

The international option

As technology makes the world an ever-smaller place, almost any professional recruitment business can realistically operate on an international basis. But how do you turn aspiration into reality and what are the challenges and pitfalls you will face on the road to 'global domination'? APSCo invited one of its internationally-focused members, Antal International, to provide some insight.

Antal International (www.antal.com) has gone from one man and one telephone in a spare bedroom to a multi-national network of over 100 offices in more than 30 countries and was one of the first Western recruitment firms to devote significant resources to developing a presence in key emerging markets.

Here, Antal's managing director Graeme Read gives a step-by-step guide to successful overseas expansion.

1. Have a plan

You'll never work out how to achieve your aim unless you know exactly what it is in the first place. And that means doing some thorough research and drawing up a basic plan before you embark on the great adventure of building an overseas business.

That doesn't mean you have to have some dazzling strategic vision, but it does mean you should have at least a first year target covering revenue, costs and cash flow. You must also have a genuine understanding of why you have picked a specific country or region. Do you really know what skills and capabilities are most in demand and how you are going to satisfy client needs? Have you a clear picture of which sectors and industries are on the up or on their way out? And, perhaps most important of all, do you understand the cultural context you are aiming to operate in?

In China, for example, there may appear to be a great business opportunity inherent in the shortage of managers with 'softer' people development skills. But, given that this shortage has been created by the country's long sojourn under the blanket of state communism, how would you go about tackling it? Think long and hard before you jump into even the most outwardly promising market.

About the author



Graeme Read has over fifteen years' experience in the recruitment industry and as Group Managing Director of Antal's businesses has worked with owners, managing directors and staff to scale their business units from start up to critical mass and through to exit via a transaction.

After forging an early career as an accountant in Zimbabwe, Africa, Graeme moved to the UK in 1989 and joined a UK-listed Crown Communications Group plc, a holding group of numerous media related businesses, initially as Finance Manager.

Graeme joined Antal International in 1996 at a time when the group had only 4 offices. He has played a fundamental role in the growth of the Antal's network and the development of their management teams. He was also a founding investor and Director of Antal International Networks, where he helped launch the Group's franchise business unit.

Graeme is board member of Antal Ventures an investment vehicle established to acquire well-managed, separately branded recruitment businesses to add to the Group's recruitment holdings portfolio.

Graeme is also a member of APSCo's Representative Committee.

2. Follow the client and incubate

Many of our most successful operations have come out of existing client demand. We work extensively with an organisation in country X and they ask if we can help staff their new operation in country Y. Of course we will find a way of doing so, but that doesn't necessarily mean immediately sending a team to the new market. Often the initial work can be done remotely until a healthy sales pipeline makes a permanent physical presence a sound commercial idea. And this strategy can also be used for local expansion within a country once your initial office is up and running. At Antal, for example, Rome has grown out of Milan, Wroclaw out of Warsaw and Shanghai out of Beijing. Proving a market before committing fully to it can prevent many unpleasant and disappointing surprises and also gives you the opportunity to organise all the logistical basics of a new operation in advance so that your consultants can hit the ground running on D-Day.

3. Premises

Do you really need a vanity office in the middle of a capital city? Better to resist the draw of a Mayfair or Wall Street address and instead invest capital in finding and hiring the best staff. After all you can always go to your prospective clients and candidates – they don't need to come to you. However do get local advice on what are the 'right' areas to be located in and which to avoid and check out how easy or difficult commuting may be for prospective employees. Also try to avoid tying yourself into long leasehold commitments. If your new operation performs as it should then you may have outgrown your initial premises within six to nine months so a serviced office may be a good opening option to give maximum flexibility.

4. People

Obviously the cornerstone of any new recruitment venture, no matter where in the world it is. Of course you will need locals to help you understand local culture and business methodologies – ignore this at your peril. But too much reliance on 'outsiders' in the early stages can dilute your own brand, your culture and that unique way you deal with clients and candidates. To be truly effective you should always be preparing a pipeline of insiders to step into new operations to provide that all-important element of continuity and consistency.

Make sure that you have a thorough understanding of local employment laws, the various types of contracts you might use and what probation terms are available to you. Don't stint on professional advice here. Get this wrong and you could find yourself dealing with some very painful headaches further down the line.

Make sure that you also grasp what really drives and motivates the people you would want working for you. Of course money will always play a large role, but it may not be the complete solution. In many cultures prestige, development opportunities and long-term prospects can be equally important. At Antal, for example, we've built a very successful network of offices in India by employing a franchise model, tapping into the fantastic entrepreneurial spirit in the country and helping locals to set up and run their own businesses with our guidance and support.

And be prepared to invest seriously in training. Not every new market will have an on-tap pool of experienced recruiters. Often you will need to spot inherent potential and then develop it on an ongoing basis – the best people never stop learning!

5. Back-up, costs and legal structure

Personally, I think that providing your own back office facilities is the best option (though I'm very likely biased as that's what Antal does), but know your own business. If you don't have the inclination, the will or the resources to do this then find a good outsourced provider rather than try to do it in a half-hearted way.

Negotiate on everything. You might be surprised in some cultures just how much flexibility there can be on price – so ask!

Give serious thought right from the beginning about the legal structure of your new operation. Should it be simply a branch office, a separate company, a partnership, a joint venture? All options have their pros and cons and can either open up opportunities or fence you in further down the line. Make sure you get proper professional advice before proceeding.

6. Be there

Be prepared to clock up the air miles to ensure the organisation continues to bind as one team, no matter how much ground it ends up covering. You and other members of your senior team need to be on the road as much as possible to get that all-important 'face-time' around the world. Email, Skype, intranets – they are all invaluable communication tools, but nothing trumps the good, old-fashioned 'personal appearance'. Listening, learning, absorbing, encouraging – all absolutely essential parts of building an international business.

7. Adapt (but not too much)

Adapting to the local environment and embracing local culture is vital. For example, some of the social media tools may be different to those you are used to. Take China and Poland, which both have distinctly local versions of LinkedIn named Ushi and Goldenline respectively. Or Russia where the domestic equivalent of Facebook now has over 100 million users. However, never lose faith in what has worked before and always know when to draw the line and say "This is the way we do things." If I had a pound for every time I've heard the phrase "Recruitment is different here" I would have retired to a beach long ago. People differ, expectations differ, fee rates differ, but, in the great majority of cases the fundamental process of recruitment does not change.

8. Expect trouble (and deal with it!)

I stressed at the beginning of this guide how important it is to have a plan. However the great German soldier, Helmut von Moltke – the man who almost single-handedly invented the concept of strategic planning – once said that "no plan long survives contact with the enemy". Or to put it another way, no matter how well you plan, things will go wrong. And we've had plenty of experience of this over our twenty year history. Expansion that was too rapid (with hindsight), the 1998 economic turmoil in Russia, the odd rogue employee, the bursting of the dotcom bubble in 2001 and the events of 9/11 which all gave us some very seriously sleepless nights. But we've always picked ourselves up, worked our way through it and come out stronger for the experience.

And you will too.