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Securing the Future RESULTS OF 2012 CEO STUDY FOR GROWTH MARKETS: PRESENTATION OF IBM REPORT

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Moderator:

Dmitry Solopov, Editor-in-Chief, Radiostation Kommersant FM

Panelists:

Bruno Di Leo, Senior Vice-President, IBM Corporation **Nikolay Nikiforov**, Minister of Connection and Mass Communications of the Russian Federation

D. Solopov:

Ladies and gentlemen, welcome to our session, which sees the presentation of a new report by IBM. I am proud to present our speakers: Bruno di Leo, Senior Vice-President, IBM Corporation; and Nikolay Nikiforov, Minister of Connection and Mass Communications of the Russian Federation. So, Bruno, you are the first to speak. Please discuss the new IBM Report with our audience. We will have the opportunity to see some highlights, which are extremely interesting. Tell us all about your findings.

B. di Leo:

Excellent. Good afternoon everybody and thank you for being here. Nikolay, we very much appreciate your presence. It is an honour for IBM to have you here on this panel. I will deliver a presentation, which is a summary of what CEOs have told us in the last CEO Study we conducted, and I will explain what this study is about. I think that the richest part of this panel will be the question and answer session and the discussion we might have afterwards on how this applies to Russia and whether this reflects what CEOs in the industry are saying in Russia. The first comment I want to make to the audience is aimed at putting this study in perspective. We conduct this study every two years and we have performed five studies since 2004. We started interviewing 456 CEOs, as you can see, and, in the last study, we multiplied this number almost by four. We were able to interview 1,709 CEOs throughout the world. First of all, at the bottom you can see that there is a very fair representation of CEOs from emerging economies, equating to 32% of those surveyed. This leaves 68% from developed economies. Furthermore, this study represents a very fair sample of all the industries and sectors throughout the world. You can see communications, financial services, and others here. The information on the right is very interesting. We asked the CEOs the following: is your company performing and delivering on its business commitments? How do you consider the performance of your enterprise within your peer group? We also compared this answer from the CEOs with actual data for the companies with regard to two parameters: are their sales and revenue increasing and are their profits growing? We classified these companies into three groups: those that are outperforming, meaning that they have very good execution and performance; those are that underperforming and are behind or at the bottom of the rankings of these 1,700 companies; and then a segment in the middle. We did this because we wanted to compare the answers they gave us as CEOs in relation to their actual performance as companies, and then discover whether there is a difference between the companies that are outperforming, those which are performing extremely well, the companies that are not performing well, and the companies that are average. I think this is very important because it makes the answers they give us relevant.

So, first and foremost, we asked the CEOs this: what do you think are the sources of sustained economic value? There were no surprises here. The vast majority of CEOs agrees that there are three basic sources of economic value: human capital, which we see as number one, customer relationships, and product or service innovation. Now, in emerging markets, another two categories seem very important and I think they help describe what is really going on there. Firstly, there is the brand. You can see this translated into the enormous amount of partnerships being made between global companies and local companies in emerging markets. The brand gives permission for you to expand your business. The second category is business innovation, which also highlights the fact that, in emerging markets, new businesses models are being created, so it is more relevant there than in wellestablished marketplaces. The second thing that we discovered, which may prove surprising for many people, is that, for the first time, CEOs told us that technology is the most important external factor for their businesses. You can see what happened in the previous four surveys that we conducted. In the previous four surveys, the number one category was the market. The CEOs were extremely concerned about this factor and always paid attention to the market as the fundamental force for the company. They are now telling us that technology is increasingly going to be a critical success factor for them.

Now, in this context, we asked the CEOs the following: how good are you at driving innovation and exploiting these sources of economic value by using information technology? In this chart, which displays growth markets or emerging markets, as well as mature markets, you can see a comparison of the companies that are outperforming the marketplace and those that are underperforming. In general, 71% of the CEOs of companies that are outperforming their categories take the view that they are driving innovation by utilizing information technology. The CEOs that are not performing well told us that they should do better. This is commonplace throughout the world. One CEO, who is from an emerging market and is a highly respected CEO in his market, told us that anyone who does not consider technology as the core of their activity in the next three years will be out of business. So, what are the areas in which CEOs told us they have to focus? What should be the three critical success factors on the agenda of a CEO? The first is engagement with clients and the marketplace. The second is leveraging a broad base of human capital and employees to drive business success. The third and final one is creating a network of partnerships to drive innovation. These are the three areas on which CEOs told us they are focusing their attention in future.

