

Questions and Answers

Interview - „100 questions und answers about business in Russia“, Edition 2008.

How do you choose your face to the world?

The one possibility is that you keep calm. The way, as if you are not present. That can't and won't work. I do a cartwheel like a peacock and wait for the challenges resulting from that.

And? Does it help?

Yes! With that you fly in competitor's face. Trying to be everybody's darling results in facelessness. You will not be spotted.

Who are your competitors?

Classic project managers, project directors, and engineering companies. Competition takes places on three levels.

German companies, which are in the same business field.

The engineering divisions or outsourced branches of big German, European or Russian companies.

Project managing companies.

Russian state owned enterprises, which had huge divisions of engineers, had to survive and had to resort to services for western companies because they couldn't release 500 to 1000 engineers at the same time. Their big advantage is their precise knowing about GOST and SNIP standards. There is a big deficit of Project managing companies in Europe as well as in Russia. In Russia we talk about four or five, among those we are the youngest and smallest. One of the competitor knocked out itself currently, the other two are high successful. The market offers a lunatic growth.

Even here the market the market is divided into three fields:

Classic construction of new production plants, renewing of plants and construction of parts.

Project management- for the time being the most frequently asked article in the industrial sector. The Russians are able to construct themselves, but based on history, qualification and their organizational behavior they are hardly able to lead projects that way, that they meet the dead-line and the budget.

Increasing of efficiency and productivity of running plants and companies.

Where are the biggest difficulties to come to Russia?

The biggest difficulty is not to come to Russia but to arrive in Russia. The first month I was physically in Russia but didn't arrive there in any way. At the beginning I even thought as a German you had to show the ropes to everybody. I had to abandon that..... real quickly. Certainly people expect the German being precise, dynamic and directly but adapted to the Russian mentality. However completely adapted, smooth and flowing around like water for not to offend somewhere, that's what people do not relieve of you.

Are you at that point?

I already can see it. In some places it is within my grasp, in other places just like a veil. But, if you make it plain to your opponent that you want to engage with Russia, that you want to start a business, to employ people, to pay taxes, to earn money- than you get nearly every assistance. What really does not wok is to take lodgings in a hotel, to skim the cream, to transfer quickly made money to Germany or Switzerland. The Russians say: be part of our community, employ and qualify our people, stop being fussy, earn money!

What are your ambitions in Russia?

I want to establish our company in Russia- as a big and important company in the first row. To sell engineering in Russia is difficult at the moment. Project management is an unmanageable market yet. Every day new projects start, the project management and transfer often poses a challenge, on which success or breakdown are competed. Actually a non-developed segment of the market is operational excellence, in former time you would have called it planned maintenance and repair. You rather should not talk about that, not to make one's point. But the market allows you to do so. Operational excellence also means the optimizing of processes. In Russia there are thousands of technical companies doing maintenance when needed: a part, a machine breaks down and not till then people think about to solve the problem. Whom do I call, who can help, where are spare parts – that lasts 14 days or longer and costs a lot of money. What we do is a technical due diligence: we analyze a company, qualify the technical manpower, make an inventory control about the actual capability of the company and than we develop an investment plan, a spare parts management, a qualifying management, a repair management without downtimes; in short we tune the company.



Stephan Fittkau - RAM Engineering Russia

That doesn't sound bad. But who wants such a thing?

It is not the question, if the Russian business partners agree to that. Russian people are intensively interested in earning money and our activity makes it possible to earn money. Outside the main capitalism metropolises Moscow and Saint Petersburg even the people skills of the entrepreneurs grow. Among other things because local politicians ask taking care of the companies, the employees the region. This force increases.

Which industries do you want to satisfy?

Spoken unprotected, the complete industrial sector. But RAM is historical based in the oil and gas section. We are the main EPCM- partners for one of the biggest petrol industry companies in Western Europe. For 20 years we successfully come along with steel, cement, all kinds of power plants.

But these are about 80% of the Russian industry production?

That's a problem. The market is that big that you perhaps get dizzy. In Russia I feel like a child in a chocolate factory- you do not know where to grab first.

Please be concrete. Are there any projects?

I can't name companies, but yes, there are projects. However these projects are as big as the expectations to be able to solve all the problems within shortest period of time. Within three to four weeks about 100 engineers should be in the ground if possible.

"To be everybody's darling makes you faceless. You will not be spotted."

Even that won't work. But I can resort to a giant team of engineers in Germany. But the consequence is that I have to resort to 200 to 300 own employees in Russia in the next two to three years.

What fields of application for?

Steel production and steel treatment, power plants, oil and gas.

Will it be difficult to recruit people from Germany or Russia?

I am absolutely contrary to that. You get very excellent people in Russia. Therefore you have to keep your eyes peeled, not to tell lies and to take people seriously. I show our future vision to the people and their part on it.

But people are not able to make a living from visions?

Naturally we pay wages adapted to the market. The social background is more important and that is what we carry out.

The training of Russian engineers, is it playing a role in the world top position?

Where is the world top position? Here or there- in the West? Russian engineers are well trained and you can immediately appoint them in the western regions. At our German domicile we employ eastern European engineers, who are deployable everywhere. The physical and mathematic basic training is excellent and the Russian's attitude to work is enjoyable closely to the company.

At the moment you invest money. When do you want or when are you able to earn money?

At the beginning you make a business plan for the start up and you think about how long it may last until an in very need of explanation project like ours can be effective. Our western planners assume that you earn the first Ruble after 18 month at best, to be realistic, after 30 to 36 month. I am here for eight month and the first bills will be paid after 12 month. Although I suffer from the constant need of explanation that everything lasts longer, as well as my associates and marketing partners. Bureaucracy is high developed.

How long are you in Russia?

About eight months now.

How long do you want to stay?

I feel good here. I like the country and the people, and I have actually no plan. If I had to let limits I would like to say five to eight years, but I want to stay as long as I like.