

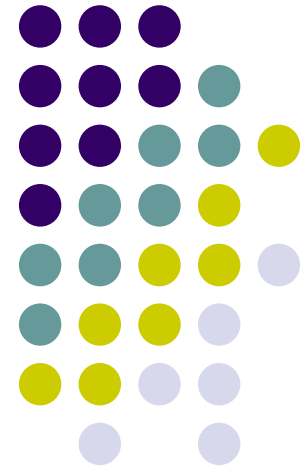
# Vladimir L Pavlov

Chair of Strategy Development Committee,  
**IT-Ukraine Association;**

Chair of the Ukrainian Chapter of ACM,  
**Association for Computing Machinery (ACM);**

Chairman, Chief Strategy Officer,  
**International Software & Productivity Engineering Institute (INTSPEI)**

## How To Scale Up Your Software Business ?

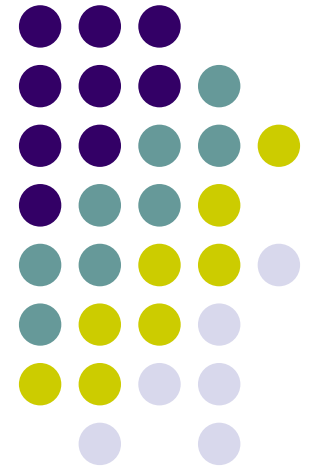


Jim McCarthy  
the author of  
“Dynamics Of Software  
Development”



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**“If I had to create a  
software development  
company now, I would  
do it in Ukraine”**



G500 Rank	Company Name	Revenue (USD B)	Profit (USD B)	Employees (K)	Impact (K)	Productivity (K)
1	Wal-Mart	351	11	1900		
2	Exxon Mobil	347	40	106		
5	General Motors	207	-2	280		
6	Toyota	205	14	299		
11	General Electric	168	21	319		
12	Ford	160	-13	283		
14	Citigroup	147	22	332		
39	Verizon	93	6	242		
41	HP	92	6	156		
42	IBM	91	9	356		
87	Boeing	62	2	154		
95	Vodafone	60	-10	66		
108	CNP Assurances	56	1	3		
119	Nokia	52	5	68		
139	Microsoft	44	13	71		
143	Motorola	44	4	66		
183	Intel	35	5	94		
184	PepsiCo	35	6	168		
232	Cisco Systems	28	6	50		
285	Coca-Cola	24	5	71		

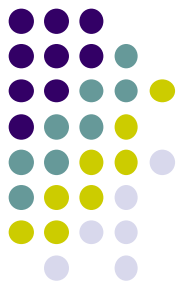
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1	Wal-Mart	351	11	1900	185	
2	Exxon Mobil	347	40	106	3264	
5	General Motors	207	-2	280	741	
6	Toyota	205	14	299	684	
11	General Electric	168	21	319	528	
12	Ford	160	-13	283	566	
14	Citigroup	147	22	332	442	
39	Verizon	93	6	242	385	
41	HP	92	6	156	588	
42	IBM	91	9	356	257	
87	Boeing	62	2	154	400	
95	Vodafone	60	-10	66	906	
108	CNP Assurances	56	1	3	17118	
119	Nokia	52	5	68	753	
139	Microsoft	44	13	71	624	
143	Motorola	44	4	66	663	
183	Intel	35	5	94	376	
184	PepsiCo	35	6	168	209	
232	Cisco Systems	28	6	50	571	
285	Coca-Cola	24	5	71	339	

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1	Wal-Mart	351	11	1900	185	6
2	Exxon Mobil	347	40	106	3264	371
5	General Motors	207	-2	280	741	-7
6	Toyota	205	14	299	684	47
11	General Electric	168	21	319	528	65
12	Ford	160	-13	283	566	-45
14	Citigroup	147	22	332	442	65
39	Verizon	93	6	242	385	26
41	HP	92	6	156	588	40
42	IBM	91	9	356	257	27
87	Boeing	62	2	154	400	14
95	Vodafone	60	-10	66	906	-155
108	CNP Assurances	56	1	3	17118	443
119	Nokia	52	5	68	753	79
139	Microsoft	44	13	71	624	177
143	Motorola	44	4	66	663	55
183	Intel	35	5	94	376	54
184	PepsiCo	35	6	168	209	34
232	Cisco Systems	28	6	50	571	112
285	Coca-Cola	24	5	71	339	72