Let me explore each one of these a little more in terms of how they relate to information technology. Let me start with innovation: how do you pursue and develop innovation? This is extremely interesting. First and foremost, there is a clear differentiation between what is going on in mature markets and emerging markets. In emerging markets, our CEOs are looking to create more industries and to go and pursue entirely new industries and new areas of development. Secondly, they are looking to move into different areas and differentiated sectors. This can not only be applied to the products and services they create, but also to their business models. Let me give you an example. In emerging markets, three out of every four individuals does not have a bank account. Why is this? This is the case because today's banking models are too expensive to serve citizens that do not have enough money to be a retail customer of a bank. So, new banking models have been created that integrate three different industries: banking, telecommunications, and

information technology. You see this in Africa and other places. In emerging markets, the foundations of wireless communications are much smaller than in mature markets because more business models are being created. The second area is that of clients, which is very important and under extensive study. First of all, CEOs told us that they have enough data – indeed, more data than they can handle – but that they do not have enough insight. How can they transform data into real knowledge? The second thing CEOs told us is that information about the marketplace is no longer coming from their sales or operations systems or from their day-to-day business management. The most relevant information about their clients is coming from the clients themselves. This has profound implications for how you relate to the marketplace and how you apply information technology.

CEOs also told us that clients should now be perceived at an individual level. What does this mean? This has profound implications for how companies do their marketing and research and changes the role of the Chief Marketing Officer in a company. Years ago, it was common to segment the marketplace by gender, age, purchasing power parity, etc. These were the attributes that would let you segment the marketplace and define your products and services. This is no longer the case. The new generation of consumers wants to be served individually, so there is a move away from understanding the clients in market segments towards understanding and serving individuals. What are these individuals telling them? Number one is that they want faster products and services. They want instant gratification. Number two is that we need to understand their individual needs. Number three is that we need to harmonize the experience of these clients in different channels. Looking at the bottom of the slide, CEOs told us how they are going to serve their markets and their clients in three to five years' time. Face-toface client service will always be important, but, if you look on the right, social media is becoming a really important channel. There are now more diversified ways to reach clients in an individual segment.

Finally, what about all the data that you generate by accessing this marketplace? The CEOs told us four things. First, it is not only about the volume and the velocity of data. They told us that there are two additional characteristics that have to be considered, namely the variety and veracity of the data. In addressing clients as individuals, there is no doubt that this is going to create a variety of unstructured data that has to be dealt with. Second, just because data is there, it does not mean that it is accurate or reflects reality – it is just data. It has to be transformed into insight. So, you see, access to data is very important for those companies that are outperforming the marketplace. Transforming this access and this volume, velocity, variety, and veracity of data into insight is absolutely crucial. All the companies that are outperforming the others are doing a better job in this area. Finally, how can firms transform this into actual products and services or a connection with their clients? I think the human aspect is incredibly relevant for emerging markets and is particularly interesting in this project. The number one critical success factor for CEOs is creating an environment that will drive internal collaboration in their enterprise.

Now, how do you drive collaboration in countries where skills are scarce and you cannot just put people in a room together to build new products or services or to drive value for your enterprise? This can be achieved through the use of collaborative tools and information technology. It is the same for IBM. We operate in emerging markets, covering 147 countries. How do you use skills in an economical way to serve your clients? You have to deploy tools that will allow very diverse individuals working in remote locations to become a collective that creates intellectual capital and value for the enterprise. The second point is that this network is not only an internal issue within a company. You also have to focus on partnerships and creating this new world of collaboration outside your enterprise with other entities. So, this is the summary of the study and, later on, we will go into questions and answers. The number one thing is engaging clients as individuals and how data is very relevant for this. Second is empowering employees through values and creating an environment that will synergize people that are physically distant from one another around common themes to build intellectual property and new products and services. Finally, how do you amplify your ability to drive innovation into the marketplace through partnerships? We have published this study and it is widely available for all our clients and every single institution that is interested across the world. It is also available on the Web. You can download it to your Smartphone or your iPad or whatever device you would like to use. If they are interested, I would suggest that members of the audience go through the report. There are very interesting insights, as well as a considerable number of references and case studies with clients and institutions, some of which are very relevant for Russia. So, thank you very much for your time. I hope this introduction to the study was not too long.

D. Solopov:

Thank you very much. Let us show our appreciation. I thought it was very interesting. I have one question, but before that, some words about timing. As the moderator, I have just six or seven minutes to address my questions to Nikolay and Bruno and then I think, more importantly, you should pose some questions. So, my first question is as follows: are the CEOs of big companies and a Minister somewhat alike with respect to management?

