

The Globe



Regional Conferences:

- IESF Americas conference will take place in Miami on 12/13 March 2009.
- IESF Europe/EMEA conference will take place in Stockholm on 12-14 March 2009.
- IESF Asia Pacific conference will take place in New Delhi on 6/7 March 2009.

Global Conference:

- The IESF Global Conference will take place in Madrid on 9-12 September 2009.



Global Reach - Local Knowledge

Newsletter of the International Executive Search Federation—the worlds largest executive search group

IESF Appoints New Vice President for Business Development



IESF is pleased to announce the appointment of Frank Zwicky as VP for Business Development. Frank has previously been Head of the Financial Services Practice Group as well as receiving a Cross Border Champion's Trophy. Prior to setting up his own Executive Search Business in 1995 Frank worked at Credit Suisse. Later he managed large Sales Force Departments at Diethelm Keller Ltd. for Switzerland and Germany and also became their

Global Marketing Manager and then served as Country Manager for Henkel-Ecolab Switzerland. He started his Executive Search Business with a secretary from scratch and always had a strong international vision. In 2002 he joined IESF and renamed his Business IESF Ltd. He now manages two countries - Switzerland and Austria with 14 consultants and offices in Zürich, Basel, Geneva and Vienna serving major international clients. He has a degree in Economics from Basel University Business School and speaks German, English and French. He is Member of Lions Club and enjoys Golf and Motorbiking.

IESF Russia Partner, Consort Global opens new offices in Novosibirsk and Krasnodar

The official opening by Consort Global of a new office of the International Executive Search Federation (IESF) in Russia took place in Novosibirsk on November 21st 2008 when IESF Joint President Mark Geary presented a certificate to Novosibirsk Director General, Anna Stupina. IESF is the world's largest network of independent Executive Search consultants. The office in Novosibirsk has become the 100th IESF representation in the world.

The event commenced with a presentation about Executive Search which was a new type of HR service in Novosibirsk, provided by Consort Siberia. The different methods of international search and selection, as well as ways of building international careers by the means of IESF (100 offices in 44 countries) were introduced and discussed.

Michael Bogdanov, Chairman of the Board of CONSORT Consulting Group, commented "Considering the current situation of the market, the necessity for first-class professionals, able to work successfully in a volatile environment and achieve significant results continues to

grow. As for the search for unique specialists, managing such complicated projects requires the use of the IESF network to identify world-class professionals".

The opening was attended by over 80 participants including top executives and HR managers of major Russian and international companies, journalists from leading regional media and representatives of IESF and CONSORT Consulting Group.

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Mark Geary, Anna Stupina, Julia Balakina, Michael Bogdanov

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IESF Russia Partner, Consort Global opens new offices in Novosibirsk and Krasnodar continued

The official opening of an additional IESF office in Russia took place in Krasnodar on October 23rd 2008. In Russia and CIS IESF is represented by the exclusive partner CONSORT Consulting Group. They now have four offices in Russia.



The opening was attended by over 60 participants including top and HR managers of major Russian and international

companies, representatives of the leading regional media.

Michael Bogdanov (President of CONSORT Consulting Group and IESF Country Manager for Russia/CIS), Julia Balakina (Business Development Director), Gleb Vesnin (Regional Development Director) and Larisa Morgunova (Managing Partner of Consort Krasnodar) reported on IESF business activity and plans for the Russian and international markets. They also discussed the methods of search and selection of management provided by IESF and CONSORT Consulting Group, the situation on HR market in Krasnodar and the South region of Russia.

Talk with your Staff

Finding and retaining qualified personnel is the key HR challenge in Russia reports Yury Mikhailov, partner of CONSORT Consulting Group, St. Petersburg.

The Russian economy has been expanding very rapidly, and there is a huge demand for skilled workers and managers. There are particular shortages in construction, production, sales and accounting. In St. Petersburg there are more open vacancies than those being filled. Talented people can choose the highest offer and the salaries have been escalating accordingly. As a result loyalty is very low.

University students are a vast potential resource of employees, but an untouched territory, because companies want to have already experienced personnel. Undergraduates have the theoretical knowledge but don't have experience. Companies need to look for talented undergraduates and provide work experience projects for them during their studies.

