

IT Outsourcing Opens the Way for Exports to Russia and Ukraine

KYIV, Ukraine – October 06, 2009 – Ciklum, a Danish IT outsourcing company, launched a new service – offering partnership to Western companies to sell their IT products and services in Russia and Ukraine. Outsourcing IT development work that not just works well for the bottom line, but also opens the way to a new export market, – this is exactly the summary of Ciklum's new concept that has already helped four companies to raise an additional turnover of 14 million Euros on the Russian-Ukrainian market so far.

At Ciklum over 700 employees are engaged in the development work for various IT companies, but in addition to that, in 2009 the company has worked with some of its clients to market and sell their products on the large Russian speaking market. The Danish company CC-Interactive is one of the companies that has both developed software and generated export sales in the region. "My business is small and relatively young, and it's been of great assistance to gain an easy access to this exciting market. We have already generated a turnover of millions," says Harald Riis Thomson, the CEO of CC-Interactive.

IT outsourcing as a base for export

When performing IT development work for various companies Ciklum establishes a sort of sub-division of the company that the work is done fore and hires Ukrainian and/or Russian employees dedicated to the particular company only. "Following our usual practice of establishing dedicated development teams it has been easy and natural for us to hire salespeople to work for our customers wanting to penetrate this market here - just as we employ developers today," says Torben Majgaard, the CEO of Ciklum.

Ciklum has also hired a sales manager who controls, trains and guides the sales people working for various Western European companies under this initiative. In addition, Ciklum supports its clients export drive by developing an easy access to the dealers' networks, organizing trade exhibitions, and acting as a sparring partner.

Four test cycles produced 14 million Euros

Out of Ciklum's approximately 100 customers four have tested the new concept in 2009 – this has generated a turnover exceeding 14 million Euros for them. In the coming weeks all Ciklum's customers will be presented with this option. "The Russian-Ukrainian market is a growth market. The number of Internet users is at the level of the United Kingdom, and GDP is on a par with Germany. This makes the region very interesting. By using your software development process as a bridge you get a cheap and low-risk market access," explains Torben Majgaard.

Several set-up models

Companies can choose between different cooperation models that can be combined to fit their corporate strategies. For example, Ciklum can help against cash settlements or can enter into a partnership agreement with the client where Ciklum is covering parts or all costs associated with the promotion. Companies can choose to be responsible for billing and collection from home or have Ciklum ensure it. And if a client wishes, Ciklum will provide a full "hosted business" in the customer's name.

About Ciklum

Ciklum (www.ciklum.net) is a Danish IT outsourcing company specializing in nearshore software development in Ukraine by establishing and servicing clients' dedicated development teams. The environment of services and knowledge sharing within the company helps clients to market quickly and with less risk and minimal investment. Established in 2002, Ciklum employs more than 700 specialists with more than 90 global client teams. Ciklum has six offices in the four largest cities in Ukraine, as well as offices in Denmark, Sweden, United Kingdom, Switzerland, Germany and the Netherlands. Ciklum is a winner of the Red Herring 100 Europe 2009.

About CC-Interactive

CC-Interactive (www.cc-interactive.com) is a Danish company that focuses on delivering professional portal solutions and consulting services for the customer care industry to help companies to improve interaction with

clients and increase sales. The company has invented a solution for the customer care that makes interactive selling easier.

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