B. di Leo:

I think they are. This is relevant to emerging markets. Nobody disputes that information technology, as well as other technologies, are crucial elements in fostering growth, economic development, competitiveness, and trade. So, strong value-based partnerships between CEOs, the public sector, and country leadership are fundamental. These can only be built when the leadership is thinking the same way. So, not only am I pleased to be with Nikolay here today, but I am very sure that discussions between IBM and the Russian government are always based on actionable items, achievable projects, and outcomes that are measurable, for which we are all accountable. This is why we are participating in Skolkovo.

D. Solopov:

Nikolay, I think you have just seen these highlights for the first time. As a Minister for Mass Communications, how do you feel about the features you have seen here?

N. Nikiforov:

Well, first of all, I would definitely say that I see a very close correlation between these business interviews and business terms and what we have to do in the government. As everyone knows, when he was President, Prime Minister Medvedev announced the concept of Open Government. This is a whole new concept, the aim of which is to transform the government to be open in many ways – to work more effectively internally and to be more cooperative with its clients, the citizens. If we were to take the same report and amend several words, for example replacing the term clients with citizens, employees with government employees, and data with government statistics, the answers and the figures would generally be the same. That is why I think that technology definitely has a huge influence on government in emerging markets. We are also trying to focus on increasing internal collaboration between government employees by introducing electronic document flows and reshaping many internal processes. We are fighting old-school standards, including those related to security, legal issues, and so on.

We definitely have a lot of work to do when we talk about serving our clients, the citizens. As you may know, on 1 July, there will be a major legal change in our country: citizens will no longer have to bring any paper-based documents with them when they apply for certain government services. This is a real challenge for the country and one for which it is not 100% ready, as everyone knows. In many regions, our government employees will become very busy because they have to persist with paper-based internal work instead of the citizens. They will be sending faxes and emails and doing a lot of useless things. This should encourage those who still have not participated in this project to get more involved. For example, we see less activity in the summer, but in September, when everybody returns from vacation, the number of government services also increases. We probably have two months to complete the task in order to be completely ready. That is why I think that

this report is truly inspiring and I have also shared a link to it on my Twitter account. I believe that many colleagues from the public sector, at the federal and regional levels, could study these inspiring figures and think about how they can reshape the way they behave and how they should think of citizens as clients. They must consider how we should enact this internal collaboration, introducing all the fantastic technological tools that we have today. You have to understand that the technological revolution has only happened in Russia over the past three years. Since we are a part of this revolution, we have hardly realized it is occurring. But just compare the numbers for broadband penetration and the amount of government services available online. It all happened in three years. We also have projects in the region of my birth, that is to say the Republic of Tatarstan, where every school teacher already has their own laptop computer. We have about 45,000 of them.

D. Solopov:

Who pays for this?

N. Nikiforov:

The regional government. I do not remember exactly, but the project had a budget of over RUB 1 billion.

D. Solopov:

I have to ask if this will be scaled up for all of Russia?

N. Nikiforov:

That is actually a question for the Minister of Education. But I think that social government infrastructure, like schools, hospitals, electronic healthcare, and electronic educational resources could also exert an influence, as it is spread all over the country. From the government's point of view, this project could lead to an increase in the figures for general broadband penetration and many other things. In this way, the government can introduce public-private partnerships to implement

technology usage across the country. This would have a dramatic impact on the economy. There are thousands of reports that claim a close correlation between broadband usage and economic growth, especially for SMEs.

D. Solopov:

My next question is this: you study many growth markets and we know that emerging markets are not renowned for their democratic political systems. In some places there are a huge number of examples of democracy, but in others, there are not. How does the political state of a country influence the ability of business to innovate and use human resources as well as possible? What is the situation and are you working on this?

B. di Leo:

Well, first and foremost, we do not believe that there is a relationship between a particular political system and the conditions for doing business. If a country has good conditions to do business, that is to say stability and predictable law enforcement, good business contracts and conditions in which local and global enterprises can invest, employ and create value, then value will be created. Actually, in emerging markets in general, irrespective of the political system, we are seeing economies that have good growth and are extremely competitive, simply by creating good conditions to do business and ways that local and global companies can partner and create value in different areas of technology. It is not only a matter of information technology. So, in all honesty, I believe that this is not a matter of democracy or autocracy. It is more a matter of good business conditions. This applies for either local or international companies.

