

# COLLABORATION IS KEY TO GLOBALISING SMES

## How Cooperation Can Make Your Company More Competitive



**S**MEs rule the world and are a driver of the global economy – and employment. They generate jobs, drive innovation and fuel competitive economies. Despite globalisation and the ongoing digital revolution, only a quarter of manufacturing SMEs fly successfully in markets beyond their own.

To stay competitive in a lightning-paced global market, SMEs need to spread their wings and open their minds to the international market. However, this takes resources and manning the decks can be complex when aspirations are bigger than budgets.

The ticket to international success lies in collaboration, with other SMEs, or with existing multinationals. This means being enterprising in the truest sense. So, how can executive recruitment help you with top talent through cooperation?

### BEST OF BOTH WORLDS

Taking a small or medium-sized business global is a complex, dynamic process that requires transformation. It implies a major change to a company's business model, operations, and go-to-market strategy.

According to a 2014 Oxford Economics study of 2,100 SMEs in 21 countries, more than one-third have already engaged in transformation or are planning to do so, while only a third have not engaged in transformation and/or have no plans to do so. The most profitable firms embrace transformation more than their less-profitable peers.



As Christophe Rosset, Global Head of the Industrial & Manufacturing Practice, explains, when it comes to senior talent to lead this transformation, cultural differences are at the centre of the solution. “One of the main challenges is the cultural difference in the countries in which you expand your business,” Rosset says.

“Simple terms like ‘working as a team’ may mean something different in China, Japan or



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Collaboration among enterprises and their networks are key, whether it’s working alongside SMEs that have experience in a new market, or with those who want to expand to the same market.

How then, does this affect executive recruitment? Hiring the right people and tackling local legislation and local shortfalls of talent in high-demand areas can mean the difference between sink or swim, as Martin O’Doherty, Partner North America, explains. “Moving abroad requires an open mindset, because a team’s cultural norms will be challenged. It implies building a true understanding of an SME’s own business values and of the working culture of the new area and how to make the most of it,” he says.

Pooling resources can be as simple as travelling together to a country, to reduce travel costs, as Rosset explains. “Usually these trips are organised by the chamber of commerce. They invite, for example, 50 SMEs to bring



them into contact with specialists in the market, to create potential partnerships.”

### COLLABORATION MEANS COLLECTIVE STRENGTH

While collaboration between companies of different sizes helps transfer knowledge and skills, the biggest challenge facing SMEs is how to access additional capital, which frees them up to plan ahead and seize opportunities to grow and diversify.

“I work for many leasing companies in the aerospace industry. They’re all SMEs with 70 to 100 employees who have taken their businesses global. They collaborate with multinational airplane manufacturers like Boeing and Airbus. Around 50% of these planes are bought directly by the airlines. But the other 50% is leased. This is where my clients come in,” explains Ben Wainwright, Associate Partner Asia Pacific.

The ASEAN region is dedicating significant energy and resources to helping SMEs and Multi-National Corporations (MNCs) to connect with each other. In Singapore, the Committee on the Future Economy sees collaboration between MNCs and SMEs as vital to the country’s growth in the next five to ten years.

Vietnam is also implementing measures to support MNC–SME linkages.

### SMALL/MEDIUM FISH, BIG POND

Another key challenge facing SMEs looking to charter new horizons is the human factor. Nine in ten European SMEs run on less than ten team members. But this doesn’t exclude



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SMEs from establishing operations in multiple countries – if they can focus on what sets them apart from bigger fish.

“It’s crucial for SMEs to set objectives prior to the move and to build in contingency for slip-page of time and budget,” says O’Doherty.

Scaling is crucial, and this is where a proficient recruitment partner comes in – as was the case with Foam Solutions, a consumer product and building materials manufacturing business which expanded into the emerging markets of Vietnam and Mexico.

Page Executive worked hand in hand with the company to bring in a plant manager in Canada and a North American president to strengthen its core base, while setting their sights firmly ahead and striding out with security and strategy. SMEs can leverage their versatility to their advantage by relying on partnerships to recruit and retain talent.



Page Executive helps SMEs with the recruitment process in the new market. When a Belgian company wants to expand their business to Spain, our Belgian recruitment consultant collaborates closely with a Spanish colleague, who already knows all the ins and outs of the Spanish job market and the cultural sensitivities.

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### SMALL AND LEAN DOESN'T MEAN UNSEEN

Spreading existing resources too thinly can result in disintegration. One effective strategy to free up time, costs and skills is sharing key resources. Many SMEs can't afford a full-time CFO. Shared CFO services can provide targeted financial expertise on a requirement basis without the salary and overheads that go with a full-time CFO.

To attract and retain qualified local executives, SMEs need to develop competitive compensation packages and benefits programmes based on local standards and customs. Working with a dynamic recruitment specialist can save time, money and headaches.

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#### KEY TAKEAWAYS

To triumph in a global economy, smart SMEs are transforming their organisations, outlooks and strategies, to level the playing field with larger companies. Partnerships and collaboration are empowering SMEs to not only stand their ground with heftier peers but to leverage certain advantages over them, thanks to their versatility and resourcefulness.

- ▶ Look before you leap: Adopt a global mindset, do your homework on new markets and factor in contingency plans
- ▶ Brace for transformation: Be prepared to make sweeping changes to your organisational structure, company culture and behaviour
- ▶ Focus on the human factors: Skills hiring and culture affect every aspect of your business in a new market
- ▶ Look for potential collaboration through other enterprises and MNCs to keep costs low and mutual ambitions high