

## **“Finland is the Best Place to Commercialize Russian Innovations,” Says a Top American Consultant**

The Finnish business delegation praised the Finnish-Russian economic cooperation in Novosibirsk to a great amazement of their own and their hosts.

It was a virgin journey as it was the first business trip for Finnish top-level managers and entrepreneurs to Novobirsk during present day Russia.

“Finland has what Russia needs and Russia has what Finland needs. There are researchers and innovators in Russia. Finland has one of the leading innovation systems in the world to commercialize Russian sourced innovations. Russia has no such system, not even in the near future”, explained American-Finnish innovation consultant Martti Vallila, who participated in the export promotion trip led by Foreign Trade Minister Paavo Väyrynen and organized by the Finnish-Russian Chamber of Commerce.

Mr. Vallila began working in the American Russian innovation cooperation in the Novosibirsk-Tomsk region soon after the collapse of the Soviet Union in 1991.

According to Vallila “Novosibirsk with its thousands of researchers offers an almost similar ground for innovation cooperation as the original Silicon Valley even though the Russians do not have sufficient knowledge nor mechanism for it.”

Vallila emphasized that it is for the Finns to promote the matter.

There is a lot of potential but no knowledge of modern innovation cooperation in the State University of Novosibirsk and the nearby science city of Adademgorodok, said Mr. Toni Sulameri, Director of Technology Center Hermia in Tampere.

### **The Secret Center of Soviet Science Opens to Global Economics**

The then top secret science city Agademgorodok, founded during the Soviet time, has real potential: there are almost 15000 researchers among the 75000 inhabitants of the city, 200 researchers to each thousand inhabitant.

“They do things that we cannot do, but unfortunately there are old Soviet traditions as a burden. The Russians still want to do only what has been ordered. The entrepreneurship is still a very new concept and there is no knowledge of the benefits of networking,” Sulameri explains.

Even though there are big challenges Mr. Sulameri says that Hermia is ready to develop cooperation with the Novosibirskians, among other things with increasing number of start-ups.

Both Mr. Vallila and Sulameri intend to start the cooperation of commercializing innovations with Russian innovators in the way top Russian scientists need not move abroad from home, which most of them do not want to do.

Mr. Sulamaa points out that we have to make sure that not all top people are tempted to America or Japan.

### **Centralized Power Inhibits**

According to Mr. Vallila the decisions of the Russian government do not yet favour the international commercializing of Russian innovations.

"The role of centralized power is too big. The real Silicon Valley grows and develops bottom-up, which I know from experience", Mr. Vallila points out.

Recently the Prime Minister Putin's government published the plan to build a new "Silicon Valley" close to Moscow for developing new technology at the cost of 200 million euros.

The decision was criticized as a governmental attempt to promote innovation activities both in Novosibirsk and among Russian innovation enterprises, because there does not seem to be a wish to abolish state control of innovation enterprises.

But Putin surprised everybody and by coincidence, happened to be in Novosibirsk at the same time as the Finnish delegation. Mr. Putin spoke about the need to found the Silicon Valley of Western Siberia in Novosibirsk.

The speech was met with great enthusiasm in Novosibirsk.

"As Finland has a well-functioning innovation system, which effectively commercializes innovations, the Finns should introduce it to the Russians, but it has not happened yet," Vallila reminds.

He mentions Aalto University as a new possibility to promote the commercialization of Russian sourced innovations in Finland.

But again the Finns' thin knowledge of Russia was mentioned as an obstacle for direct innovation cooperation. According to a recent study only about every 50th Finn has a working knowledge of Russian.

### **Tieto's New Research Center In Novosibirsk?**

Mr. Pekka Viljakainen, Director of Tieto Group, the IT service company, told that the Novosibirsk region is considered as the location for the company's research center, where up to one thousand professionals would be working.

Novosibirsk would be responsible for training enough engineers for the research center.

Mr. Viljakainen expects the city be able to do it.

Novosibirsk tempts IT service companies to the city by its long research tradition and by the fact that the costs of employing top people are only one fourth compared to those of Moscow.

-Jyrki Karvinen, Novosibirsk