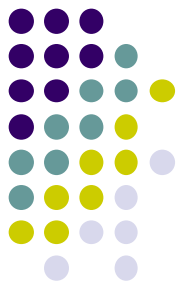
# Let's Benchmark

	Your Company	Average in Global 500
Revenue B USD		41.8
Profit B USD		700
Impact K USD		
Productivity K USD		



# Let's Benchmark

	Your Company	Average in Global 500
Revenue B USD		41.8
Profit B USD		700
Impact K USD		1160
Productivity K USD		



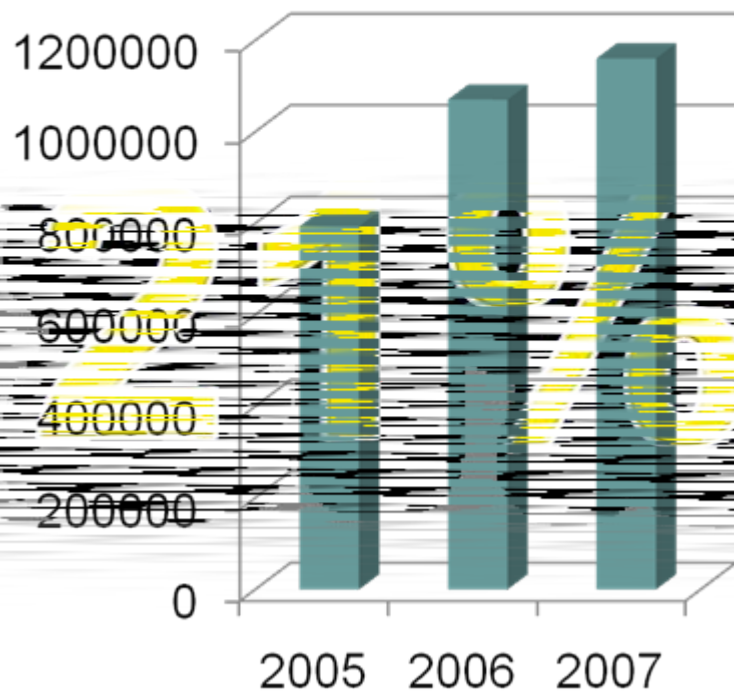
# Let's Benchmark

	Your Company	Average in Global 500
Revenue B USD		41.8
Profit B USD		700
Impact K USD		1160
Productivity K USD		59

