



People Manager challenges

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Current IT job market trends in Russia

- **Still developing IT Market with limited international presence – so far**

- 20%+ growth last 3 years
- Local SIs drive corporate market, SMB dominated by local smaller players
- PC market very fragmented, Asus largest MNA with 8% share

- **One of the main challenges for MS Russia today is IMMATURE IT INDUSTRY.**

- For the country of our size, only 90% of the 630K IT Pros are working for end-customer companies. That creates a real challenge in building partner channel, growing partner competences and selling partner value to end-customers. To compare, in UK 50% of the IT Pro's are working in Partner Channel.

- **Well educated labor force in an overheated job market**

- Unemployment rate stable around 7% - no unemployment in big cities
- 2.5 job offers per each computer science graduate
- Salary increase in IT/high-tech was 24% in 2006
- Average attrition rate in big IT companies: 7-9%

Labor Force	Russia	Comparison
Number of university graduates, M	1,7M	US – 2,5M China – 2M
University graduates out of total working population, %	23,4%	US – 28% China – 5%
IT-Capable Graduates, K	225K	India – 200K

Macro	CY06	CY07E
Real GDP growth, %	6,7%	6,9%
CPI, %	9,7%	9%
RTS (Stock Index) y-o-y growth, %	61%	23%
Unemployment, %	7%	7%

IT Market	CY06	CY07E
IT Spending, \$	14,6B	17,5B
IT Spending Growth, %	23%	21%
IT Services growth	24%	22%





Source: IDC, EIU

Talant management basics

- Set org. priorities & mid. term operational projects
- Assign project roles
- Align project owners within existing org. structure
- Define open positions JD scope: what's critical for success (experience, education, soft skills, references, etc...)
- And... continue searching

Income and middle class

Growth comparable to India and China plus to good starting positions will bring Russia closer to Western Europe

	 Germany			 India			 China			 Russia		
	CY06	CY11	CAGR	CY06	CY11	CAGR	CY06	CY11	CAGR	CY06	CY11	CAGR
GDP per head, \$	35342	40195	3%	842	1783	16%	2104	4633	17%	6918	13628	15%
Personal disposable income, US\$ per head	22622	26165	3%	657	1324	15%	735	1333	13%	3880	8489	17%
Total number of HH, M	39,5	40,2	0,3%	206,3	226,9	2%	380,6	423,8	2%	53,6	54,9	0,5%
Bankable HH, M*	39,5	40,2	0,3%	6,2	29,6	37%	5,3	19,9	30%	18,2	42,8	19%
% of bankable HH out of Total	99,9%	99,9%	-	3%	13%	-	1,4%	5%	-	34%	78%	-

Source: EIU

Personal Income - still far from WE but growth is strong

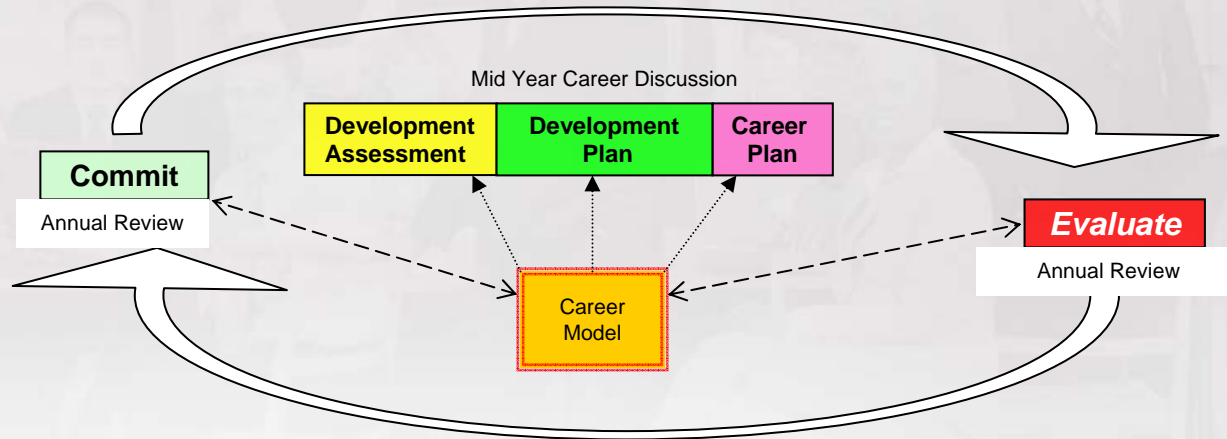
HH number stack due to demographic crisis

Bankable HH –benchmark of middle class estimations according to same metric – Russia behind Germany strongly above India and China

Talent acquisition

- Build your industry network: know successful managers as potential candidates for your team open positions
- Do not do it alone: drive internal referral program inside your org. (up to 30% of new hires in Microsoft Russia)
- In house recruiters VS external agency
 - Sell the profile
 - Be aware on recruiter search techniques
 - Set the standards (let recruiter meet your successful managers)
 - Participate in the first interviews
 - Set the tools & reporting
 - Set expectations (max. positions closure time)
- Keep building the candidates DB
- Always keep on searching.....

Talent development



- Set career & personal development as ROB process for your organization
- Agree on tools & compensation methodology
- Develop career models
- Develop your team together with your business....

Questions?



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