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Business World

News, views and analysis from the **Russell Bedford** accounting network

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Welcome to Business World

News, views and analysis from the
Russell Bedford accounting network

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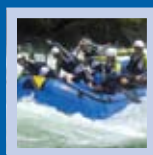
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Cuba in transition: risks and opportunities



An interview with:

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For years, Cuba was one of the Soviet Union's best friends, receiving significant financial subsidies into the bargain. On the other hand, Cuba has lived in the grip of trade sanctions and experienced the coolest of relationships with the United States.

Since the demise of the Soviet Union in 1991 Cuba has had to stand on its own. With the presidential reins passing from Fidel Castro to his brother Raul and, in Barack Obama, someone in the White House showing an appetite for closer relations with Cuba, is the future a bright one? Business World asked Dr. Andy Gomez – Associate Provost and Senior Fellow at the University of Miami's Institute for Cuban and Cuban-American Studies – for his views.

Business World: Cuba is undergoing a transition of sorts, how does this bode for the future?

Andy Gomez: Let's start by looking at the Cuban population. There are around 11.2million people. Eight million of these were born after the 1959 revolution; they've only known one Cuba. Two million were born after the demise of the Soviet Union. These are the Cubans that are questioning the ideology; they want to know what it's all for.

BW: So what are today's Cubans thinking?

AG: In 2007 Gallup conducted a poll in Cuba – a sign of progress in itself. Sixty-nine per cent of the population don't think the government can fix Cuba's problems; 63% would vote for a democratic government. And it's not politics but fear about the Cuban economy that drives this thinking. Most Cubans wouldn't know a democracy if they saw one – even before Castro, Cuba wasn't a democracy. What Cubans want are basic human needs, food and a job for example.

BW: But doesn't the Cuban community in the US help?

AG: At its peak there was around \$800m pouring into Cuba from the US. But, the money comes from a majority US-based white population to a minority Cuban-based white population and 62% of the Cuban population is Afro-Cuban. Most Cubans experience no benefit.

The average Cuban receives \$17 a month. A Cuban has to work 57 hours to buy a 400g packet of powdered milk; in Costa Rica it takes only 1.7 hours. The system is failing.

And then you discover the government plans 1.5 million job losses. Most Cubans are leading a hand-to-mouth existence, doing whatever it takes to feed their families – legal or otherwise.

BW: So how weak is the economy?

AG: Just look at the figures, and these are 'official' government figures so they're not erring on the side of pessimism. Growth has declined from 4.1% in 2008 to 1.9% in 2010. Over the same period, debt has increased from \$3.1bn in 2008 to \$53bn in 2010 – that's \$5,000 for every Cuban!

BW: It doesn't sound very positive does it?

AG: Well that's not the end of it. Cuba relies heavily on nickel exports; the price of nickel has dropped in each of the last two years, by 40% in fact. Other exports have dropped by 23% and tourism is down. And Cuba is still trying to recover from the damage caused by two hurricanes – \$10bn worth of damage.

BW: What encouragement, if any, can you offer anyone looking to invest in Cuba?

AG: Well, 65% of the economy is controlled by the military. So anyone looking to invest is going to have to deal with these people. To put it into context, they have only approved seven joint ventures in two years and in each case the government made sure it controls 51% of each venture.

What's more, they control construction, electricity, communications, aviation, sugar, tourism and more. So there are several barriers to entry.

Having said that, the rules on private property are starting to change. The government has started to give the Cubans parcels of land for them to work, cultivate and produce food. The international hotel chains and cruise lines are thinking about the future of tourism. That's going to be very valuable. And above all, there is this tremendous entrepreneurial spirit.

BW: Can anything change while Fidel Castro is still on the scene?

AG: The rumour is he's not well so Raul is very much in control. Raul is a more pragmatic leader than Fidel ever was. There is a transition that needs to happen that takes Cuba from a non-democratic dictatorship to some semblance of a democracy.

The key will be how much the players in this change can open up the market without giving up too much control. This is a difficult balance for them to strike but at least there appears to be a developing appetite for it.

BW: So what does a quasi-democratic government under Raul Castro look like?

AG: A Raul Castro government will want to institutionalise the Cuban Revolution. In other words, it will run through institutions, turning charismatic power into rational power.



