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- C-Level of product and service IT companies
- Trouble shooter and expert in Fintech, Adtech, MarTech, Ecommerce niches
- Expert in the Internet Marketing since 2006
- Founder of the online publication Skillesis for owners and managers in IT
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CLOSE TO A BILLION: SCALING IT BUSINESS WITHOUT HOLDING BACK AMBITIONS

Igor, you first came to Internet marketing in 2006, and even then people understood that the world was on the verge of a new industrial revolution. You have a vast experience in C-Level product and service IT companies, and how did it all begin, if you look back? Let's remember your first experience of creating your business and your starting position, which became a springboard for you in a personal and professional development.

I am one of those managers who began to develop themselves in early childhood. My first business experience began at the age of 7, when I helped my father find customers for furniture items that we assembled together in the garage. At that time I did not understand what marketing and sales were, but I kept gladly an advertising sign at the subway station and handed out handwritten business cards, while telling potential clients about the advantages of our kitchen corners. When I realized that customers, read the text on business cards squinting, I updated our advertising materials using a stencil, and the number of customers increased. So in such a way I understood that the quality of a creative could influence the attention of the audience. I got my first experience in the Internet marketing in 2006, when I persuaded the owner of a group of companies to invest in two Internet stores and contextual advertising, which I set up myself, and on weekdays I sold CNC equipment for the furniture industry.

My most serious experience, which became the first springboard in my adult life, I received while working at INTALEV and communicating with industry leaders and top officials. At that time I first learned about McKinsey and the Big Four, the implementation of SAP, Oracle and other ERP systems by large companies and about what serious IT was. I will never forget the book published in 2010 by the founder Aleksey Fedoseev called «Business in Chocolate», which has become one of my favourites.

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ENTREPRENEURSHIP REQUIRES A FULL CHARGE OF LIFE INTELLIGENCE AND FAITH IN ONESELF

Almost 90% of business owners work 24/7 days without days off, forgetting about rest, themselves and their families. What facts are overlooked by the leaders of an unorganized company, which hinders the improvement of the efficiency of the IT business? Show on a specific example from life what mistakes an average entrepreneur makes that can lead to failure. What is the most underused resource of a typical Ukrainian company?

I don't know any successful entrepreneur who worked according to the schedule at the start. Entrepreneurship requires a colossal investment of time, energy, a full charge of life intelligence and faith in oneself. But this is not a formula of a success – I am sure that there are

businessmen who maneuver skillfully between work and family at the start, and they succeed.

The main mistakes that young leaders make in unorganized companies are:

- Overstaffing and inefficient using resources, which sooner or later leads to a hole in the cash;
- Recruitment of personnel without assessing soft and hard skills in order to close quickly the position, which is a catalyst for low EQ in the team, loss of quality and speed in work, the appearance of toxicity in communications;
- Premature exit from operational management, that can bring the company to the bottom, or unwillingness to do this when it is high time, and the business becomes a hostage to the founder and does not develop at the speed with which more experienced managers can accelerate it.

The most underused resource of a typical Ukrainian company is the serious potential of specialists who focus only on the local market.

The goal of the vast majority of entrepreneurs is to increase their financial level. What would be your key piece of advice for a company owner who wants to increase quickly sales in the shortest possible time? Is there a magic pill that predetermines a rapid rise of a business?

There are no magic pills! There is a strategy and tactics, the experience of other successful companies and insights, as well as experienced managers who can speed up the process.

I'll tell you with my own example. In 2018, Igor Gnatovsky, the owner of LetyShops cashback service, invited me to the position of the head of the foreign direction. The service was a leader in the CIS, morally ready for scaling, but not with the existing team. For 12 months, the business has already been in Spain, Latin America, the DACH region and Poland, and has also been powerfully gaining momentum.

It all started with a market analysis and a competent strategy, and then followed by the selection of a team for the direction and the effective use of existing resources of cross-functional teams. In 2 months from the start, we were already mastering Spain. Of course, my expertise, PRO-activity and speed played a role. Some members of the cross-functional team constantly complained about my approach, that I was very demanding and did not take into account their wishes, but I knew what was right, not how convenient for someone. Now the project is successfully conquering India, the USA and other countries, thereby proving to the world that there is a benefit in everything.

The Ukrainian IT services market is still young and has been undergoing numerous changes lately: for the past two years, remote work issues have been dominated on the agenda of CIOs, and now the information technology sector is again on the verge of a major upgrade due to the current situation in Ukraine. What are the key challenges of the development of IT business in the crisis? How to benefit when the points have already been set?

