HEADHUNTER BLOG

ART Maneuvers the Swiftest Currents in Business & Careers, at Home & Abroad

<<<<BACK TO MAIN BLOG PAGE

Headhunter Blog Post by Bob Otis, ART Managing Director

Date Posted: June 27, 2023

BizGeography101: *How Businesses Mis-imagine the World*

Part 3 - EMEA (Europe-Middle East-Africa)

This is the third post in our four-part series covering the topic of how companies often misunderstand regions, countries and cultures to the extent that they miss out on many business opportunities,

One of the regions that most corporations misunderstand or miss out on a larger business potential is the awkwardly named EMEA region, whose name suggests that the regional EMEA managers are equally adept at understanding and developing business in the 100+ countries of Europe, the Middle East and Africa. For most companies, however, the scope of the EMEA job is almost always a Europe-only role, often really a Western Europe role, and sometimes only a one or two country role. In such cases, the EMEA appellation becomes a sort of grandiose title inflation, sort of like Holy Roman Emperor.

- Wouldn't it be clearer if there was a Europe Head, a Mideast Head and an Africa Head, who each could be experts in their region's business?
- Isn't each component of EMEA complex enough to have its own dedicated manager?

Who exactly invented the concept of EMEA, a "market" where its three main components are extremely different from one another? There used to be an idea that business in Africa and the Mideast "naturally" flows through London and Paris. Sadly, that might have been the case in the 20th Century, but in this century business is much more complex EVERYWHERE, and the old London-Paris Europe-Mideast-Africa axes are often being replaced by links with Dubai, Amsterdam, Frankfurt, Cologne, Zurich, Shanghai, Guangzhou, São Paulo, Casablanca, Nairobi, Cairo, etc. And within Europe, not many Europeans outside of the UK or France would agree that London or Paris are the capitals that they answer to.

I should mention here that I have known some people who truly have had extraordinary careers building and expanding business across large parts of all the European, Mideast and African regions. But such people are frankly quite rare, and since this posting proposes to be about the mistakes that companies make, rather than about highlighting well accomplished business leaders, I'll have to leave that topic for another day.

If a company chooses to have an EMEA Head, they need to first think through where exactly are

their most promising customer markets, in what countries these markets are to be found, and what languages are necessary for the EMEA head to make the most effective impact on revenue.

The naive idea that "English is the universal language of business" or that "everyone speaks English anyway" is a simpleton's recipe for removing one's company from much greater business opportunities. Yes, there are many people who speak and understand English extraordinarily well, and they might mostly conduct business in English, even if neither they nor their customers speak English natively. But there are far, far more decision makers (ie., your customers), including at large corporations in the EMEA region, whose English might be only tolerable and only useful for things like vacations in foreign countries. For this vast group of your potential customers, there are usually people in their own countries, speaking in their local languages, who are ready and able to "make the sale." Even if your products are better and your prices are better, you need to try your best to reach most of the companies that *should* want to buy your product or services. For that, you might have to take language into account when hiring your EMEA Head or regional EMEA managers.

I know, I know, your company wouldn't do anything foolish. Not like a certain U.S. CEO who really doesn't feel comfortable outside his English language universe, so he set up the firm's first foreign office in England, to cover ROW - "the Rest of the World," the booby-prize winner for the most obnoxiously lazy and ignorant conception of world business. Here's the philosophy of that great "thought-leader": "There's us here... and then there's our one guy over there... and there's... the Rest of the World." I'm picturing just how thrilled their potential customers would be to have been included in such an exclusive group. (sarcasm, followed by a heavy sigh)

Too many companies are willing to give up great markets to lesser competitors simply because their managers are afraid that things are "so different" in those foreign markets.

If a company has the opportunity to expand their business to more customers while shirking from proper expansion out of mere fear or ignorance, they are only marking time before their competitors take away their business, including in their home market. So I implore companies considering hiring managers in the EMEA region to not surrender any markets needlessly. New markets are constantly expanding in EMEA countries, if only the managers dared to call on customers in those countries.

Our firm has helped European firms expand their own EMEA businesses, as well as foreign firms seeking to enter or expand in EMEA markets. There is a lot of complexity in our candidate-company matches, but first and foremost, we look for people who:

- have track records showing competence in our client's product type and markets
- share the same business attitudes and goals of our client-company
- are good at laying out a realistic road-map of how to achieve the firm's business mission
- have the right business attitudes and understanding of customers in the target countries in order to gain their trust and business
- especially if the position involves coverage of countries other than his or her own, the candidate must be empathetic in nature and be enthusiastic about doing business in other countries and languages and cultures.