The average Cuban receives \$17 a month. A Cuban has to work 57 hours to buy a 400g packet of powdered milk; in Costa Rica it takes only 1.7 hours. The system is failing.



The survival of the political structure will be paramount; this is why the party congress will take place in April so it can push through the changes necessary for the 'new' government. The average age of the Council of Ministers is 78. Many of them will retire; to be replaced by whom? We don't know.

The 'new' government will also offer limited economic reforms. As for what these reforms look like, we'll have to wait and see.

BW: What are the institutions you speak of?

AG: Firstly there's the leader: Raul Castro. He will have the major influence on how things are done.

Then there are the armed forces, probably Cuba's most important institution.

Next, there are the Communist Party, to be reconstituted in April, and the National Assembly, basically a rubber stamping organisation.

Finally, a controlled civil society – Raul will allow some degree of freedom but only up to a point. For instance, I can't see the average Cuban being allowed to be a member of the National Assembly.

BW: Can this new government satisfy the basic Cuban needs you referred to earlier?

AG: People who study the Cuban situation closely thought Raul Castro would concentrate on the basic needs before making wholesale economic changes, needs such as food, housing, jobs, healthcare and so on. But it seems the economy is in such a mess that change has to happen now. The economic plan they have in mind means restructuring the entire economy.

BW: A lot of change then. How long will this take?

AG: Change takes time, especially the change necessary to move from a totalitarian state to

a democracy. It will take at least a generation. It's not only about changing a political system; it's about changing the mindset of the Cuban population: they've never known democracy. It's a lot easier to change a system than it is to change the way 11 million people think.

BW: So how does Cuba remodel its citizens?

AG: You can't just tell the people that democracy is the way forward; they don't understand what democracy is. What they are conscious of, however, is that there is something wrong with the current system.

Before Cuba moves forward it is probably in for a period of instability. We've seen it in Tunisia; we've seen it in Egypt. This is what happens when closed societies open up: instability followed by progress. One step back to go two steps forward if you like.

BW: What are the risks and opportunities then?

AG: There needs to be a proper system of law and order. And there is far too much corruption. Also, Fidel Castro is still alive; it will be easier to accelerate the change once he is out of the picture.

As for opportunities, Cuba is in a prime location, with excellent ports. The physical infrastructure is on the verge of collapse and needs to be almost completely rebuilt. Havana's water supply system was built in 1913 and has never been repaired. These could be opportunities for international companies.

Also on the plus side, Cuba has a very high level of education – one of the highest in Latin America. And, above all else, the people want economic change.

Putting the success in succession planning



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In Canada, at least 40% of the population will retire in the next 10 years. With family enterprises making up 65-90% of businesses worldwide, such rates of retirement will likely translate into a staggering number of businesses undergoing transitions in ownership within the next decade.

The impact of these transitions will depend largely on whether businesses have an effective succession plan in place. Statistics show that 50% of businesses will not. This is worrying as one of the most important elements in determining the longevity of a family business is a successful ownership transition. Inadequate succession planning may explain why only 30% of family businesses survive to the second generation, and only 14% make it to the third.

Given this trend, why are business owners failing to plan their succession? Perhaps a clue can be found in some of the attitudes expressed by family business owners when faced with retirement¹:

- "Retire? I might as well be dead."
- "Nobody can run my business as well as I can."
- "My children will ruin everything I've built."
- "How can I be fair to all my children if only one of them is in the business?"

Sadly, these fears can hinder planning. Without proper planning, a business owner may risk adverse financial or tax implications, or even endanger the future of the business. Conversely, a well-defined succession plan can ensure a successful transition.

For these reasons, it is important that, as a business owner, you put an effective succession plan in place. When building your plan, you should:

- start early
- create a support team
- identify and communicate your goals and objectives
- design, develop and monitor the succession plan.

Start early

The time horizon for implementing a successful plan is about five years. Add to this the time needed to explore succession alternatives and the horizon becomes even longer, making retirement feel distant. This can create complacency. However, illness, death or divorce may force you to change earlier than expected.

Therefore, it is important that your wishes and goals be made clear in case decisions need to be made in response to unforeseen circumstances.

It is also important to allow enough time for stakeholders and family members to adjust to and accept your plans. Without their support, you risk alienating family members or losing key employees. You should also set aside enough time to choose, train and develop your successor before you step down.





