

Managing a Global Enterprise — Exploiting Synergies & Respecting Differences

By Howard Enders & Nick Cherry

Phillips & Cohen Associates International, Ltd. is firmly established in four countries across three continents with international offices in the UK, Canada, and Australia. We took the time to develop solid foundations and to establish a clear methodology to meet our strategic goals. In the context of this article, we tried to explore some of the core elements which underpin this approach.

Establish a clear strategy

It is essential to form a clear strategic vision as you seek to research and enter new markets. Ideally, this should include a clear set of values which will form the foundation of your operation and set the cultural and behavioral expectations for your staff, regardless of the geography. Recruiting skilled, local leaders, who buy into these values and who can inspire colleagues similarly, will be a business fundamental since nobody can be everywhere at once.

Alongside these cultural values, our approach has been to set a very clear vision for both the global group, and for the local entities. Knowing and recognizing what you are good at and how this can be adapted or how it best applies to local markets is essential. While having a niche or area of specialization can offer strategic advantage, what works well in one country may not necessarily translate directly to another. This due diligence on the local market is important. Assuming you have successfully established your desired market segment, developing a clear path to market and a way to build on any unique selling points you possess can help build critical scale rapidly.

The flexibility and resilience in your business model cannot be overstated since any number of factors which may not have been present upon market entry can have significant impacts, both positive and negative. These can include examples, such as regulatory changes or new market entrants or competition, which could present risks to your business model, but also opportunities to expand or for

strategic acquisitions which could impact growth and cash forecasts.

Core technologies & consistent metrics

If your business model is an acquisitive one, this can prove a significant challenge, but with our focus on organic growth, one of our core goals has been to utilize consistent technologies wherever possible across our group of companies.

This has enabled us to build core competencies across our technologies and to subsequently seek to establish consistent metrics to enable us to track performance and drive efficiency, regardless of the office locale. Once again flexibility is key in respecting regional differences and collections strategies should be appropriate for local market requirements. Although providing sufficient resources to facilitate a dynamic approach is important, significant efficiencies can also be realized through the building of centralized support functions which can drive best practice and remove duplication of effort across the group. This can be particularly relevant in areas such as Management Information Systems, Compliance, and Risk Management where enormous synergies exist enabling one to establish effective processes and controls which can be replicated elsewhere.

In the case of acquisitions, the decision to implement consistent technologies can often be a difficult one, which can cause short-term disruption to the acquired entity. It is our view that, if the technologies in question deliver sufficient strategic or functional advantage, the long-term benefits of migrating to a consistent platform outweigh the short-term pain.

Fiscal discipline

Fiscal discipline is a key factor in managing any international operation. It is far too easy to justify a return

on an investment on an international basis, but ideally each investment should be relevant and deliver an effective return in all markets on a standalone basis. While fiscal discipline is never going to win you any popularity awards amongst regional leaders who are usually passionate supporters of a project, it will ensure that your profit margins remain strong and that your business is better positioned to cope if events or market conditions take a downturn.

Over the years, we have all seen (and sometimes signed off on) business plans which are over-optimistic and turn out to be somewhat of a pipe dream. This is never done deliberately and is invariably based on the facts as they are presented at the time. As a result, stress testing a business plan and the financial assumptions which underpin it becomes crucial in ensuring that the business will be financially prepared for every eventuality. It is great if you win every purchase bid at the right price, or if every new contingent client starts to place in the agreed timeline, but woe beside those who build their overheads based on such assumptions.

At the risk of sounding controversial, this discipline is never more important than when the business is performing well. Culturally, it is essential to enjoy any success and to celebrate the milestones as they come along. But similarly, this can often allow leaders to become complacent on costs and to make decisions which they may not have made when times were tougher. Our goal has always been to consider every investment on its own merits and to continually focus on efficiencies and challenge costs regardless of the state of the bottom line number.

Being a local business

It is always easy to focus on the importance of global best practice and exploiting synergies, and these aspects remain hugely relevant. However, it is equally important to still operate as a local business. This obviously applies in terms of local HR and regulatory requirements in adapting collections processes to suit local laws, but also in appreciating the subtle, and not so subtle, cultural differences which exist between regional offices.

Global oversight is important, but our approach has always been to find a local leader whom we can build the business around in each market, and in doing so be respectful of and adaptable to the differences which exist internationally (or really locally to the particular office). Similarly, our preference is also to play an active role in the local market. Whilst we have various large multi-national institutions as clients in multiple countries, we will always seek to form strong relationships with key stakeholders locally. Where feasible this will also include getting involved with national trade associations and seeking to positively influence the market for the betterment of the wider industry as a whole.

As we can see from the composition of the industry, there is no one approach to managing an international group which guarantees success. Whether growing via acquisition, organically, or a combination of both, there are certain core elements which remain essential ingredients of success and hopefully we can continue to produce the right mix as we continue to grow internationally.



Howard Enders

Howard Enders is President and Chief Compliance Officer Phillips & Cohen Associates, Ltd., the globe's leading compassionate, deceased account management business, and its debt-buying subsidiary, Invenio Financial. Howard has over 19 years' experience in the credit industry and is currently responsible for all back office and compliance aspects of the US operation. He further oversees compliance for all international entities, which include the United Kingdom, Ireland, Canada, Australia, New Zealand, and Spain.



Nick Cherry

Nick Cherry is Managing Director at Phillips & Cohen Associates International Ltd, the international arm of the globe's leading compassionate, deceased account management business. Nick has over 20 years' experience in the credit industry and was elected Vice President of the UK Credit Services Association in February 2017 after joining the Board in 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 & recently incorporated Spanish operations.

