Take 10 minutes: insight on big decisions for small businesses

www.kaspersky.com
A short history of Kaspersky Lab

Kaspersky Lab’s story started in Moscow in 1989, when a young software engineer discovered his computer had been attacked by the infamous Cascade virus. That engineer was Eugene Kaspersky, and, fascinated by the challenge, he decided to detect the virus, analyze it and create software that could neutralize it. The result was so successful that he carried on.

In 1997, Eugene and three fellow software engineers founded Kaspersky Lab. The company had just 19 employees, one market – Russia – and a number of big global competitors, many of whom had been around for a decade or more. However, the team’s commitment, sense of purpose and faith in the technology they had created gave them the confidence to tackle these challenges head on. By 2001, Kaspersky Lab was the market leader in Russia and ready to take on the world.

Over the next few years the company opened offices in Europe, the U.S., the Far East and more, globalizing its workforce and leadership team. There are now around 3,700 employees worldwide.

The intense focus on, and pride in advanced technology and R&D remains, but it is complemented by a top notch threat intelligence research team and a suite of successful security solutions and services.

Today, Kaspersky Lab is one of the world’s largest privately owned cybersecurity companies and one of the four leading endpoint security vendors. The company operates in 200 countries and territories, with 37 offices in 32 countries and revenues of $644 million in 2016. 400 million users worldwide are protected by its technologies. Some things haven’t changed, however, Eugene Kaspersky is still at the helm, driving, empowering and inspiring.

Now for the next 20 years...

Learn more at www.kaspersky.com.
Introduction

A company is not just an organization – it’s a community. For two decades, the people who together make up Kaspersky Lab have been turning up for work all around the world with their bags and sports kits as well as their hopes, dreams, fears and challenges, ready to take on the day in the way only they can.

We’ve had good times and bad times and between us we’ve learned a lot. Now, on the occasion of our 20th birthday, we’d like to share some of that insight and experience with you.

We hope that in the pages that follow you’ll find ideas and inspiration to help you face the business challenges and opportunities that come your way; particularly if yours is a small or medium-sized, entrepreneurial or young company, and some days it feels like you’ve a mountain to climb.

I’ve been very lucky: my business is my passion. And after two decades I’m still driven by curiosity: what’s that, how does it work? I’m fascinated by technology and learn so much from the people around me. We’ve tried to cram some of our collective thoughts into this little book.

Even after all these years, I’m still excited by this business every single day! I wish the same for you!

Eugene Kaspersky

By the way...about the title

According to the Entrepreneur Insider network and Fortune Magazine, a tough business decision should take no longer than 10 minutes to make.
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Leading a growing business

Starting a new business is exciting. It is also very hard, and many young businesses fail. In Europe and the U.S., around one in three very small businesses dies before its second birthday. For companies with 10 or more employees, the odds are one in five. However, that also means at least two-thirds make it through those tough early years and beyond – so what does it take to succeed?

Kaspersky Lab’s own early days were challenging. Russia at the time had no programs in place to support entrepreneurship, so, with a staff of 19 and no regular business, the founders sometimes had to forgo their own monthly salaries just to keep the company going. They overcame the obstacle by ‘white-labeling’ their technology for other vendors, saving on marketing and promotion costs while bringing in funds to invest in growth.
What’s your top advice for businesses just starting out?

**Alejandro Arango**
Surround yourself with people who are more intelligent than you, and make sure you really do have a competitive advantage – it’s becoming harder and harder to be a successful ‘me too’ company.

**Andrey Nikishin**
Be Brave. Be brave enough to do something new, to change the world, and to stand up after a failure.

**Alina Topchy**
Ask yourself every day: why am I doing this? Is it to build a huge business or for a nice lifestyle? The first will demand more sacrifices than the second.

How do you keep going through the early years?

**Angelo Gentile**
As a growing business, it is important to realize that while you have limited control over the market, you are driving change.

**Tom Hubbard**
Don’t build a product – solve a problem.

**Veniamin Levtsov**
One enterprise customer is a ‘deal’; two customers is already a ‘market’. If you can sell to two, you can sell to 100.

