



DOING BUSINESS ACROSS THE DITCH

## GLOBAL CAREER LINK LIMITED

Global Career Link acts as a 'global talent bank' matching professionals seeking employment (candidates) from around the world, with recruitment agencies and corporates seeking candidates (clients).

The initial Global Career Link business model was to provide New Zealand candidates to their United Kingdom clients. However, after a number of years, they found that candidates from Australia were accessing the New Zealand service, and candidates leaving the United Kingdom were returning to Australia. Recognising the opportunity, Global Career Link decided that it could adapt its model to capitalise on this flow of people.

### Why Australia?

Global Career Link's decision to enter Australia was driven by the following factors:

<b>Growth and Diversification</b>	Given the candidate flow, Australia was an obvious market to enter in order to grow the operation and diversify the revenue base.
<b>Proximity To Customers</b>	Global Career Link originally tried to service Australia from New Zealand. However, they found they were unable to provide their clients and candidates with the requisite level of service in Australia.
<b>Creating an Australasian Business</b>	By enlarging their home market to include Australia and New Zealand, Global Career Link strengthened their service offering to both clients and candidates.

## How did Global Career Link invest in Australia?

It took Global Career Link three attempts to successfully enter the Australian market. The initial attempt was to set up an office in Sydney with one staff member who transferred from New Zealand, and was co-located in an office with an indirect business associate. Although this was easy to arrange, it proved unsuccessful due to insufficient financial resources and they ultimately had to withdraw.

The second attempt was via a joint venture with a business that offered complementary services to Global Career Link. The relationship was formed through the UK market and the opportunity seemed ideal. As Global Career Link got closer to cementing the joint venture a significant number of anomalies were discovered in the partner's business. Global Career Link terminated relations immediately. As a result, the other firm set up in competition and attempted to replicate Global Career Link's business offering.

Throughout this time, Global Career Link continued to provide services to Australian candidates from the New Zealand operation. The quality of service being provided was not ideal, prompting the management to look for a better way to support the market. It was a costly exercise with staff spending time and money travelling across the Tasman on a monthly basis.

On the third attempt, Global Career Link again set up a Sydney office, this time staffed by two employees from their New Zealand operations, and one Australian administrator. Solid financial/business plans were prepared and monitored. With their increased awareness of the Australian market, the New Zealand employees transferred across to establish the office made a conscious effort to create local networks. The marketing strategy was to get the employees to spend as much time as possible "on the ground" developing contacts with clients. During this period of direct marketing, Global Career Link tried to stay "under the radar" to minimise competition and market resistance. The plan was not to



replicate the New Zealand or UK business models, but to understand the Australian environment, play by their rules, and adapt as needed.

The hardest part of Global Career Link's entry into Australia was the challenge of setting up the office. Global Career Link had to replicate the supplier relationships it had in New Zealand, ranging from contracts with stationery suppliers and telecommunication providers, through to installing the PABX and managing insurance. This was very time-consuming and expensive, particularly as it was hard for Global Career Link to know whether it was getting value for money.

Global Career Link estimates it cost \$AU150,000 to establish the office in Australia, with a substantial amount of this due to a limited understanding of the Australian environment. When the second office in Melbourne was established, the costs were reduced significantly to \$AU30,000 because its experience and knowledge of the Australian business environment meant more informed decisions were made.

## What has Global Career Link learnt?

Global Career Link has learnt a number of lessons from investing in Australia:

- **Having a clear understanding of the Australian business environment dramatically reduces costs:** Global Career Link underestimated how difficult it was to establish an office, gain an understanding of the regulatory environment and obtain value for money in a foreign environment. A more demanding approach was required in Australia to establish cost effective services - decisions were made more quickly, and it was important to state very specific desired outcomes for transactions.
- **Undertaking business in Australia is very competitive:** Global Career Link discovered that Australians undertake business differently to New Zealanders. A number of its clients tried to replicate the Global Career Link model as well as poach their staff. Global Career Link had to leverage its strong New Zealand business model and systems in order to establish a successful Australian operation.

- **Planning is important:** Having clear plans allowed Global Career Link to manage the different priorities of the offshore and home offices, in particular around business development and cost management. Finding the right staff took longer than expected but allowed them to maintain the company culture.
- **Have strong governance:** Global Career Link believes a strong governance board with experience in the Australian market would have been beneficial when entering the market.

## How has the investment been a success?

The establishment of Sydney and Melbourne offices has strengthened Global Career Link's service offering to clients and candidates. The importance of the Australian market is increasing with larger numbers of candidates returning with overseas experience and utilising the service at their time of departure.

The investment has also been a success in the eyes of Global Career Link's UK clients who demanded a diversification away from a primarily New Zealand candidate pool and into a larger Australasian pool.



## Summary

To be successful in Australia, a New Zealand business needs to be able to provide robust answers to the following questions. In Global Career Link's case:

<b>Does the business know what success looks like?</b>	Global Career Link has clear objectives and a measurement process in place. Establishing an effective system to capture metrics was important in ensuring their third investment in Australia would be a success.
<b>Does the business have the time and the money to break into the market?</b>	Global Career Link was able to allocate adequate resources. In early attempts, insufficient funding and management attention had created barriers to market entry.
<b>Does the business understand the Australian market?</b>	<p>Global Career Link was conscious of growing at a rate at which the Australian market was comfortable. It understood that the composition and competitive nature of the Australian market was different to that of New Zealand.</p> <p>Global Career Link encountered difficulties in understanding the local business environment, but learnt from the experience and was able to improve cost efficiencies when establishing additional offices.</p>
<b>Does the business understand how its product will be differentiated in the Australian market?</b>	Global Career Link accessed a new part of the Australian recruitment market. It identified that the attitudes and the plans of their clients and candidates would vary depending on their locations, although differentiating their services was not required.
<b>Does the business have a clear path to market?</b>	Establishing an office was important in fostering their company culture in Australia. Incentivising employees to build their own networks was effective in enabling them to carve out their service offering.

## What Next?

Global Career Link is looking to expand its Australian operation and plans to open offices in Brisbane and Perth.

## More Information

For more information on how your business can access opportunities across the ditch, please contact your Client Manager or our Business Services Team on 0800 555 888.