D. Solopov:

Thank you. Nikolay, would you like to answer this question?

N. Nikiforov:

I completely agree.

D. Solopov:

OK. We have spoken about social media at length. It is a great tool, but it is also an instrument for inconvenient things like terrorism. Large-scale penetration of social media for all citizens can also do harm. We know that Facebook and other social media were blamed for some recent incidents in Russian cities. So as a Minister of Mass Communications, what do you think about them? If you increase Internet penetration, connect everywhere to the Internet and provide laptops for each and every schoolteacher, will this also cause some problems?

N. Nikiforov:

You know, Russia currently has a couple of legal initiatives focused on limiting access to certain harmful resources. It is widely discussed and I think that the government, as well as our State Duma, should be very open to this expert discussion. In Russia, nobody wants to restrict the Internet in particular ways. But we still have to find the appropriate technology to restrict certain resources, which includes some that are within huge social networks and information resources, without limiting access to all the content. This is also a challenge for telecom operators because it is much easier for them to close particular IP addresses and Internet networks without analysing the particular URL. I think that this should be discussed and proper solutions and timeframes for the implementation of this concept should be identified. However, the broader experience shows us that this technology should be implemented in some way. Unfortunately, there have been several cases where governments have used this approach to block information resources with which they are not satisfied. But that is not the right way for Russia. We just need to protect our children and our society from resources that are considered to be harmful on an official, legal basis.

D. Solopov:

So your line of thinking is somewhere between China and the United States.

N. Nikiforov:

It is definitely not the Chinese experience. That would not be good for us.

D. Solopov:

That is nice to hear. We do not have that much time because I think Nikolay will have to leave in 15–20 minutes. So are there any questions for Bruno di Leo and Nikolay Nikiforov? Yes, please.

From the audience:

I have a question for Mr. Nikiforov, about what you said about Tatarstan. In my opinion, this is a very important initiative. To what extent is it possible to continue with this initiative in the following format? My children go to school, and every day they carry with them four to five kilograms of textbooks. My colleagues and I discussed the possibility of converting all of these textbooks into electronic form, so that all of the children have electronic readers that they can use. Then there would be no need to print tonnes of new textbooks every year, and this is done every year, while the old ones are thrown away. As far as I understood from my discussions with colleagues, there is some resistance to this, thanks to the large book publication business. Will this problem be solved? And if so, how?

N. Nikiforov:

This is a question that is often asked when I talk about laptops for teachers. Everybody wants to know when there will be laptops for pupils or some form of electronic reader.

D. Solopov:

Or for every citizen?

N. Nikiforov:

Actually, I have asked technology vendors and providers when they will deliver a particular device and the key thing here is the price, which should be no more than USD 150 per device. The device should be able to connect to Wi-Fi and synchronize content from the school network and the educational cloud-based solution. That is the technology issue. However, the technology is still expensive. Neither Tatarstan, nor Moscow, nor any region in Russia can afford to purchase such devices for every school pupil. Perhaps some countries are in a position to do so, but I do not have precise information on such projects. First of all, we have to solve this technology issue, but I hope it will be solved soon, maybe in a year or two years from now.

D. Solopov:

Maybe IBM will help.

N. Nikiforov:

I do not know. I think many companies are competing for this because it is a fantastic market that could suddenly open up. The second issue is definitely one of content. For example, I always asked the government officials responsible for education why we have seven competing school books on certain subjects or topics. Competition is good, but I am not sure that competition is good in this particular area because, in one city, students will be studying using different types of school book in the different schools. This is still somehow approved by the Federal Ministry, despite this type of competition not being particularly useful. I believe that the government should start preparing for this new form of information society. We could come up with some kind of project where school content would be prepared in a centralized manner and would be updated and stored in a special cloud-based solution. This would have the capacity to be synchronized with all types of device, including teachers' laptops, future devices for students and home computers. By the way, about 80% of families that have children at school have a computer and

Internet access at home. The penetration in this area is hence already very close to 100%. I believe that the government could allocate a budget to start preparing interesting centralized multimedia content for the school curriculum. In the business world, we have many existing examples of such content projects, so perhaps this experience could be transferred to the Russian school system as well. This could probably happen two years from now, so we will have to wait for these two simultaneous processes to come together in 2015. From the technology perspective, we will do our best to encourage this process as much as possible. One of the issues here, by the way, is also that of connecting schools to the Internet, not just with copper-based phone lines but with fibre optics. For example, in Tatarstan, when the laptops arrived at the schools, we had to reconnect 25% of the schools. But these were the largest ones, where 35% of school pupils study. Our schools, like cities in Russia, are very different. We have large cities and we have extremely small villages. It is the same with schools. We have to focus and identify roughly 25% of the largest schools in Russia and do whatever we can to get fibre optics connected to these establishments. Without that, nothing can happen. There can be no Internet access, no electronic education, and no electronic content delivery. That should also be a focus for the Ministry.