The fine-tuning of the ideal candidate profile for an EMEA role would depend upon the specifics of the business mission. Of course, nobody speaks all the languages of the EMEA region. Of course, nobody has personally worked in all countries of the region. There always has to be some flexibility on the part of the candidate and the employer if the position involves multiple countries, business cultures and regions, but we try to find people who check most of the "must have" boxes and most of the "nice to have" boxes.

If a firm from outside of Europe is seeking to establish an EMEA office, we would look to what formula would work best for our client - that is, in what location could the firm best staff its EMEA office in order to serve their EMEA customers most effectively. There is no one universal solution, and as in all hires, what matters most is the individual candidate's capabilities and how closely they match the employer's unique business mission.

***__Notice: Some foreign companies, particularly based in the U.S., often falsely believe that a way to start up or staff multiple "offices" in Europe without having a legal entity in Europe is to hire local people in sales and other fields as consultants.__ In the U.S. it is common and legal for a self-employed person to register as a business, and doing so normally carries little or no stigma. Costs, regulations, licensing, and time-lines vary from state to state, but in general it is a relatively easy thing to do. In many European countries, however, it might be very difficult if not illegal to conduct business in the way described. In some countries, for example, it might be possible for a person to register as a consultancy, but if only one client is to be served, then that might not be acceptable, as it could be interpreted as the person is really an employee without the employer registering legally.

It is therefore necessary for a foreign firm wishing to enter the EMEA market country to consult local legal counsel in order to understand clearly that specific country's legal regulations. Also, compared to the U.S., where there are many people in sales and IT who work as independent consultants, in countries such as Germany, for example, this kind of non-employee consultant status is generally not considered desirable or even possible for most candidates. Therefore, a foreign company wishing to only operate in Europe via sales consultants might find that their choice of candidates could be severely limited or restricted to only some countries or regions, thereby potentially jeopardizing the objectives of the larger business mission.

***Finally, and this point might seem too obvious, but it stands necessary to point out. The countries and regions of EMEA are very diverse, not only in languages and business practices, but also in laws and costs of doing business. Many companies based outside of Europe, we have found, believe that the European Union is a "single market," which to them might mean that all laws and practices are more or less the same. The conclusion by some of these companies then might be a very simplistic notion: "since the EU is basically the same market, then the least costly plan would be to hire the lowest paid employee, wherever that person is based."

This is one of the most "penny-wise, pound-foolish" conceptions that churn around world business. We will write a post in the future about this idea soon, because it is so widespread and so ruinous.

Details matter!

It's important to note that even in a region where there are many shared cultural attitudes, such as the Nordic region, often laws and practices in Norway, Sweden, Finland and Denmark could be different enough that a company basing out of one country might have made a better success if they operated out of one of the other Nordic countries. In the Nordic countries we typically seek out people who have had successful business experience in more than their own Nordic country. Strong English fluency is the norm, but we also additionally look for candidates with good skills in more than one Nordic language.

The Benelux countries share many common trade policies, but the Belgium-Netherlands-Luxembourg region has five languages (Dutch, French, Luxembourgish, German and Frisian).

- Skills in English vary, with many being business-fluent in English - especially in the Netherlands.
- Fluency in Dutch and French, along with English, is highest in the Flemish region and Brussels.
- In the Benelux region, business culture can also vary significantly from province to province, particularly in Belgium.
- German skills are highest in Luxembourg, but that is the least populous country.
- In the Netherlands, French skills tend to be weak. German is a language that most Dutch people studied "back in high school," but with which most people would struggle to speak for business purposes.
- When we recruit in the Benelux region, we normally seek out people who can reach as many of the language communities as possible. As far as recruiting Benelux candidates who have German business fluency, we have been blessed by outstanding candidates in the Netherlands and Belgium who have very strong German skills, and these candidates have been some of the most successful candidates whom we have placed in larger European, EMEA or DACH regional roles.

EU and UK negotiations continue to make very slow progress in normalizing trade between the UK and EU member states, complicating trade between not only the UK and the EU, but even between Great Britain and Northern Ireland and the Republic of Ireland.

- This lingering issue, unfortunately, has caused some companies to relocate their EMEA HQ from UK locations to mainland Europe.
- Another problem is that a very small percentage of the UK candidate base speaks major mainland European languages at a business fluency level, thereby potentially making it harder for many UK candidates to penetrate and develop large continental customer targets in Germany and France, for example. In certain industry sectors and markets, language abilities beyond English might not be as critical for success, however.
- ART has decades of recruiting highly accomplished UK managers who have had strong track records of success across the EMEA region, with some of these candidates in fact having good language skills in EMEA languages other than English. When assisting UK firms in expanding into mainland European markets, or when assisting non-European based firms to set up in EMEA, we would discuss what our client needs and then we would headhunt the people most likely to succeed for the client's goals.

