

Exodus of Russian Executive and Managerial Talent Offers New Opportunities to European and Asian Businesses

Since the US and its allies decided to ramp up sanctions against Russia this summer, following perceived acts of Russian aggression in Ukraine, the subsequent strain on the local economy has caused many Russian nationals to look for employment opportunities abroad. Due to existing business ties, and in some cases for historical reasons, many Russian managers and company executives are now exploring employment opportunities in multinational companies with headquarters in larger European capitals. The reasons for this re-thinking of employment and job opportunities stem directly from trade penalties brought against their home country. Russian executives looking west are concerned about the weak rouble, the shrinking Russian economy and higher prices (inflation) in their home country. Given that many wealthier Russians have long stored some of their wealth in banks or in investments abroad (mainly in Western Europe, but also in Asia), it logically follows that they would consider relocating to where they keep these assets.

Talent pool for global businesses

Interest in relocation among talented Russian executives, managers and entrepreneurs could be a possible boon to larger multinational businesses. Russians are known for high-level education in tech disciplines, in maths and sciences. Émigrés from the country have been behind some of the top IT/tech successes of the past

decade: Google anyone? Additionally, Russian nationals speak a lingua franca for many countries across Eurasia. Next to Chinese and English, Russian is a global common language that is useful for business meetings from St. Petersburg to Tashkent and on back to Bucharest. So many executives hailing from Russia's larger cities can open doors to markets where negotiations in English may have previously been a challenge. A further reason why companies might want to examine the CVs of Russians interested in jobs in Western Europe is these candidates natural tendency toward invention. Many residents of countries that once were once hidden behind the Iron Curtain have an inclination toward problem-solving and invention that is not always common in Western markets. In previous decades, when goods on these markets broke or became damaged, visits to repair shops or replacement weren't always an option. This taught locals self-reliance and peaked their interest in developing their own solutions for repairs or thinking up new ways and means to model or copy goods from more developed markets. An interesting example today is a group of young Russian entrepreneurs looking to make their own version of Tesla-inspired cars.

What sectors should I be looking at?

Interesting market segments are many and it is worth companies' while to look at Russia-related executive searches in two key ways; namely, what are the skills sets available and what Russian industry is present on national and regional markets. For example, in the case of energy, it might be worthwhile to take a mid- to longer-term view. Just look at new trade deals announced between Russia and India and plans for oil and energy exploration in Russian-claimed parts of the Arctic shelf. Clever Russian energy talent might be a smart longer term investments for the Exxons, Chevrons and Royal Dutch Shells of the world. Similarly, finance is a sector where Russian nationals can play an

important role for Russian multinational companies or Russian banks looking to expand in new markets (however, current sanctions may limit such activities to a degree). Russia's Sberbank is definitely taking steps to boost its presence in Central and Eastern Europe. Finally, the tech sector is an area, where Russian talent can be leveraged to good effect. Recent market reports suggest that Russian entrepreneurs and designers are, in many cases, starved for venture capital and investment cash. Tapping the skills of the right entrepreneur or engineer could just bring your company the know-how to launch the next Facebook, WhatsApp or PayPal.

How do you access or leverage this talent?

The biggest challenges for companies interested in working with Russian nationals relate to legal residency in West European markets and securing proper work permits. As so-called third country nationals (i.e. persons who are not residents of the EU28), processes for securing necessary permits can often be extremely complicated.

This is where consultancies like SpenglerFox can be of service. We already have long-term experience in helping expatriate managers relocate to markets across Europe and Asia. Additionally, our consultants are ready to help your business manage relocation processes, once we've matched you with Russian nationals your company might be interested in recruiting.

Ultimately, we are ready to help support you in taking advantage of the current opportunity to access some of the brightest minds and best talent Russia currently offers. All you need to do is contact us.

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