

The Globe



Regional Conferences:

- IESF Asia Pacific conference will take place in Kuala Lumpur on 4/6 March 2009.
- IESF Americas conference will take place in Miami on 12/13 March 2009.
- IESF Europe/EMEA conference will take place in Stockholm on 25/27 March 2009.

Global Conference:

- The IESF Global Conference will take place in Madrid on 15-18 September 2009.



Global Reach - Local Knowledge

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

IESF Annual Global Conference (15-18 September 2009, Spain)

The International Executive Search Federation will hold its annual Global Conference held in Madrid, Spain from September 15-18, 2009.

This global event gathers our Partners from around the world to meet clients and discuss key issues related to executive search, marketing and business development.

The event is kindly hosted by IESF partner - Iberian Executive Search and Selection.

The meeting will commence with welcome cocktails on Tuesday 15th Sept, there will be a client event on the evening of Thursday 17th Sept, and a closing dinner on Friday 18th Sept. Saturday will be a free day for your sightseeing.

Madrid - Spain

The capital of Spain, located in the heart of the peninsula and right in the center of the Castillian plain 646 meters above sea level, has a population of over three million. A cosmopolitan city, a business center, headquarters for the Public Administration, Government, Spanish Parliament and the home of the Spanish Royal Family, Madrid also plays a major role in both the banking and industrial



sectors. Most of its industry is located in the Southern fringe of the city, where important textile, food and metal working factories are clustered. Madrid is characterized by intense cultural and artistic activity and a very lively nightlife.



Inside this issue:

IESF Annual Global Conference	1
Congratulations to IESF Brazil Partner	1
Emerging Searches in Emerging Markets	2-3
Brazil in Italy	3
How to record Cross Border Assignments	4
China goes shopping in Europe	4
Using your Embassy	4
Contact Information	4

Congratulations to IESF Brazil Partner

Congratulations to IESF Brazil Partner, Case Consultores, on being voted by HR Managers from major companies all over the country as one the best suppliers of recruitment services in 2008. Here is the picture of the team in Brazil receiving the award on 2 Feb 2009. (Silvana Case, 3rd from left; Norberto Chadad, 3rd from right)



Emerging Searches in Emerging Markets

By 2025 the emerging markets of Brazil, Russia, India, China, Indonesia, Mexico and Turkey - will have surpassed the G7 group of developed nations.

There has already been a rapid relocation of manufacturing activity taking place into these markets. Automobiles, aircraft engines, clothing, footwear, computers, mobile phones, domestic appliances, toys and furniture are some of the products that are being made in large and increasing amounts in China, India, Russia and Brazil. Walmart alone imports US\$ 15bn dollars worth of goods from China.



This trend will continue and accelerate for the next 50 years. Why? Delphi, the major automotive parts supplier to General Motors, illustrates why this is occurring. One of Delphi's biggest problems was that its labour costs were too high. As a result of its Chapter 11 restructuring, the company has reduced its labour costs from US\$26 per hour to US\$16 per hour. However if you take into consideration that the labour cost in China, India, Brazil and Indonesia is US\$1 per hour then you can understand why so many companies will need to open up offices and factories in these

markets to cut costs and improve margins.

The relocation of sophisticated manufacturing into emerging markets requires large numbers of experienced expatriates and local managers, engineers and technicians to source this influx. In support of these high tech activities companies such as Intel, Visteon, Phillips and Carrier have set up major Technology centres in emerging markets countries. We have already seen major outsourcing of IT and back office operations to India.

This is happening in Brazil, Mexico and Vietnam as well. Russia has become a global player in both oil and gas. Brazil has become a pioneer in bio-fuels. Indonesia has developed its vast natural resources - including timber, oil, gas, minerals and precious metals. As Turkey's economy develops closer economic links with the EU, the role of the state is shrinking as massive privatization efforts are taking place in essential sectors, such as industry, banking, transport and communications. Turkey is a major player in the garment industry and Mexico is a major oil exporter.

BROADENING THE BASES

MNC's are moving into the emerging markets because it is cheaper to source or manufacture their products in these countries as the costs are significantly lower than in the developed economies of Europe and the US and cut throat



competition in the high street is so intense.

Global trade in goods and services is expected to rise more than threefold to \$27 trillion in 2030, and trade as a share of the global economy will rise from one quarter today to more than one third. Approximately half of this increase is expected to come from emerging markets. This is dramatic, especially when you take into account that only two decades ago developing countries provided 14% of manufactured imports to rich countries. This figure is now 40%, and by 2030 is expected to supply more than 65%.

At the same time, import demand from emerging markets is becoming the locomotive of the global economy. By 2030, 1.2 billion people in developing countries - 15% of the world population will belong to the "global middle

class," up from 400 million today. This group will have a purchasing power of between \$4,000 and \$17,000 per capita, and will enjoy access to international travel, purchase automobiles and other advanced consumer durables, attain international levels of education and play a major role in shaping policies and institutes in their own countries and the world economy. In China itself, it is estimated that there is already a middle class (annual income US\$ 60,000) of 175m consumers who aspire to and are capable of purchasing branded/imported luxury goods.