**Evgeniya Naumova**
To be thriving five to seven years from now, you need to invest your heart, strength and time in your business today.
What are some of the biggest early growth challenges?

Money and success

Claudio Martinelli
Be careful with success: if you’ve been really successful at something it can block your view of other things, such as new perspectives, opportunities and trends

Denis Zenkin
Even when a company is large enough, money can still kill it. Money is always about making more money rather than changing people’s lives for the better. Don’t lose sight of your purpose

International expansion

Rintaro Kawai
Don’t underestimate the challenge of unifying the thinking of a group of people from different cultures

Eugene Kaspersky
Get out of the office – travel, walk around and talk to people, meet customers and partners, get the party started – but then trust folks to do things their way. They know their market, and you can’t be in 100 places at once

People

Denis Zenkin
One day you realize you don’t know all the people you meet in the work cafeteria and things are changing so quickly you can’t keep up. Relax, it’s OK
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Not all growth is good...

Alejandro Arango
The realization that you might need new senior talent to take your company to the next level is a big challenge and a hard step to take; especially for leaders who are really loyal to their team and trust them.

Nikita Shvetsov
People are not always ready to grow with the business. You see someone you have worked with for a long time, with whom you have achieved a lot and who you think of as a friend, struggle to develop and adapt to the demands of the growing business. You need to spot this in time.

Andrey Nikishin
It is common in a start-up for everyone to be in charge of everything. When a company becomes bigger they have to delegate some of their responsibilities to another person. It can feel like a loss of control.

What can you do when you seem to have stopped growing?

Nikita Shvetsov
When the business landscape is tough, take time to regroup and reinvest in the business, in product development and market planning, for example. Then, when things start to recover, you are ready to go.
Defining moments that change a business: Kaspersky Lab

Meeting customer needs: By 2007, Kaspersky Lab realized that superior technology was not enough on its own: customers needed and wanted something that was easy to install and use. AV 6.0, the first fully-fledged Kaspersky Internet Security product for consumers, aimed to achieve this; packaging serious technology into a user-friendly solution just as people were becoming more aware of online threats. AV 6.0 secured top reviews, with one commentating that, “By adding firewall and antispyware protection to its antivirus product, the powerful and well-designed Kaspersky Internet Security Suite 6 should bring Kaspersky out from behind the curtain and onto center stage.” It transformed the business. Between 2007 and 2008, the company more than doubled its revenue from 130 million USD to 274 million USD.

The introduction of radical new technology: By the mid-2000s, Internet threats were spreading so fast and attackers were becoming so sophisticated that a new approach to detecting and mitigating threats was needed. This demanded radically new technology. The company’s cloud-based telematics database, Kaspersky Security Network, was born. Today, KSN collects data about existing threats in real-time, 24/7. It also identifies unknown threats and their sources and reacts quickly to protect users from them.

Responding to external trends: The emergence of big targeted threat actors from 2010 onwards – such as Duqu, Stuxnet and Flame – transformed the way Kaspersky Lab works: the company restructured its approach to research so it could analyze and report on new, highly sophisticated threats very quickly.

Realizing that knowledge and expertise have value: Making threat intelligence a service, and supporting other major enterprise products with managed services was a big step for a pure technology company – but in a knowledge-driven, connected world, it was an essential one.
Finance and funding

Business costs and access to funding rank among the top five business concerns of small businesses. Yet a recent study suggests that around a fifth of those applying for funding are turned down, with 23% of those saying they didn’t know why they’d been denied. How can an SMB navigate its way through the money maze?

Kaspersky Lab’s financial learning curve includes the moment when, in 2011, U.S.-based equity firm, General Atlantic, bought 20 percent of the company – with a view to the whole business going public. Eugene Kaspersky soon bought back the shares, believing that going public would kill the company’s unique culture and its ability to make fast, independent and sometimes altruistic decisions: all core principles of Kaspersky Lab.
What does an investor really need to see?

