very alien to the Russian culture.

This is especially true of its high-tech firms, which are adept at getting good results in conditions that are far from perfect.

Russian culture places more



Russian hi-tech firms focus more on production than on presentation — a problem when trying to take their business overseas.

importance on what is inside than on the packaging, unlike in the United States, where attractive packaging is often just as important as making the goods themselves look attractive.

This has become even more noticeable in recent years with the rise of "kick them out" marketing, an aggressive style that has become widely touted and used. This is all far more reminiscent of Potemkin villages in the broad sense of the term.

Crisis partly to blame

In Russia, it is often the reverse, with attractive packaging being a rarity. The word "image" has generally very negative connotations in Russia, while truth is a highly rated cultural value.

Of course, economic reasons also explain a great deal. Russia's economic crisis of the 1990s led to a shortage of decent office space and high prices that were beyond what the average high-tech firm could afford to pay. Instead, companies were forced to rent cheap offices that come with miserable-looking facades. In many cases, technology firms rent space not in special office parks, but in former research institutes that have not been repaired for over a decade. Parts of these buildings that are rented out get repaired by their tenants, but you cannot tell that by looking at the building from the outside.

Another example, from science this time: Famous Russian philologist Sergei Averintsev once said that American scientists are not as interesting as their articles, while Russian scientists are more interesting than theirs.

The ability to present something to the best advantage, making it look even better than it is in reality, is an important part of the American culture, while it is something viewed with skepticism in Russia.

Perhaps it would make more sense and work out to be cheaper for Russian business to promote its own interesting business culture, including the idea of Potemkin villages in reverse, rather than try to change it entirely by simply imitating Western models. ■

24-25 March 2003
Renaissance Hotel, Moscow

TRANSRUSSIA

8th Moscow International Transport & Logistics Conference
"TransRussia 2003"

Topics

- Prospects of development of Russia's transport sector
- Attracting investment in the transport infrastructure development
- Customs policy and increase of transit forwarding effectiveness
- Logistic management of transport routes
- Intermodal transport
- Legal issues of the Russian transport system
- Baltic region development in terms of European Union expansion
- Russia's transit potential in the international transport routes network

Participants

- More than 300 delegates from Russia and 25 foreign countries
- State Customs Committee of the RF, State Duma of the RF, European Commission, Freight Forwarders Association of the RF, World Customs Organisation, St. Petersburg Administration, Kaliningrad Region Administration, CFTO of the Ministry of Railways of the RF, International Transport Academy, Executive Committee of the Coordinating Transport Meeting, Euro-Asian Transport Union, American Chamber of Commerce, International Coordinating Council on TransSiberian Transportation, Russian Aluminium, Trans-Business, St. Petersburg Sea Port, Oktyabrskaya Railway and others

Organised by:

ITE
www.ite-conferences.ru
Bld. 2a, 42 Schepkina St., 129110 Moscow, Russia
Phone: +7 (095) 935 7350, fax: +7 (095) 935 735
E-mail: conferences@ite-expo.ru

Supported by:

State Customs Committee of the RF
Freight Forwarders Association of the RF

Informational Support:

ЭНД ПАРТНЕР ЛЮРА-МОПС-SEA ЛОГИНКО МОСКОВСКИЙ МЕТАЛЛ-КУРЬЕР ХИМ

Internet Support:

SeaNews