Create a support team

In its simplest form, a succession plan involves financial, legal, tax, and estate planning. Therefore, it is important you include professionals such as accountants and lawyers on your planning team. Involving family members and key employees will also help you to ensure their acceptance and prevent conflict.

Your accountant may be a sensible choice to run the planning team, since tax planning and financial analyses are integral parts of the final succession plan.

Identify and communicate goals and objectives

Choosing a successor can be stressful, especially if you have several children. Most parents wish to treat

their children equally, so where the business is only one asset of the estate, you may decide to allot other assets to children who are not active in the business. If you cannot identify a successor, you must decide whether to sell or wind up the business.

You must also express your financial and personal goals for retirement. Your support team can help you articulate your goals and overcome the psychological barriers involved in publicly discussing personal matters. Once key employees and family members understand your intentions, they are more likely to support your plan.

Design, develop and monitor the succession plan

Once you have considered all your alternatives, it is time to put your succession plan in writing. At this stage, you will either identify a successor or begin to maximize business value for a sale.

A succession plan must also remain flexible – considering alternatives will allow you to respond with confidence if reality throws a wrench into the works. As well, regular meetings with your advisory team will ensure that your plan remains current and will support regular communication between key stakeholders.

In summary, a carefully prepared succession plan is the key to a successful business transition. To be effective, the plan must consider all details, from choosing a successor to tax and estate planning and any legal implications. While the prospect of planning your succession may appear daunting, starting early with the right support team will make all the difference.

¹Ernest A. Doud Jr. listed 10 reasons why business founders or owners are not ready to transition ownership to the next generation in his article, Hats Off to You: Balancing and Creating Success in Family Business (Glendale, CA; Doud/Hausner & Associates, 2000).



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Collective intelligence can save your strategic planning



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The increased complexity and pace of business places strategic planning at risk. New skills and protocols offer a solution which uses the full planning capability of an enterprise.

Often swamped with data and operating on a global 24-hour business clock, businesses can find it a challenge keeping their strategic plans current. This is largely due to the influences of changing markets, customers' demands, regulations, technology, and business intelligence. More than ever, the survival of a business, not just its growth, is at risk. Strategic plans will quickly become outdated unless a business develops the culture and the skills that support the adaptive and creative planning necessary to meet these new forces.

Knowledge is the lifeblood of an enterprise

What we previously knew as the tactical planning horizon is the new strategic planning horizon. The speed and complexity of information used for planning doubles every two years. And the people and knowledge a business needs for planning are more widely spread, both organisationally and geographically, than ever before. As a result, all parts of a business face restructuring. Executives and planners must expand their ability to anticipate business changes and respond instantly.

These skills are the domain of people not technology

Strategic planners need to think at an enterprise level to view the scope of a business. But the skills and breadth of knowledge a business needs are rarely concentrated in a few people. In truth, businesses need to harness the strengths of many people so the results are effective, timely and coherent.

Collective intelligence can bring about improvements in team performance

Collective intelligence is the combined cognitive capacity of an organisation – the imagination, experience and knowledge that exist in its individual members. Two core principles govern access to this capacity.

The first principle is that just as individual thinking is based on individual questions, team thinking bases itself on collective questioning about the project at hand. These team-generated questions allow diverse information to come together as organisational intelligence.



The second principle is a communication environment that invites broad participation. Such an environment goes beyond linking nodes in a network because it needs to integrate value based rules that build increased insight and creativity into the way business shares information.

Using collective intelligence increases team alignment and coherence.

Knowing how to work with shared questions brings people into closer alignment with a team's common purpose and goals. Organisations using questions in this way display the ability to create rapidly the foundations necessary to develop strategic plans. Using shared questions improves the clarity and speed of communications, thus providing better ideas, faster.

Engaging collective intelligence creates a shared responsibility to oversee the business. Eventual success is shared throughout the business: it is no longer the scope of a few individuals. It also promotes much needed buy-in to a plan because everyone contributes to developing it.

Collective intelligence makes possible a new model of strategic planning.

The intelligence needed for planning exists across the organisation. Smart organisations know where that intelligence sits both geographically and organisationally. Identifying this knowledge and creating the communications networks to link it up is critical to success. By integrating social networking principles, an internal private planning network (IPPN) can provide immediate access to all this expertise.