Germany, Austria, and Switzerland are thrown together under a common roof as the "DACH" Region, but even German business does not exactly work like Germany is a single country.

- Business culture in Hamburg, Cologne, Frankfurt, Munich, Berlin and Dresden could be quite different from one another.
- Austria's capital, Vienna, tends to think of business opportunities in Hungary, Czechia, Slovakia, Poland and the Balkans before Germany.
- And Switzerland, which has four or five national languages, one of which is Standard German, is organized only loosely on a federal basis, so laws and business culture from canton to canton can vary tremendously.
- In the DACH countries there are large numbers of outstanding candidates with skills beyond English and German, such as Turkish and various Slavic languages, making such candidates of special interest if the EMEA role is contemplated as being more than a mostly Western European vision.

Southern Europe is usually defined as France, Italy, Spain and Portugal, often with francophone Belgium and Switzerland added. Greece sometimes is included in Southern Europe, other times in Central/Eastern Europe. And where to put Malta and Cyprus in this puzzle? Maybe add Romania too?

- Each Southern European country has different languages and long standing national and regional business cultures. Finding someone who can be a good business developer across these boundaries is not easy. Too often companies from outside of Southern Europe feel they've "covered" the area with someone - anyone - who is from one of these countries. But for us, that's not good enough. The person cannot have chauvinistic ideas about the other countries and s/he needs to be enthusiastic about delving into markets other than one's own country.
- Business fluency in English is much more common today than a generation ago, but still less commonly found than in some other EMEA regions. Ideally, we look for truly multilingual candidates first. Those that we have placed tended to be the highest revenue achievers, because they are accustomed already to accepting different cultures.
- Strong differences in labor laws exist. For example, in France, notably the simple firing of a non-performing employee could involve significant legal challenges and costs. Salaries in France tend to trail lower than those in the Benelux countries and Germany, which normally would make France a great base for most Southern European offices. But the overall cost --and fear-- of hiring in France by many foreign firms often foils opportunities of truly outstanding French candidates.
- The placement of the Southern Europe office location nevertheless should be situated where the target customers and competitors are most typically based. And it would be there where one should identify the best candidates to run the unit.
- It is also important to note that there can be important cultural and business differences between regions in France (Paris, Grenoble, Lyon, Toulouse, Marseilles), Iberia (Barcelona, Madrid, Bilbao, Lisboa) or Italy (Milano, Roma, Venezia, Napoli). But all these areas are thrown together by business as "Southern Europe," as if a uniform entity.

Central and Eastern Europe is another key EMEA region with significant country differences in business practices, languages, politics, laws and other issues.

- Some countries, such as Poland, are experiencing good economic growth, and certain pan-EMEA back-office functions or manufacturing operations are also being relocated to many smaller CEE countries.
- Some countries are often more oriented to German business styles and German business partners (such as Czechia, Slovakia, Slovenia and Croatia), while others are more generally national or internationally oriented.

The "MEA" part of EMEA is maybe easier seen as two regions - Middle East/North Africa (MENA) and Sub-Saharan Africa. There is an extraordinary diversity of languages, legal systems, business practices and business opportunities across the Middle East and Africa, so it really might be more fruitful for an enterprise to hire separate regional heads to cover various MENA and Sub-Saharan Africa markets. It might at first hand seem obvious to loop the mostly Arabic-speaking MENA countries together, while hiring one person to cover francophone Africa and another the English-speaking countries of Africa.

- **But what about Turkey?** Turkey has a large manufacturing and service economy, often with close ties to German businesses. A Turkey based regional head could serve multiple markets in the Levant or Gulf States or farther afield.

- **Dubai** is in its own right a world center of business development and finance, and increasingly in technological creativity. Some of the most talented leaders of EMEA and the Indo-Pacific region have been basing in the UAE. The result is that Dubai is not only a top HQ city for the Middle East, but also as a global headquarters for innovative startups and hi-tech firms.

- **And African markets** today are not locked into linguistic or regional boundaries as they might have been in the past. A good Nairobi- or Cairo-based manager, for example, might be able to cover most of East Africa, including Egypt. Many good Africa-headquarted companies employ internationally trained managers and directors who routinely conduct business across West, Central, North, Southern and East African countries, regardless of languages.

Information for the Press

***Media Contact*: ART Expert Quotes from our Managers might be made available to your publication within the same day, on a broad range of topics, involving careers, the world economy, business cultures, headhunting, management style, and more.**
Press contact form: click here.

Previous Articles and Interviews of ART Managers in the world press: click here.