Execs’ checklist
- People they can trust with their money – a strong management team
- Unique technology
- Long term viability – will the world need or want your product/service tomorrow?
- A clear business opportunity
- A well thought out business plan
- Predictable results
- Money, now or later

Any further advice?

Veniamin Levtsov
Accept that ‘expected growth in market share’ will always be the weakest part of your business plan

Angelo Gentile
The more you have to explain the benefits, the harder it will be to sell

Alex Moiseev
People invest for different reasons. There those who believe in a team but not in an idea, and those who believe in an idea but don’t care about the team. Most investors fall into the first category

Nikita Shvetsov
You’ll need to show potential financial backers that you’ve found a problem users are ready to pay for. Next, you’ll need to explain why it will be hard for others to replicate your idea. Finally, you’ll need to explain why your business idea is sustainable and stable – you’re not addressing a small, localized issue that can be solved quickly. And after you’ve convinced backers that your idea is great, the next thing they’ll look at is the team. Even if it’s just 1 or 2 people setting up the business: what did they do before, do they have any chance of making this project happen?
What’s really worth spending your money on?

Execs’ checklist
- People - recruitment, building teams, training
- Your product or solution
- R&D
- Your brand
- Communication and marketing
- Go-to-market channels
- Your partners
- Efficiency tools to make your business run smoothly
- Data storage – you’ll never feel you have enough
- Security in design

Any further advice?

Andrey Nikishin
If you treat your people well and invest in them – everything else, such as sales, innovation and more will follow automatically

Alex Erofeev
Invest in your brand – it represents the trust in your business and without trust you have nothing

Nikita Shvetsov
It’s important to build a channel for receiving feedback on your product. The more responsive and audience-focused this channel is, the faster your product will evolve
What’s not worth spending your money on – at least at the start?

Execs’ checklist

- Fancy offices – just be easy to reach
- Consultants – they’ll never understand your business as well as you do
- Going to conferences
- IT – it is available as a service
- Complex processes and audits – focus on things that will bring in new money, but make sure you know where your revenue comes from and goes into
- Shareholders – reinvest the money in R&D instead

Any further advice?

Nikita Shvetsov

Everything that takes your attention away from the core business, you need to have as a service. If it’s email, get Office 365; if it’s telephony, get a solution from a VOIP cloud provider; if it’s CRM then it’s Salesforce. And if it’s cybersecurity, then there are companies, including Kaspersky Lab, that provide security-as-a-service. It’s hard for established companies to change, but if you’re a young business –– try to outsource as much as possible

Eugene Kaspersky

Think carefully about the impact of buying another business in order to grow. It could ruin the company’s morale. Engineers want to innovate, but if you acquire companies this says to them they’re not good enough to do the innovating themselves
Go public or stay private?

McKinsey recently highlighted a new trend for so-called ‘Unicorns’ – high-tech start-ups worth around $1 billion – to stay private, sometimes relying on venture capital but also just on revenue. The choice to go public or stay private is a critical one for a business.

Execs’ thoughts on the advantages and disadvantages of each approach:

Going Public

Pros: A source of funding, greater business transparency, external validation of the business, a positive force for efficiency and streamlining

Cons: An excessive focus on financial returns, putting short-term goals and shareholder rewards ahead of long term planning

Staying Private

Pros: Business independence, the opportunity for long term vision and investment, the freedom to do good without worrying about financial returns, no need to compromise principles, rapid decision-making

Cons: External perceptions of lack of transparency/accountability, lack of funds
Fear of failure

According to Kaspersky Lab research, addressing risk is a priority for 43% of businesses with fewer than 100 employees (second only to improving the quality of products and services at 43%). Entering a new market, launching a new product or service, growth – they are all risks, and could fail. What can a business do to prepare and respond?

Throughout its history, Kaspersky Lab has relied on partnerships to help it reduce risk. Not just the white-labeling alliances from the early days, but channel partnerships that combine Kaspersky Lab's technological expertise with partners' local knowledge and customer understanding. This has proved particularly valuable when entering new markets.
How can you minimize risk?

