

Expanding Internationally

By Nick Cherry and Matthew Saperstein

Breaking New Ground

As the regulatory and business climate in the U.S. has become more challenging in recent years, there has been a number of businesses looking overseas for international expansion opportunities. There is a clear trend that significant opportunities exist in other credit markets and that the experience gained in the highly regulated US market, and the ready access to funding of larger businesses, makes international expansion a potentially lucrative strategy.

The last ten years have offered significant opportunities for expansion, and there are a number of key considerations companies should be mindful of as they seek to realize these international growth opportunities.

Research & Planning

While success in one national market can certainly indicate the potential for a concept or business model to possess broader international appeal, it is by no means a guarantee of success. Careful research of any potential market, including but not limited to the local economic and employment conditions, creditor risk appetites, the market position and servicing capabilities of incumbent providers are all essential

to validate initial suppositions.

Once conceptually comfortable with the viability of a potential market, it is critical to plan every minute detail of the market entry, regardless of whether this is to be done via the foundation of a new start-up business, or through the acquisition of an existing local player. A thorough legal, regulatory and tax due diligence as part of a planning process can save a lot of difficulties down the road and ensures that you adopt the appropriate corporate and taxation structure to suit your national and international commitments.

Going Native

When expanding internationally, one of the keys to success is a willingness to embrace the local culture and to embed your businesses in the local community. Each culture you experience as part of international expansion provides unique opportunities and risks not present in other markets.

Business concepts, values, processes and services may be identical across the different countries, but your approach should be to understand the national psyche and local culture foremost, and to build a business which is a local part of a global family.

Consider recruiting local leadership teams who understand the market and most importantly the culture and expectations of the customers and clients whom you aim to serve. Strive to become a valued member of the credit industry in each region; this would typically suggest playing an active role in national trade associations in each location.

Needless to say, in conjunction with embracing global best practices wherever possible, your policies, procedures and processes should also be designed to deliver compliance with all local regulatory requirements and codes of practice. Local expertise or advice is particularly relevant in the key area of human resources, where national differences and cultures can be most pronounced and especially challenging.

Over the years it has become imperative to appreciate the differences between various national organizations and the very different stimuli to which each national office reacts. Appreciating these differences will help you become better leaders and most certainly help you recognize and share best practices across our global organization, understanding that the best ideas may originate from the international team and not necessarily the U.S. parent.

A Common Language

Fortunately, the international language of business is English and this common language is a powerful driver in successfully communicating across international markets. Local customs and culture once again come to the fore in respect to language where pitch, tone, vocabulary and sometimes intent can easily be misconstrued through insufficient appreciation and thought. International expansion frequently involves heavy email reliance making it paramount in building long-term successful relationships internationally to understand your recipients' cultural language expectations and colloquialisms and to tailor your communications accordingly.

Other Challenges

One of the biggest challenges to overcome with international expansion is basic geography and its implications. Depending upon the locations, time-zone differences can represent a significant challenge, in many cases with minimal day time overlap between offices. Given the myriad modern communication methods available and the ease of working from a remote location, this is no longer the challenge it once was, but it does increase the importance and availability of local leadership.

Given the geographical realities and time difference with a number of international locations, it is simply impossible to achieve the same level of oversight and control remotely as a single country business may traditionally enjoy. This makes it absolutely imperative that companies considering expanding internationally recruit leaders whom they can trust implicitly, and where possible recruit individuals who share the same business, ethical and moral outlook as the core executive team. Recreating your business culture internationally is always difficult, but without a local leader who understands and shares your company vision and values, it can be significantly more difficult.

Rewarding & Great Fun!

Let's be honest, no business venture is without risk or challenges, and undoubtedly one of the biggest reasons why many U.S. businesses continue to look internationally for continued growth is the potential for great rewards.

The ability to leverage the significant expertise and human capital within national organizations and to build or acquire profitable businesses in overseas markets can yield significant financial rewards, which can often exceed domestic returns for those willing to take the risk.

Last, and by no means least, doing business in different international markets can also be very rewarding on a personal level. Globalization is a growing 21st century phenomenon and the international credit industry continues to look to the US and other similarly developed markets for thought, technological and regulatory leadership, and hence can be incredibly welcoming and receptive to working with international groups. This help makes all the various challenges and conference calls at odd hours of the day and night worthwhile and enjoyable! 🍷

About the Authors

Nick Cherry is Managing Director at Phillips & Cohen Associates International Ltd., the international arm of Phillips & Cohen Associates, Ltd., the global leader in compassionate, deceased account management business. The business was recently awarded the inaugural 'Responsible Approach to the Consumer Award' at the CICM British Credit Awards in February 2016, as well as the 'Conduct & Compliance Excellence' Award at the Collections & Customer Services Awards in November 2015. Nick has over 19 years' experience in the credit industry and was elected to the Board of the UK Credit Services Association in February 2013. Nick is currently responsible for all aspects of the UK operation, and also for driving the international growth of the business across new markets including the rapidly growing Australian operation.



Matthew A. Saperstein serves as Senior Vice President of North America Operations for Phillips & Cohen Associates, Ltd., a leading specialty agency. Educated at Penn State University, Mr. Saperstein has enjoyed a multitude of experiences in the areas of acquisition and performance management, having served the past fifteen years with Phillips & Cohen Associates. Additionally, his resume includes key senior roles in relationship/contractor management related functions for multi-national companies including Marriott International.



Did you know? Fifty-five attendees from nine countries attended the recent DBA International Annual Conference to learn and share. This year's International Markets panel featured presenters from Australia, Italy, and the United Kingdom.