To be effective, planning, like thinking in general, must be question driven. Questions are effective tools for organising and coordinating strategic planning and help build a map of the enterprise architecture behind the plan. Combined with the IPPN, areas of the plan needing work are instantly visible to the planners.

Immediate steps an organisation can take using collective intelligence include:

- adopting a question-driven approach to planning
- identifying and communicating the questions that need answering
- employing a communications protocol which allows for many and varied contributions
- using a value based approach to coordinate the ideas that inevitably emerge

Any strategic plan can fail if the motives and aims of the organisation's members are not mutually understood and aligned. This understanding and alignment is achievable by drawing on your organisation's collective intelligence and putting it to work.



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Collective intelligence is the combined cognitive capacity of an organisation – the imagination, experience and knowledge that exist in its individual members

Outsourcing can transform your business



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One of the challenges facing small to medium-sized enterprises (SMEs) today is not just how to become competitive but how to stay competitive. How do you preserve that 'edge' in the face of new and increased competition?

A successful business is made up of many functions. Some of these will be at the core of the business activity, for example, manufacturing. Some activities, although non-discretionary, play little or no part in the core business activity; an obvious example is finance and accounting. While these non-core, or back-office, activities may be key to the smooth running of the business, they may not make a direct contribution to the profitability of the business. Nonetheless, they eat into management time: effort that may be better spent on core activities.

So how can you spend less time on administration and more time creating profit? In this article we will take a look at how outsourcing can play a strategic role in your business.

What is business process outsourcing?

Business process outsourcing (BPO) is a way of optimising back-office processes, using external expertise, by outsourcing these processes to a third-party service provider.

BPO not only cuts costs, it adds value too

While reducing costs will often be an overriding motive for considering outsourcing, as well as being the most quantifiable, creating value is becoming as important a reason. Used effectively, BPO can improve your value proposition with all stakeholders: customers, employees, suppliers and strategic partners. By taking advantage of global labour arbitrage you can cut the cost of services by employing cheaper overseas labour to manage non-core activities. You can also automate processes

without the costly investment you may need to make to do so in-house.

Take one aspect of accounting as an example: accounts payable. As invoices come into the business, someone processes them. This may be a manual process or a partially automated process using some proprietary software.

We estimate this process to cost, depending on the size of the business, between £3 and £5 an invoice. Outsource the accounts payable work and you digitise the whole process, move it offshore, get access



While reducing costs will often be an overriding motive for considering outsourcing, as well as being the most quantifiable, creating value is becoming as important a reason.

to state-of-the-art technology, and cut the cost by between £1 and £2 an invoice. By outsourcing you have made the whole process slicker and reduced your costs.

BPO injects much-needed flexibility

When outsourcing a function, you gain access to expertise that you perhaps wouldn't consider employing in-house as the cost would be difficult to justify. What's more, outsourcing means you use only the resource you need, gearing up during busy periods and winding down during quieter periods. This move from fixed overheads to variable overheads offers a flexibility that SMEs find difficult to carry on their own balance sheets.

Outsourcing can also help growing businesses. Companies can sometimes be victims of their own success by struggling to keep up with growth. Recruitment, training and management of the extra resource needed to keep pace with expansion can all present problems and divert attention away from the core business strategy. Outsourcing means you have easy access to the resource you need to cope with growth.

Something that never changes in business is the need to change. As new business standards and

methods arrive, the SME can find it more difficult to adapt than larger corporations, especially if deep-seated processes need complete re-engineering. Change can cause even more distraction if it involves change to a back-office function, for example, adopting new accounting standards. An outsourcing partner is much better placed to deal with change as it has the necessary expertise and systems in place to cope, leaving you to get on with running your business.

Outsourcing opportunities for the SME

The key areas for the SME to consider for outsourcing will be those that involve high-volume transactions. These will often fall into the finance and accounting area and may include invoice processing, bookkeeping, tax processing, payroll processing and purchasing.

A recent survey by Equaterra showed that achieving overall finance and accounting transformation was either the most or second-most critical issue for 81% of chief financial officers. In the future, more and more companies will look to outsourcing not only to reduce costs but also to transform their business and stay competitive.