Finding the Right Candidate

In Russia the better employees are the younger ones as they do



not have the "Soviet" mentality of older generations.

Selecting the right candidate is not easy. Psychometric testing can be used so that the applicant's strengths and weaknesses become visible and easier to evaluate. You can test, evaluate and measure people, but they are not machines so while you can never predict a person's behavior one hundred percent in Russia psychometric test results are proving to be very accurate.

In Russia people have been spoiled for the last ten years since the 1998 financial crisis. There has been a tendency for some people to think they can spend 30 percent of their working time on the Internet or taking care of their personal

matters. And if the employer doesn't like that, they can easily find another job — but not for much longer.

The economic situation in 2008 has changed rapidly and now very much resembles the situation before the financial meltdown in 1998.

Motivation and Benefits

After talented people have been recruited and trained the important thing is to keep them happy and motivated. Turnover of staff can be 30+ percent in Russian companies. If western companies have a turnover of 14 percent they think they are in trouble. That's a huge waste of time, money and competence. High turnover loses the money and time spent on recruiting and training and more importantly there is the loss of business competence.

In Russia you need to understand and look after the

people who are working for you. You need to talk to them regularly and ask if there is something bothering them. A person who looks sad or angry all the time is probably looking for another job. There can also be talented people who are under loaded and giving them more responsibility will bring them more satisfaction. Motivation is a key issue. Managers need to ensure that their people are happy in their jobs, that they perform well and achieve the goals set for them. They should understand that they will be rewarded for their efforts, both by monetary means as well as non-monetary rewards like additional training or sending staff abroad to a mother company. Managers need to ensure their staff are growing personally and professionally and if not find a way to develop them. Happy and motivated staff are the key to developing a profitable and successful company.



The impact of the Financial Crisis on the Automotive Industry

Dark clouds have gathered over the automotive industry. In September 2008, the world automobile market collapsed by 8.1 per cent. Manufacturers in Europe have demanded 20 to 25 per cent less parts from their suppliers. Some of the medium-sized suppliers will not survive the crisis.

In North America and Western Europe auto sales figures have already been stagnant for several years. Worldwide growth took place predominantly in the BRIC countries (Brazil, Russia, India and China) as well as in Eastern Europe. In the USA, the Big Three (GM, Ford & Chrysler) have dramatically lost market shares to their competitors from Asia and Europe for several years. In particular, sales of fuel-guzzler pickups, SUVs and minivans have collapsed causing losses for the American manufacturers and insolvencies of big American suppliers such as Delphi and Dana.

Throughout the world increased commodity prices have put the automobile industry under financial pressure. Prices for steel, aluminium and copper have doubled and for magnesium tripled. Increases in crude oil prices led to a radical change in customer's buying behaviour. Rather than buy big engined vehicles, they now purchase smaller, more fuel-efficient but also lower-margin vehicles. Increasingly strict environmental regulations have placed additional strains on business.

The financial crisis has definitively affected the real economy in particular the automobile industry. Someone who is worried about his job and his savings refrains from

buying a car. Leasing and financing have become more expensive. In the USA, 90 per cent of customers finance their vehicles through borrowing, resulting in a cutback in new registrations.



At the beginning of November, Toyota lowered its profit forecast for 2008 from 1.25 trillion yen (9.77 billion euros) to 550 billion yen (4.3 billion euros) - 68 per cent below the previous year. BMW announced it will adjust production in line with demand and in 2008 produce 65,000 vehicles less than planned. BMW saw a reduction in pre tax profit of 63.5 per cent in the third quarter, reducing to 279 million. Volkswagen plans to dismiss the majority of its 25,000 temporary workers worldwide. In its plant in Eisenach, Opel will reduce production from 194,000 vehicles to 165,000 units by stopping assembly lines in October and November for 4 weeks. Mercedes-Benz will extend Christmas holidays by 2 weeks in all 14 assembly plants in Germany and production will be reduced by 45,000 cars.