D. Solopov:

I have one question of my own: you appear to be a really innovative Minister and I am impressed. Is it very hard for you to speak with other ministers, given the innovative desire in your heart?

N. Nikiforov:

Hopefully, in this government, there is now a great demand for innovation and the implementation of information technology. As an example, I am always being asked by my colleagues from the Ministry of Education, the Ministry of Healthcare, and the Ministry of Emergency Situations, amongst others, for quick IT solutions that can be implemented in months instead of years and could deliver very quick wins for them.

That is why demand is really increasing and I think these are wonderful years for our country because so many things are going to happen. Moreover, there is the Prime Minister himself. In Russia in particular and across many countries, the role of the political leader who is promoting the use of technology and innovation himself is very important. We have seen that with the Skolkovo initiative, which was headed and introduced by Prime Minister Medvedev. I think there will be many developments in electronic government, led by Prime Minister Medvedev.

D. Solopov:

Yes, you are free to speak.

From the audience:

Mr. Nikiforov, the introduction of new services for electronic government will require a lot of software development. Now, historically, there have been major issues with all the software developed by the Russian government. Do you plan to allow foreign companies with a lot of software development experience to bid on these contracts and perhaps develop some software for the government?

N. Nikiforov:

That is a difficult question because, on the one hand, we have to support local software suppliers and, on the other hand, we have to be realistic and say that we still, for example, do not have the systems software. Russia does not have a strong position in systems software, like Windows, the Oracle database, or different solutions from Microsoft. We do not have any competitive solutions in Russia, so we have to rely on certain world-leading standards and world-leading systems software packages. Nevertheless, this has to be implemented by local solution providers. I think that should be the best case, given the current state of the Russian IT market's development. I believe that the delivery of government services should also provide more competition in this area. So, on the one hand, we have Rostelecom, a company that is half state-owned, being accorded the status of the sole solutions

provider for all electronic government services. But, on the other hand, we still have to promote cooperation and competition between small and medium-sized companies for their particular services. We want to make the government's electronic services platform more open in its own right, so that many systems and service providers and many Internet services could become more integrated based on local standards. This could also help enable technological development and services development in many areas.

D. Solopov:

Yes, we have another question here.

From the audience:

Thank you. I just have a question that could well be addressed to both our high-ranking corporate leader and our high-ranking government official. Corporations and governments used to be run on a purely hierarchical basis, very often with a vertical structure where signals were sent from the top to the bottom for something to appear. As we are moving more and more into the world of social networking, it is becoming a horizontal world. To what extent is this a reliable way to manage corporations, government relations, and relations with citizens? Do you believe that all this social networking is reliable enough?

D. Solopov:

Bruno?

B. di Leo:

Well, that is actually a very interesting question. First of all, I do not believe that anything will replace the pure power of leadership. Institutions and societies of any kind, as well as countries, require vision and leadership, a set of values and a sense of direction. I actually believe that we sometimes get a little bit too excited about social media and the Internet. We have to think for a moment about what happened

to the world when the printed word, the telephone, or electricity appeared, and everything that was then made available to society. The same is true with the Internet. But what has appeared with the growth of social media is the instant ability to synergize the intellect and skills of many people in many places so as to create or destroy value. So I think that there is a very important challenge and opportunity for enterprises and governments to leverage this power by creating a set of values and tools that will enforce collaboration within enterprises. There is indeed a new term that has arisen in the information technology industry. We used to talk about outsourcing and we are now talking about crowdsourcing. This occurs when you have this crowd of people who work for your enterprise thinking about a single common problem and establishing relevant solutions. So I do not think that social media will replace leadership. That is akin to thinking about anarchy. However, I believe that, as the telephone and many other communications technologies have shown in the past, if this technology is deployed with an appropriate set of values, it can synergize the human capital of a society or an enterprise in many positive ways.

D. Solopov:

A good question, but do you have a Facebook account?

B. di Leo:

Actually, I do.

D. Solopov:

Nikolay, do you?

N. Nikiforov:

No, I do not.