Nikita Shvetsov
To do something new, create a new team. People get used to things and change is uncertain and painful – so build a new team to handle it. And make sure it has the support of the CEO

Tanguy de Coatpont
Talk to the people who know – succeeding on your own is very difficult

Alex Erofeev
Understand yourself as a person. The biggest weakness is inside us, not outside: we are all our own biggest competitor

And if things do go wrong?

Alina Topchy
Redefine ‘failure’ – if you don’t get the answer you need, maybe you’ve just asked the wrong question. If you don’t get the sales you are looking for, maybe you’ve targeted the wrong audience, or need to revisit your product positioning. Go back to the question

Evgeniya Naumova
Don’t overthink every eventuality – just act. An approach weighed down by ‘what-ifs’ slows down, while a clear mind can see and respond quickly to whatever happens!

Denis Zenkin
Remember that you could fail even if you don’t try anything
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Tom Hubbard
If you think ‘this is the right way to change’ or ‘this is the right thing to do,’ you’re probably not the only person thinking that. You can either let fear of failure prevent you from making these visions a reality and watch someone else do it, or take action and be the leader.

Andrey Nikishin
Failure is an option, because a failure can lead to the success you seek. Learn every lesson you can from every single mistake.

Alex Moiseev
There is a point in the business lifecycle when a company is at risk of becoming over-dependent on its customers. This can cause the business to stagnate and stop innovating. Start-ups don’t have this – they create disruptive products and services that they know their customers will need in the future even if they don’t realize it now. Never lose that start-up spirit, no matter how big your business becomes.

Why is it important to keep taking risks?
Progress vs. perfection? Kaspersky Lab

As the company’s collection of telematic data grew, we considered adding a service element for customers. We analyzed everything rigorously: the market, the number of potential customers, the dynamics for entering the market, and the costs. We bought hardware, created a website and began to promote it. We ticked all the boxes, yet it didn’t get off the ground – we simply took too long to demonstrate its value.

The fact is that when it comes to launching new products, services, innovation, and more, there are two approaches: the waterfall and the stream.

The first involves all the research, development and testing being done up front. You have complete control, and can launch only when you feel absolutely ready and 100% “sure.”

The second one involves working within, and adapting to the external landscape, and sharing near-final products and services. This requires the confidence to launch something you know is not perfect, to be able to relinquish some control and to give customers a voice in shaping your offering.

You need to decide very early on which kind of business yours is going to be.

Veniamin Levtsov
Finding and keeping the best people

SMBs can struggle to find the people they need. The world of work is evolving rapidly, driven by digital technologies, globalization, the arrival of millennials, and the departure of the ‘baby boomers’. In developed economies, access to skilled staff and experienced managers ranks as one of the top business problems for smaller businesses. Even larger, mid-market companies find the recruitment and retention of top talent a challenge, often losing the best to enterprises.

Kaspersky Lab embarked on international expansion when it was still a young start-up, with a brand name and profile barely known outside Russia. This made it hard to recruit top talent locally. The company addressed this by offering new country managers the chance to establish the regional office close to their home, for example in Ingolstadt instead of Berlin in Germany, or in Boston instead of New York in the U.S.
How do you know who you need?

Timur Biyachuev
Look at your business landscape. For example, the people we fight everyday are highly skilled, so we need equally skilled and talented people.

Claudio Martinelli
Apply the ‘first who, then what’ principle: define the type of people you want working with you – then find a way of integrating them into the business.

Tom Hubbard
Organizations should always strive to hire for mindset over skillset. You can’t teach having the right attitude.

How do you know when you’ve found them?

Tanguy de Coatpont
Sometimes you don’t know – you have to trust your instinct. Consider people from other industries or sectors as they can bring a fresh perspective and skills.

Timur Biyachuev
People at the start of their career don’t always know what they want, or they say what they believe they are expected to say – so it can be difficult to tell who they really are. I choose to ask about failures: it’s in failures that real abilities present themselves.

Alex Erofeev
The ‘right’ people have a fire in them and you can see a light in their eyes.
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Alex Moiseev
A company should have a goal that unites people. This goal is what makes people stay and sustains them through mistakes, failures and other tough times.