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Doing Business 2011: making a difference for entrepreneurs



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A vibrant private sector – with firms investing, creating jobs and improving productivity – promotes growth and expands opportunities for entrepreneurs. Enabling private sector growth – and ensuring that people can share in its benefits – needs the right regulatory environment. In other words, an environment where new entrants with drive and good ideas can start in business, and where firms can invest and grow, creating more jobs.

Doing Business 2011 – the eighth in a series of annual reports published by the World Bank and International Finance Corporation (IFC) – benchmarks the regulations that improve business activity and those that constrain it. The report presents nine quantitative indicators on business regulation and protecting property rights. It looks at regulations which apply to the life cycle of a small and medium-sized enterprise, in 183 economies. Economies are ranked in the following nine areas of regulation:

- starting a business
- dealing with construction permits
- registering property
- getting credit
- protecting investors
- paying taxes
- trading across borders
- enforcing contracts
- closing a business

A fundamental premise of Doing Business is that economic activity needs good rules. Good rules establish and clarify property rights and reduce the cost of resolving disputes; they also increase the predictability of economic forces and provide contractual partners with certainty and protection against abuse. The objective is regulation that is efficient, accessible to all and simple to carry out. With clear rules entrepreneurs spend less time dealing with administration and more time doing business.

Doing Business supplies business leaders and policymakers with a fact base to aid policy decision making. It also provides open data for research on how business regulations and institutions affect such economic outcomes as productivity, investment, informality, unemployment and poverty. The information does not go unnoticed. In a recent article, The Economist noted that “the bank’s report has succeeded in putting the issue of business red tape on the international political agenda”.

Over the past seven years Doing Business has tracked changes to business regulation around the world, recording more than 1,500 important improvements since 2004. Doing Business has found that 85% of economies, from the 183 measured, have made it easier to do business over the past seven years. In particular, Doing Business 2011 finds that policymakers around the world continue to improve business regulation, in some areas at an even faster pace than before. Between June 2009 and May 2010 governments in 117 economies completed 216 business regulation improvements. More than half those policy changes eased start-up, trade and the payment of taxes. And all this is taking place despite a global economic crisis.

Ultimately, Doing Business is about people. The economic crisis has made it more important than ever to create new jobs and preserve existing ones. With public budgets tighter because of stimulus packages and contracting fiscal revenues, governments must now do more with less.

Unleashing the job creation potential of small private enterprises is vital. Small and medium-sized businesses have great potential to create jobs. They account for an estimated 95% of firms and 60% to 70% of employment in OECD high-income economies and 60% to 80% of employment in such economies as Chile, China, South Africa and Thailand. It makes sense for policymakers to help such businesses grow. Improving their regulatory environment is one way of supporting them.

In 2005, starting a business in Rwanda took nine procedures and cost 223% of income per capita. Today, entrepreneurs can register a new business in three days, paying official fees that amount to 8.9% of income per capita. More than 3,000 entrepreneurs took advantage of the efficient process in 2008, up from an average of 700 a year previously.

One of the nine measures in the Doing Business report is Paying Taxes. This measures payments, time and the total tax rate borne by a firm with 60 employees in a given year. In seven economies around the world,



taxes and compulsory contributions add up to more than 100% of assumed profit, ranging from 108.2% to 339.7%. Where the indicator shows that taxes exceed profit, the company has to earn a gross profit margin of more than 20% to pay its taxes.

There is good news, however. In the past six years more than 60% of the economies covered by Doing Business made paying taxes easier or lowered the tax burden for local enterprises. Globally on average, businesses pay 47.8% of commercial profit in taxes and compulsory contributions, five percentage points less than in 2004.

The aim of Doing Business is to reflect the reality on the ground. The team is in direct communication with a network of 8,200 local experts who deal with business regulation every day. The report would not be possible without their expertise.

For more information on the Doing Business project please visit www.doingbusiness.org.

Russell Bedford International acted as a global contributor to Doing Business 2011.