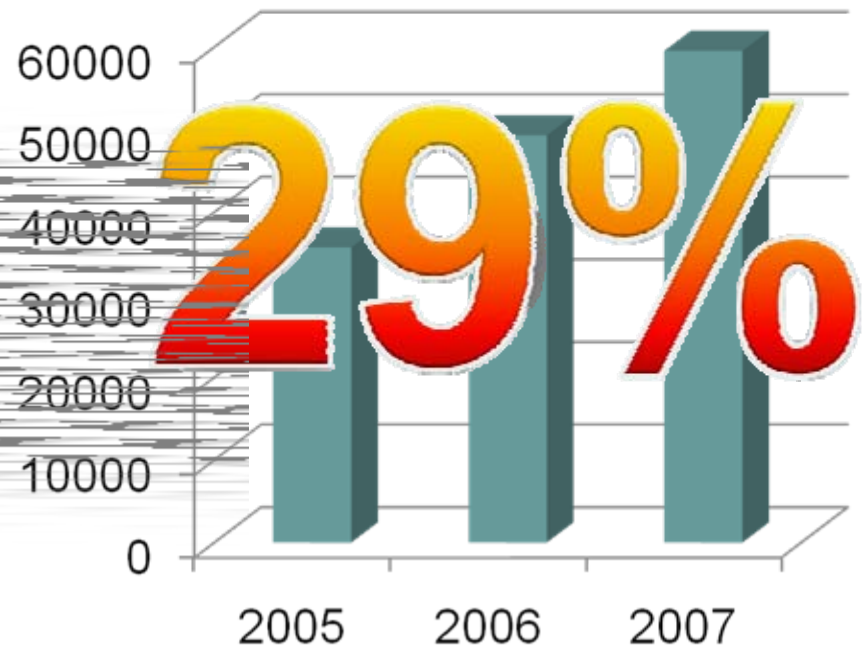


# Global 500 Companies

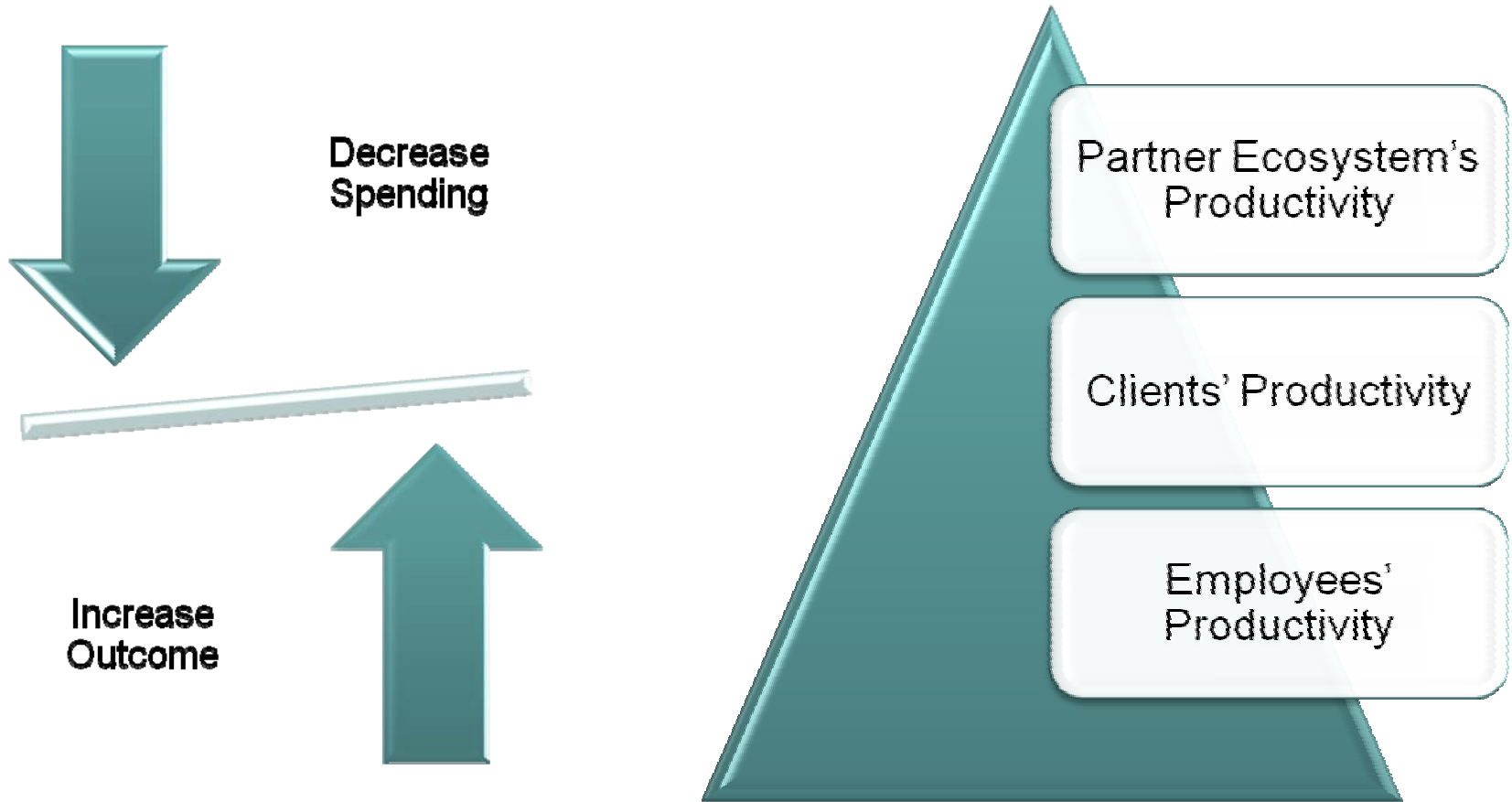
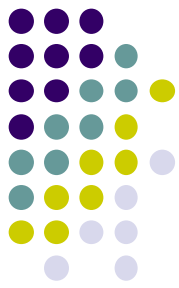
## Average Impact, USD