The key problem of the present time is the refusal of foreign clients to cooperate with some Ukrainian IT companies that



THE WHOLE WORLD KNOWS THAT UKRAINE IS IN THE TOP-8 OF THE WORLD RANKING IN IT SKILLS



develop software, due to their physical location in Ukraine and relocation. There is a reason for this: there is a war, technically many teams and developers are not in the same conditions as before, and customers need stability and a clear predictable service delivery SLA.

In numbers: 285 thousand specialists work at the market, and the volume of export services in the first quarter of 2022 amounted to \$2 billion. 52% of companies managed to keep all the contracts with their clients, 32% – 90%, and only 16% of the IT companies lost more than 10 % of contracts.

As for relocation, the main countries have become: Poland, Germany, Spain, Romania, Portugal, Bulgaria, Holland, Turkey, the Czech Republic, Moldova and Croatia. Many specialists entered the home market, and this is a growth point for those companies that experienced a shortage of personnel, a wonderful opportunity to assemble and reassemble a team for any task.

The whole world knows that Ukraine is in the TOP-8 of the world ranking for IT skills and closes the top ten in the ranking of the best developers in the world, which, of course, benefits both the state and the industry on the whole. But it will take time to reach the previous growth and regain the confidence of foreign partners and investors who have left the market.

The main thing is to remember that any crisis is followed by active growth, and I believe that everything will be fine in Ukraine, but you need to get out of the risk zone faster, as well as to show outstanding results with perseverance and hard work. Ukrainians are very hardworking and enterprising people. As Louis XIV said – «Only the patient wins», so the victory of the new Ukraine is not far away.



EVERY CRISIS IS FOLLOWED BY ACTIVE GROWTH

The transformation of the Ukrainian IT market is undoubtedly coming, tell me please, what constants remain, and what variables in business processes need to be replaced? Will CIOs be able to solve these issues as early as 2022? How promising is the idea of choosing another jurisdiction for your activities, and which countries should you pay attention to in this vein?

Large companies with 1,200 employees and 64% of companies with staff from 200 to 1200 employees plan to open new offices. This indicates optimism in the IT industry, as well as the fact that it was possible to keep 96% of the volume of exports of IT services abroad.

The main constants remain the same – this is software development, but where these services will be provided, by which teams and in which country, will perhaps become one of the variables. Recruiting specialists will definitely not be the same as before the events of February 2022, nor will the nature of contracts in the nearest future. Business is being restructured to work on foreign markets and with foreign markets, we are learning to look wider, do pivot business models and launch new products and services.

Of course, it will be promising to have a representative office at least in Europe, the UK or the USA – this influences many indicators: attractiveness for partners, customers and investors, as well as new employees.

Now local Ukrainian IT companies are choosing an international market without restraining their ambitions. But it is impossible to understand at the moment who has a large margin of buoyancy and who does not. What steps should an entrepreneur take at the initial stage of scaling the company in order to prevent failure and feel crowned with the laurels of a winner?

In fact, there are several key points: this is a legal field, a market size, a competition, as well as a clear plan developed, consisting of testing and scaling the company's success. It is important to study whether there are legal restrictions at the chosen market, whether it is possible to start work without opening a company there, for example, to try to enter with a European company the Latin American market without opening representative offices in each country without testing all hypotheses. For example, «Preply» and «LetyShops» operate globally, officially stating that their offices are accordingly in the US and Hungary, although their customers from 40+ countries learn languages and do shopping with cashback. It is important for an entrepreneur to study the market, conduct CastDev and test hypotheses using small budgets in order to understand the cost of attracting the customer and calculate Project Unit Economics at the top level.

Many online services are now available that will help you analyze and understand the market situation in a matter of minutes:

- Relocate.online is a knowledge and experience base for starting a business in a new country;
- Similarweb.com is an analysis of competitor websites;
- Statista.com is a statistical portal about markets, products and services;
- Crunchbase.com is a statistical portal about the state of startups;
- G2.com is an aggregator of useful IT services and 1.6 million reviews.

In order not to build castles in the air and not be in the illusion, invest time and small resources into researches. For example, the market where everyone dreams of selling their IT services is the US. But many do not know that the cost of the Internet traffic and a client is the highest in the world here and it is not so easy to conquer it, unlike markets where the economy is actively developing – for example, in the same Latin America or stable and consistent Europe.



IN ORDER NOT TO BUILD CASTLES IN THE AIR, INVEST SMALL RESOURCES IN RESEARCHES