Eugene Kaspersky
My aim is to have employees contribute as much as they can, so they become part of something bigger. It’s beyond just having a job – it’s life, it’s passion, it’s fun.

Nikita Shvetsov
Hire people who want and are ready to grow, not those who have worked in the industry for a long time and whose opinion on everything is already formed. It’s important to search for people who don’t just have specific skills, but who can think. It’s not easy to understand during an interview how a person thinks, fits into the company’s culture, is interested in the work and not just being there from 9 to 5. Also, their values, how they talk about what they’ve done, their role in it. What drives them, what do they care about?
Ideas @ work

Creativity and innovation are vital to the future of any business. Kaspersky Lab’s own research shows that ‘improving the ability to innovate’ is a top priority for 39% of businesses with fewer than 100 employees.

It’s one area where Kaspersky Lab has never struggled: anyone can submit an idea about anything, and creativity is encouraged and supported.
How can you nurture creativity?

**Costin Raiu**
Turn it into a game – introduce contests, awards and recognition

**Timur Biyachuev**
If you don’t work in an environment that stimulates ideas, you won’t see any growth. People are gifted in many different ways and it is not always obvious at first

**Claudio Martinelli**
You need to give people the space to make mistakes

**Tom Hubbard**
The best way to nurture creativity is not to suppress it. People are creative by nature. The more you restrain people, the more you stifle their creativity

**Alex Erofeev**
Successful creativity needs an environment of ‘controlled freedom’: the goals should be fixed, but not the way to achieve them. Too often it’s the other way round: fuzzy goals and rigid processes
What does ‘innovation’ mean to you?

Excs’ checklist
Innovation means many different things to many different people
• Vision
• New ways of doing things
• Short cut
• Out of the box
• Opportunity
• Courage
• Expertise
• Implementation
• Game changer
• Quality
• Faster
• New technologies
• New ideas

Any further advice?

Costin Raiu
Amazing discoveries generally come from meticulous, calculated research and hard work

Timur Biyachuev
We needed a new process for something. So I took the data from the previous two years and locked myself in a meeting room. I spent the night in front of the whiteboard, experimenting with different concepts. Even now I don’t know if the solution I eventually came up was original, but that’s not what mattered. What was important was the process of finding my fix to my problem.
**Competitors – friend or foe?**

One in seven SMBs regards competition as a top problem⁸. Yes, competitors are after your customers and market share, but they are also your teachers, and sometimes your allies. Either way, you’re all in it together.

Kaspersky Lab operates in a highly competitive landscape and has seen its share of confrontations – but in the face of ever-growing cyber-threats, most security vendors understand the value of collaborating to help people under attack. One example is the No More Ransom project founded in 2016, that brings together around a dozen cybersecurity vendors (there are currently 89 partners in all) to provide guidance and decryption tools for those hit by ransomware.
What can you learn from your competitors?

Tom Hubbard
Companies can learn everything by watching their competitors, but remember that they can also learn everything by watching you.

Claudio Martinelli
There is no innovation without competitors, so in that sense they are your business allies.

Alfonzo Ramirez
What happens to a competitor today, could happen to you tomorrow.

Rintaro Kawai
Understand why the market accepts your competitors.

Alex Erofeev
Companies should worry less about their competitors and more about their customers.
When should you join forces with your competitors?

**Alejandro Arango**
Rally together around common causes

**Nikita Shvetsov**
In our industry, we underestimate the opportunity to work together: common platforms, common ways of exchanging the information between products, technical or market integration – we need to look at it from the customers’ point of view

What should you never share?

**Execs’ checklist**
- Your people
- Your “secret sauce”
- Information about your customers’ problems
- Company strategy
- Anything
The right IT

What are the essential basics?

Execs’ checklist
- Flexible, secure and adaptive IT that can grow as the business grows – get someone else to install and manage if necessary
- Effective customer systems
- An online presence: a website and social media
If you only have minutes to spend on IT protection every day – what should you do?

**Execs’ checklist**
- Training and education for employees
- Check every corner of the IT infrastructure/review logs
- Learn about threats
- Protect data and privacy – passwords

Any further advice?