Parts suppliers are facing the same situation. Robert Bosch as the world's largest supplier has already stopped production

in various plants for several weeks. Continental AG another major supplier has introduced a four-day week in the Regensburg plant. Further options are reducing temporary staff and introducing reduced

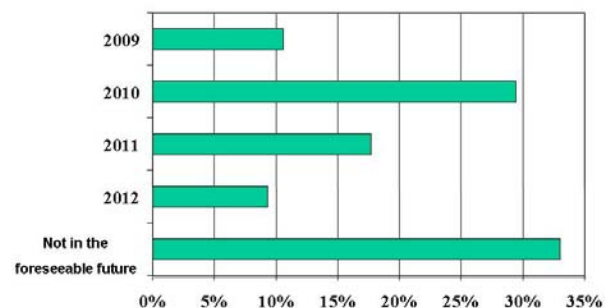
have to cope with large increases in costs which they cannot pass on. Additionally car manufacturers claim from them a contribution to their cost reduction programmes. At the same time, they need to invest in new technology and product development. In Germany, a quarter of suppliers are currently working at a loss. Furthermore, the financial crisis makes financing more expensive and complicated for these suppliers.

working hours by 50 to 70 per cent of normal. Most companies still hope that they will be able to avoid reducing permanent staff, but this option might have to be considered.

The future existence of small and medium-sized suppliers is at risk as they are already facing a difficult situation without the financial crisis. Just like vehicle manufacturers, they

Since October 2008, the industry, which was already desperately looking for adequate specialists and executive staff, especially in the field of engineering, has been slowing down and waiting and seeing how the situation will develop. A survey by the industry journal "Automobilwoche" conducted from 6 to 12 October 2008 shows that the majority in the industry are preparing for a longer dry spell. Only 10.6 per cent of industry insiders expect the crisis can be overcome within one year. The rest predict that the crisis will definitely last longer.

When will the automotive industry overcome its crisis?
(Survey conducted by Automobilwoche in the period from 6 to 12 October 2008 / total votes: 1,080)





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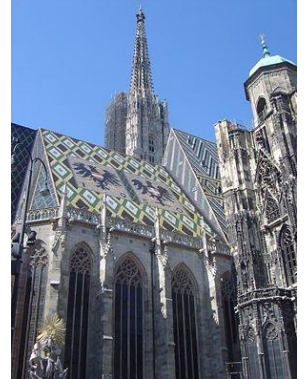
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IESF Austria moves to a new office in Vienna City Center

IESF AG (Switzerland/Austria) is now located in Vienna City Center at Am Fischhof 3/6, A – 1010 Vienna (www.iesf.at)

Vienna has a population of 1.7 million (2.3 million within the metropolitan area). It is the largest city in Austria as well as its cultural, economic, and political center. Vienna hosts many major international organizations such as the United Nations and OPEC. Vienna lies in the very east of Austria and close to the Czech Republic, Slovakia and Hungary. In 2001, the city centre was designated a UNESCO World Heritage Site and in 2005.



IESF in Australia

Geddes Parker has relocated to new offices in Sydney located at Level 8, 68 Alfred Street, Milsons Point, North Sydney, NSW, 2061, Australia, which is just down the road from the very picturesque Chinese Christian Church.

News in Brief - Partner Development

- **Pakistan – Human Resources International (HRI)** : Mark had an excellent meeting in Pakistan + Vivek by Video link (He could not get a visa!), where they met staff and clients of HRI. HRI have now been invited to be an Associate Partner until they attend the Asia Pac Regional Meeting in Delhi - March 6/7.
- **Philippines** : Aik Seng and Mark will visit Dec 8/9 to interview 2 new potential partners.
- **France** : Jaap, Frank and Achim are having meetings with two potential Partners in December.
- **USA - Chicago - Garrett Search Partners** : Following initial contact by Mark and Chris, Tim Smith visited Chelsea Garrett in Chicago recently and was impressed by their professionalism. Garrett Search has been invited to become an Associate Partner until they attend the Americas Regional Meeting in Miami - March 12/13.
- **Argentina** : Silvana and Jaap are visiting potential partners in December.
- **Mexico** : Frank has made introductions and Jaap and Silvana will visit Mexico in December.

Your Stories are needed! Please tell us what is happening in your country!

Everyone has stories of their initiatives that have made the difference to their clients. Please send your stories to:

laura@asianetconsultants.com so that we can include them in next month's edition.