

Leadership Q&A Series: Going Global with Janet Walsh, Part One

Janet Walsh is a leading authority on global expansion and the CEO of Birchtree Global, www.birchtreeglobal.com. Her unique perspective on global business comes from 20 years as a senior executive in large multinational firms, as a global business owner and as an author, educator and consultant. More recently, she has been working with green tech bio tech and emerging market businesses. She has worked “on the ground” in more than 60 countries in Asia, the Americas, Europe and Africa. She recently sat down with Tony Palmer in the Atlanta office of Stanton Chase to share her views.

Janet, what’s the current environment for going global with a business?

The market for business products and services has become very global. Businesses are likely serving a market with a lot of global pieces in it...more than they think.

Countries are competing for foreign direct investment, particularly for investment that employs people and brings in revenue to their tax coffers. You have seen how aggressively Alabama and Georgia have competed over the acquisition of automobile plants like the Mercedes plant that is going up in Alabama. There is an aggressive move on behalf of many governments to attract foreign direct investment. Their ambassadors and business development people are in the U.S. talking to people about foreign direct investment and these governments do the same in other countries.

So I think that businesses today are looking to maximize their products, their supply lines, and looking at their markets and who buys their products. The rise of the internet has put American products (with their advantages and disadvantages) in almost everybody’s vision. That has generated particular interest in our products. Foreign governments are keen on acquiring technology, particularly green tech and bio tech. We serve the green- and bio-tech market, and those tend to be the ones that are the most attractive to foreign governments.

What prompted your firm to specialize in green and bio tech?

It was the companies that came to us. We began to see over the last four-five years more green-tech, bio-tech, bio-med and other technology businesses. The green technology businesses have done very well in Europe. Particularly in Germany and France, the Netherlands, Ireland, the UK, Spain...all those places have vigorously gone after clean energy. That’s been a priority in the EU. Their governments have created many programs, particularly in Germany, to increase the number of businesses, so they have offered all sorts of incentives.

What common mistakes are made by companies going global?

Companies have a tendency to think about global expansion in the framework of their existing tax, financial and HR infrastructure in their own country. So particularly with medium size businesses who have reached a critical mass and are now looking for a path to market overseas, they have a tendency to want to replicate the pattern that they have been successful with in their own country. The problem is that internationally, when you go global, when you step outside of your own country, that pattern that you used for success in your own country, is not necessarily predictive of success in the host country.

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In fact, the employer/employee relationship and the things that you take for granted in your home country can land you in jail or may be illegal and cause you great difficulty internationally. The same is true for financial and tax issues. All of a sudden you have to deal with transfer pricing and think about your global tax strategy. Things like the Foreign Corrupt Practices Act and the data privacy legislation in the EU and the changes around that.

Any advice for search firms as they assist companies with global expansion and new leadership talent?

I've hired a lot of search firms, including Stanton Chase, in order to bring a breadth of experience to bear on a problem. Search consultants are not as narrowly focused as employees are in one particular company or one particular area. These consultants have a chance to see multiple different "best practices" in countries and operations and that can be very helpful.

So I think that leveraging Stanton Chase's international reputation and capabilities is key. Your client may be focused on replicating the past and not focused on what global skills are required. And that can be a tough conversation to have. I think what works with CEO's and CFO's—the kind of people who might hire you is metrics and fact based analysis.

We do a lot of research around effective HR strategies. Businesses can increase their return on total capital from 6 to 38 percent with sound strategies. And that's a pretty good deal. We have done that for our clients and the best that we have realized is about 28 percent. Which is a great ROI on a company's investment in going global!