**Nikita Shvetsov**
Entrust security to someone who knows how to do it. For example, no one can protect a mailbox better than the owner of the hosting platform because they are capable of hiring the market experts and keeping them.

Any further advice?

**Alina Topchy**
It’s not about technology – it’s about people and attitude: you need a workforce that can learn how to use new systems, phone, IT, etc. quickly.
Should an SMB invest in threat intelligence?

Yes...

Costin Raiu
If the business works with big data and personally identifiable information (PII)

Tanguy de Coatpont
Because what you don’t know about, you can’t fight

Alejandro Arango
Knowledge is power – the more you know, the better you can prepare

No...

Claudio Martinelli
SMBs have enough to do running the core business – their external security provider should be doing this on their behalf
For rainy days and Mondays

What’s the best advice you’ve ever been given?

Costin Raiu
When I was 7 years old my grandfather told me: try to be the best at whatever it is you do

Denis Zenkin
My math teacher at school told me: don’t let things pile up, otherwise one day the volume of outstanding work will bury your career
Tom Hubbard
Trust yourself. Because if you don’t and fail, there’s no worse feeling

Evgeniya Naumova
A trainer once told me that everyone has all the potential, skills and characteristics they could ever need – they just need to learn how to turn them on

Nikita Shvetsov
A manager’s level is determined by the level of problems he can ignore

Rintaro Kawai
Don’t make decisions when you are confused

Alex Moiseev
You can always find common ground with anyone, if you look for it

Alejandro Arango
Hire people who are smarter than you, allow them to earn your trust and let them shine

Alex Erofeev
When I discovered a new role included dealing with some difficult people, my manager simply said “it’s part of the package”. Every job has tough parts, accept that it’s simply part of the package and you’ll be able to deal with it

Timur Biyachuev
Motivation isn’t enough. Maybe in the short-term or even medium-term, but after that what you need is self-discipline
What’s your favorite business quote?

Claudio Martinelli
“There is no favorable wind for the sailor who doesn’t know where to go.” Lucius Annaeus Seneca

Tanguy de Coatpont
“When everything seems to be going against you, remember that the airplane takes off against the wind, not with it.” Henry Ford

Alejandro Arango
“In the end it is not the years in your life that count, but the life in your years.” Lincoln

Evgeniya Naumova
“You can accomplish anything in life, provided that you do not mind who gets the credit.” Harry S Truman

Tom Hubbard
“Without data, you’re just another person with an opinion.” W. Edwards Denning

Alex Erofeev
“A journey of a thousand miles begins with a single step.” Chinese Proverb

Nikita Shvetsov
“It doesn’t make sense to hire smart people and then tell them what to do; we hire smart people so they can tell us what to do.” Steve Jobs

“Everything is going to be fine in the end. If it’s not fine, it’s not the end.” Oscar Wilde – chosen by Costin Raiu
The Quiet Zone – some favorite books

Time to learn...

Execs’ checklist

- James Collins, *Good to Great* – 2 votes
- P.F Drucker, *The Effective Executive*
- Henry Mintzberg, *Simply Managing*
- Richard Edler, *If I Knew Then What I Know Now*
- Spencer Johnson, *Who Moved My Cheese?*
- Doris Kearns Goodwin’s, *Team of Rivals*
- B.H Liddell Hart, *Strategy: The Indirect Approach*
- Michael Hammer and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution*
- Sydney Finkelstein, *Why Smart Executives Fail: And What You Can Learn from Their Mistakes*
- W. Chan Kim and Renée A. Mauborgne, *Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant*
- Nassim Nicholas Taleb, *The Black Swan: The Impact of the Highly Improbable*
- Eric Ries, *The Lean Startup*

Time to think...

Execs’ checklist

- Subscribe to TED Talks and read every book, newspaper, blog you can to find ideas and inspiration
- Pierce J Howard, *The Owner’s Manual for the Brain*

Any further advice?

Alina Topchy

Any science fiction – “It’s important to keep dreaming...”