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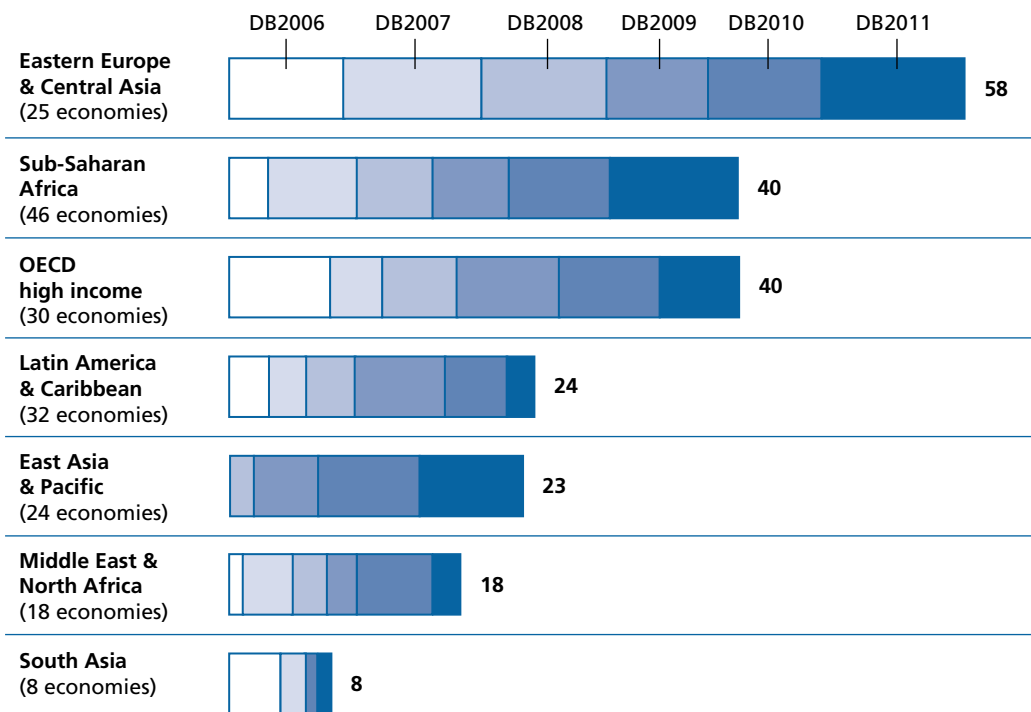
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Tax reforms implemented by more than 60% of economies in the past 6 years

Number of Doing Business reforms making it easier to pay taxes by Doing Business report year



Note: A Doing Business reform is counted as 1 reform per reforming economy per year. The data sample for DB2006 (2004) includes 174 economies. The sample for DB2011 (2009) also includes The Bahamas, Bahrain, Brunei Darussalam, Cyprus, Kosovo, Liberia, Luxembourg, Montenegro and Qatar, for a total of 183 economies. Source: Doing Business database.

Going global: getting it right



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Tom is one of the founding partners of PMB Helin Donovan and has more than 25 years' experience working with corporations and not-for-profit organisations. Tom specialises in SEC compliance services, technology and financial service industry clients and has significant experience of working with companies with international operations.

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When we hear the word exports it is easy to picture cranes and container ships. However, this is a narrow view. More accurately, exports arise from the sale of a product in one country to a buyer in another country. That product may just as likely be a service or intellectual property as manufactured goods.

Take the United States as an example. The US ranks third in the world as an exporter of goods, behind Germany and China. However, add services into the mix and the US becomes the world's largest exporter.

Brazil, India and China – three of the world's fastest growing economies – are importing more and more. As their economies grow, the flow of exports to these regions will grow. Indeed, the International Monetary Fund estimates that these three economies will account for 25% of world GDP within five years. This means big opportunities for businesses.

However, expanding globally is not for the faint-hearted. Success comes slowly. Businesses have to manage cultural differences, especially communications. A local presence is often essential. And don't underestimate the management time global expansion can consume. Make a success of it though and you will reap the rewards. And economists agree that, for recession-hit countries, exports are key to rebuilding economies.

What can go wrong?

Planning is difficult

Trying to read and plan for your local market is difficult enough; planning for a foreign market is even more fraught. One thing is certain: your initial, well-constructed plans will need revisiting over and over.

Not understanding your customer

Don't make the mistake of assuming your new-found foreign customers act in an identical way to your home customers. In fact, assume they don't, and then set out to understand what they want and how they do business.