B. di Leo:

Now, one thing I would have to say is that, in our company, we have assigned a group of executives to study the phenomenon of social media. Why? We have done this because we operate in more than 170 countries. We have a development lab in Russia that is working on high-end systems, and others in India, China, and the United States. These young people do not use email. They do not communicate asynchronously. Instead, there is pure synchronicity. They do not care about time zones or many other things. So we believe that there is a process by which governments and enterprises have to cooperate to transform social media into social business. How do you establish approaches to foster the use of these tools? Fostering the use of these tools will create value. I am not talking about Facebook or Twitter in particular, but this is the concept of instant collaboration.

D. Solopov:

Nikolay, do you wish to answer?

N. Nikiforov:

I should say that today, in Russia and in many other countries around the world, society and the citizens have a huge desire for their opinion to be heard. When we talk about crowdsourcing, this can happen in different ways. For example, the crowd, by which I mean society, could be discussing one particular law before it is approved. Or crowdsourcing could be used in order to get very simple things done. The best example in Russia today concerns the crowdsourcing project in which people identify certain issues by voting for them and ranking them to try and prioritize themes for the government. For centuries, government officials would independently decide what was best for a particular city or society. They could suddenly decide to build a new stadium, even if society did not want a new stadium. Their top priority is probably renovating the kindergartens, or focusing on hospitals, or building a particular bridge somewhere. The information technology revolution that has happened – once again I would like to say that it has actually only reached Russia in the last three years – has given a fantastic opportunity for the new

government to keep in touch with its citizens on a daily basis and measure the exact priorities of each region, city, and even street. The government can identify these issues and focus on them, instead of taking decisions for the citizens. We have to listen to them. We have to start listening to this fantastic feedback. I believe this will happen. The government has enough potential and long enough a timeframe – six years – to make this a reality.

D. Solopov:

By the way, yesterday Vladimir Putin mentioned that there should be a technological tool for democracy that allows people to vote for certain laws and even to suggest laws to the Duma. For this to succeed, about 100,000 people must approve the initiative. Are you willing to ask the President to introduce this technology and are you already thinking how you will do it?

N. Nikiforov:

Yes, that is also somewhat of a revolutionary statement. This set of ideas that is now being announced at the presidential and prime-ministerial level were all identified by experts working in the Open Government Task Force for two or three months. I can see some of them sitting in this hall. This is a fantastic revolutionary statement that will definitely be shaping the way in which the government and citizens interact in our country. I am very positive about this initiative and the projects involved. I have only been working at the federal level for three weeks, so I will refer back to my experience in my birthplace, the Republic of Tatarstan. We also have projects of this kind and people there are already giving their feedback and ranking local ministers. For example, the Ministry of Environment and Natural Resources of the Republic of Tatarstan is currently getting a high ranking, but the Ministry of Transportation and Road Construction is ranked low in Kazan. These rankings are publicly available, and show the exact progress and how certain issues posted by citizens have been resolved. We have to feel like we are in a new atmosphere and a new attitude has developed because of the technology. This

could not be done by just sending paper-based letters to each other. Open government and crowdsourcing just could not occur like that. But today, we face this new challenging environment and I believe that this whole experience could be scaled up to the entire country. There are many regional initiatives and numerous initiatives at the federal level. I believe that the Open Government concept could also be a wonderful platform for discussion and serve to identify the appropriate way in which this should be implemented. We have to be careful about this because citizens will not be satisfied if projects fail. That is why we have to be completely successful in what we are doing and what we offer.

D. Solopov:

Is there one last question, ladies and gentlemen, as we have a little bit of time? Then I will conclude the discussion because Bruno and Nikolay have many things to do today. I think we have seen some very interesting things. First of all, the presentation by Bruno di Leo was extremely interesting, and I really recommend that everybody not only see the highlights of this, but also to visit the website. Knowing what is important for the world's CEOs is key to the success of your business. I am highly inspired. Although I am Editor-in-Chief of the Moscow radio station, Kommersant FM, and we report the news 24/7, this has been the first time that I have sat here with Nikolay. I am highly inspired by his way of thinking and by his plans and his passion. I would say that, with such a Minister of Mass Communications, Russia can really be a competitive country worldwide. So I wish Nikolay success in the very important and hard road ahead. I like that he has a Twitter account! Thank you very much. Thank you, Nikolay Nikiforov, Minister of Connection and Mass Communications of the Russian Federation, and Bruno di Leo, Senior Vice-President of the IBM Corporation.

N. Nikiforov:

Please provide me with a Russian copy of the report and I will definitely pass it to members of the Russian government for them to review.