

Spreading to foreign shores

WDCS, the Whale and Dolphin Conservation Society, is the global voice for the protection of whales, dolphins and their environment. Founded in 1987, we now have subsidiaries in Germany and the US, with affiliates in Argentina and Australia. Additionally we have a Wildlife Centre situated on the shores of the Moray Firth.

While founded in the UK, the organisation has expanded into cross-border operations opportunistically, and within a strategic framework. For any expanding organisation, this is perhaps the first important point for consideration: you must ensure that a strategy is in place to underpin any expansion, which not only fits the organisational goals but also furthers them. Rather than being a 'me too' organisation, following others that may be expanding cross-border, having a clear strategic framework in place means that opportunities will emerge naturally.

And this is perhaps the second important point when considering cross-border expansion: there is never a right time. Opportunities arise when they arise. They will happen when ten other issues have come up simultaneously, when the executive team is in overload and the finances are stretched. Those organisations that are successful see this opportunity for what it is, evaluate the risks of seizing the opportunity against letting it pass, and come to a considered, reasonable and defensible decision.

Before taking anything forward, it is important to ensure full executive as well as board support for the proposed decision, including agreeing the key success and failure factors. Even though the strategy may have been signed off, it is prudent for one final check that the organisation is fully committed to the strategic expansion.

And this leads on to a third point for consideration: ensure the expansion is appropriately resourced from a financial and human perspective, and manage it as a project. It is wise to use the services

of professional advisers in both your home jurisdiction and that into which you may be expanding. Yes it will be expensive and most likely cost more than you anticipate, but it will cost (both financially and reputationally) a lot more if the expansion is unsuccessful and the organisation is forced to retreat in disarray.

of professional advisers in both your home jurisdiction and that into which you may be expanding. Yes it will be expensive and most likely cost more than you anticipate, but it will cost (both financially and reputationally) a lot more if the expansion is unsuccessful and the organisation is forced to retreat in disarray.

Set-up considerations

As part of the set-up process, there are obviously a number of areas which will need to be refined to deal with the new, cross-border, nature of the organisation. These include: incorporation documentation; corporate structure; board composition; regulatory clearances; financial projections; and business plans.

In the case of corporate structure, is the new entity to be a subsidiary through a shareholding or control of the board? Is a licensing arrangement for the use of the organisation's name required? What about the liability of the parent board – is there any reach through to the UK by authorities in the country into which the organisation is expanding? All of these take time to work through, clarify, understand, query, and resolve.

Taking the advice of running the expansion as a project, there are further areas that the project manager must be aware of. For example: what type of opportunity is the move into a new country or region? Is it based on the acquisition of a key set of assets or is the opportunity based on building a presence around a key individual that the parent organisation wants to 'acquire' to further its work? Each of these leads to the project being run in a different way – the first will be driven by the parent organisation as it is essentially a merger

or acquisition, while the second will be more collaborative and likely to be led by the key individual.

Operations can commence once the new entity has been formed and approvals obtained. If an existing operation is being acquired, there is a need to ensure the employment packages are appropriate to the local market. One should not be drawn into providing a consistent compensation and benefits package across all markets, as employment rules and laws vary widely. What can be consistent though is, for example, an Employee Handbook providing details of the organisation's policies and processes on such issues as vacations, public holidays, sick pay, and grievance procedures etc, based on local laws. It is also worth assuming that there will be a cultural difference, and this applies to everything that happens within and between different elements of the same organisation.

Which leads to perhaps the most important element of expansion: communication. There can never be enough of it, especially in the formative days, weeks and months. It is crucial that experience is shared and, where appropriate, support offered to the formative entity. Regular structured and informal dialogue should occur at all levels between the parent and the new entity. It is through this regular contact that knowledge of individuals is created, doors are opened and opportunities allowed to emerge, all of which benefit the organisation and assist in delivering on its organisational goals.

Michael Waterson is director of finance and administration at WDCS