Your product offers nothing new

You will find it hard to introduce a product into a crowded marketplace without a local presence and an infrastructure already in place. Of course, if you have a product that no one else has, you can have distributors all over the world.

Wrong product, wrong time, wrong place

Expanding into a new market is all about having the



News in brief

right opportunity, and taking it. It is no good having a great product and trying to force it on a market that either doesn't need it at all or doesn't need it yet.

Division of resource

Moving into a new market needs commitment – you need to commit money, people or, more likely, both. Diverting resources to your new market means taking it away from somewhere else.

Getting it right

Knowledge is power

Wherever you are looking to expand, the chances are they do things differently there. Don't assume what works at home works everywhere else. Meet with and spend time getting to know your global partners, the way they work, and their expectations. They will want to get to know you too.

There will almost certainly be cultural differences too. Communications, systems and processes may be a lot different from what you know. Working practices may differ from what you are used to. Make sure your people know where and how they fit in to the overall picture so they feel a part of the company. Ask their opinion. By all means use modern technology like video conferencing, but there is no substitute for talking face to face.

Once you have done your homework you will be in a much stronger position and will be able to plan using this knowledge rather than the experience you have of your home market. This will mean your plans and timescales are realistic and not over-optimistic.

Protect your intellectual property

Make sure your budget for this is relevant to the area in which you operate. Laws protecting trademark and intellectual property vary widely throughout the world so make the right investment before you begin trading.

Get your marketing and your message right

Again, what works in one market can fail in another. Do you market through distributors and get to the customer that way? Or do you market direct to the customer and get them to come to you? Research your market, make use of local knowledge and tailor your marketing strategy to fit.

Although challenging, global expansion is worth the effort. Just take the time to prepare properly, make the right investment in people and infrastructure and you will reap the rewards in the future.

● PMB Helin Donovan LLP, a member of the Russell Bedford CPA network and one of the largest accounting firms in the Austin, Texas region has merged with a 33-year-old Houston firm, McEvoy & Co. The union takes effect immediately and the combined practice will operate under the PMB Helin Donovan name.

PMB Helin Donovan is a PCAOB-registered and inspected firm. The firm's strengths are in specialty service niches in employee benefit plan audits and internal controls, and industry niches with publicly traded companies, private companies, not-for-profit organizations in the healthcare, life sciences, technology, financial services, insurance, energy, oil and gas exploration and production industries.

PMB Helin Donovan has been a member of the Russell Bedford International CPA firm association since 2002.

● D. Montgomery & Co. Chartered Accountants has been selected as the Russell Bedford global network's correspondent firm in Port of Spain, capital of Trinidad & Tobago in the West Indies.

The firm offers a full range of accounting, audit, tax, management consulting, forensic accounting, liquidations and IT consulting services. Its clients are located in Trinidad & Tobago, other Caribbean islands and Guyana, and they include subsidiaries of international corporations. The clients operate in various fields including offshore oil production, construction, financial services and the public sector.

● Primorska Audit Company, a specialist financial audit practice based in Varna – Bulgaria's third city and largest seaport – has been appointed as a member of Russell Bedford International's Bulgarian national network.

Whilst focusing on the provision of independent auditing services, the firm also offers accounting services and financial and tax advice. The firm's clients are mainly private companies, state and municipal companies and organisations that have received investment loans from agencies such as the European Bank for Reconstruction and Development (EBRD). The firm has three partners, all of whom are Certified Public Accountants, Registered Auditors and Members of the Institute of Certified Public Accountants of Bulgaria.

● Rashid Rahman Mir, senior partner of Russell Bedford member firm Rahman Sarfaraz Rahim Iqbal Rafiq Chartered Accountants (RSRIR), has been elected president of the Pakistan Institute of Public Finance Accountants (PIPFA) for 2011. He has served as a member of the Board of Governors of PIPFA since 2008.

Rashid Rahman Mir is also honorary secretary and vice president of the Institute of Chartered Accountants of Pakistan (ICAP). He was elected to ICAP's Council for the first time in 2005 and was re-elected in 2009 for a term of four years.

He has also been vice president (2001-02) and president (2004-05) of the Lahore Tax Bar Association and senior vice president (2005-07) of the Pakistan Tax Bar Association. In addition, he is a fellow member of the Institute of Cost & Management Accountants of Pakistan (ICMAP).