## Average Productivity, USD

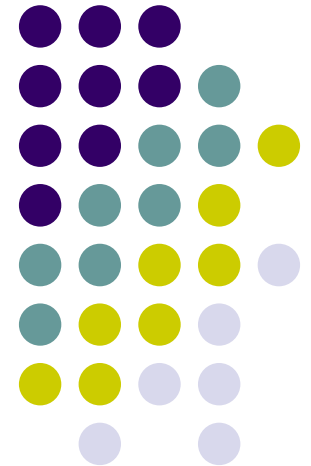


# Productivity Strategies for a Software Company



Are there markets  
where you can both  
decrease spending  
and increase outcome?

**YES**



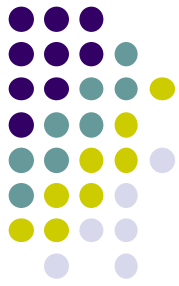
Country	Ukraine	Russia		Belarus	Armenia
Cities	All	Moscow and St.- Petersburg	Others	All	All
Labor Cost Savings	High	Low	High	High	High
Wage Inflation	Mid	High	Mid	Low	Mid
English Proficiency	Mid	High	Low	Mid	Mid
Cultural Difference to Western Countries	Mid	Small	High	Mid	Mid
Logistics / Infrastructure	Good	Mid	Bad	Bad	Mid
Political Risks	Mid	High	High	High	Mid
Available BS Pool	Small	Small	Small	Small	Small
Available MS/PhD Pool	Large	Mid	Large	Small	Small
Output From Local Universities	Large	Mid	Large	Small	Small

Country	Ukraine	Russia	Belarus	Armenia	
<b>Cities</b>	All	Moscow and St.-Petersburg	Others	All	
<b>The Best Place For</b>	Setting up small-to-mid-size software subsidiaries	Setting up sales & marketing offices	Setting up large software subsidiaries	Software outsourcing to local companies	Setting up small-to-mid-size electronics design subsidiaries
<b>Disadvantages</b>	Low sales & marketing / business development expertise	High cost of operations	Difficult to travel to, low English proficiency	High risks associated with setting up your own subsidiary	Small talent pool (small country)

# Ukraine: the Best Place to Scale Up Your Software Business



- Fast-growing emerging market: **enter the second largest European country**
- One of the world-largest top-quality engineering pools: **build best-in-class solutions extending your core technology**
- Strategic position at the crossroads between Europe and Asia: **enjoy the convenience of running smooth operations with no logistical or cultural barriers**



# Ukraine

- Area: 603 K sq km
- Population: 46 M
- GDP (PPP): 90 (321) B USD

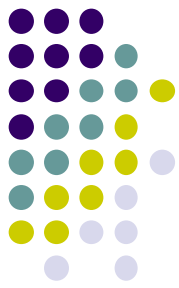
with 7%  
annual  
growth





# Ukraine's ICT market

- ICT Spending in 2007: 10 B USD (25% annual growth)
  - Computer Hardware: 1.4 B USD
  - Computer Software: 180 M USD
  - Computer Services: 260 M USD
  - Communications: 8.1 B USD
- Internet penetration: 21%
- Mobile penetration: 110 %

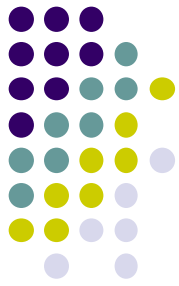


# Labor Force in Ukraine

- About 500 higher educational institutions (Universities, Academies, etc)
- 2.2+ M students
- One of the top five the most educated countries in the world (measured by PhD/MS penetration)

# INTSPEI's SDC-in-a-box

contact Ivan Poyda, [ipoyda@intspei.com](mailto:ipoyda@intspei.com)



- Turn-key solution: INTSPEI creates a software development subsidiary for a client
  - Currently we offer our services in Armenia, Belarus, Russia and Ukraine
  - We can also help our clients to launch a subsidiary in any other Eastern European country
- INTSPEI cares about everything – hiring, facility, logistics, local legal requirements, IP-protection, business-processes, etc.
  - The development center is launched as client's subsidiary
  - Alternatively, it can be created as INTSPEI subsidiary and then (when the client feels comfortable) the ownership is transferred to the client



<http://www.intspei.com>

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