SEARCHING FOR ADDED VALUE

Major companies operating in the emerging markets are now looking for high-quality professional executive search firms to recruit for them experienced and technically qualified executives who can speak the language and understand the cultures of these countries. Whilst expatriates may be needed to assist with technology transfers, the majority of these executives will be coming from within the emerging markets. The Chief Executives and HR Directors of major corporations in the US

Continued on next page

Emerging Searches in Emerging Markets *(continued)*



and Europe increasingly are wanting to engage the services of executive search firms that have in depth knowledge and experience in these emerging markets. Our experience in China has demonstrated that because so many firms are setting up for the first time they want advice on where the main activity clusters are, where to locate, how to find an office, how to structure remuneration packages as well as recruiting their staff.

We have also seen that executive search assignments are becoming much more intra-regional. Companies are looking to attract candidates who have good interpersonal skills and understand the cultural

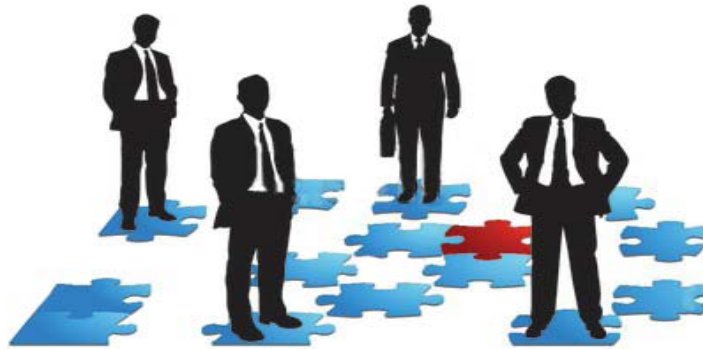
nuances. However, candidate pools tend to be regional rather than global as there are important differences between South America, Middle East and Asia Pacific. Expatriates are still in high demand, especially those with technical skills who are needed to assist with the transfer of technology. Nevertheless, local country operations are increasingly being managed by internationalized local managers that have received their education and have gained

work experience in Europe and the US.

Looking at the *Search-Consult* global league table of the top 5 executive search groups published in 2007, it is instructive to see that the famous names which would have appeared ten years ago have been replaced by new groups who have a very wide global coverage and are more strongly oriented towards the emerging markets. Their consultants are normally senior



local business executives, with the occasional expatriate who has been in the country for a number of years and is very well networked.



Companies that are starting up operations in a country for the first time are increasingly looking for advice on payment structures, preferred locations and business introductions. They are increasingly selecting search firms that can provide them with these types of consulting services rather than simply providing them with a good recruitment service.

>> Contributed by Mark Geary, Managing Director of AsiaNet Consultants, Hong Kong

Brazil in Italy

In December IESF Joint President Jaap Hoekstra together with IESF Country Manager for Brazil, Silvana Case made visits to Argentina and Mexico to meet with



Silvana Case, Christina Spagna, Claudia Paoletti, Jaap Hoekstra

potential new Partners. In Brazil Silvana took Jaap to meet several clients including Valspar, Cosan, Honda, CEVA to brief them about IESF and to develop more regional business. Silvana then joined Jaap in Milan, Italy visiting potential clients for developing business in Brazil among them Pirelli at La Bicocca headquarters, PBS- Pirelli Business Solutions, ENI and Bosch.

Kilpatrick also prepared a Christmas party in a Brazilian

style, called FELIZ NATAL, at their office in Via Visconti di Modrone. For the occasion they had the presence of important executives including the President of Brembo, Mr. Bombassei and his personal assistant.

Briefings were given about the Brazilian economy and prospects for 2009!

"It was a fantastic experience have contact with our Italian partner's clients and hear their hopes are high when we



Christina Spagna, Jaap Hoekstra, Silvana Case

thinking about the Brazilian market and economy. Good news for us in Brazil" said Silvana.



Joint Presidents

Mark Geary

mark@iesf.com

Jaap Hoekstra

jacob@iesf.com

VP Business Development

Frank Zwicky

frank.zwicky@iesf.ch

Global Coordinator / Commercial Director

Christopher Geary

chris@iesf.com

7-10 Adam Street
The Strand
London WC2N 6AA
UK

Phone: +44 (0) 207 520 9047

Web: www.iesf.com

How to record Cross Border Assignments

Keeping records of cross boarder assignments is very important for managing IESF expenditures. It is also a requirement to report these properly for our accounts.

Below is the first of a series of "How To" which we run in each edition.

In this issue of the Globe we explain How To Record Cross Border Assignments.

To Post a Cross Boarder Assignment:

1. Login to the IESF intranet (www.iesf.com/members)
2. Type in username (countryname1) then your password ("iesfmembers" - unless you have changed it) So for Greece the User Name is greece1 and the Password is iesfmembers
3. Choose the "Cross Border Activity" menu option on the right hand side
4. To add an Activity click the blue "Add Activity" words and enter the details about the Activity:
 - The currency in which this assignment is signed/negotiating in (USD, EUR or GBP)
 - The amount the assignment is for
 - A brief description of the assignment (ie. CEO for medical care company)

- The Assignor is the one who brings in the assignment
 - The Assignee is the one who executes the assignment
 - Update the current status of the assignment (Proposal, On Hold, Stopped, In Progress or Complete)
 - The date in which the assignment starts
5. When you have filled in all of the above information, click the "Add Activity" button to complete the entry

To review your Cross Border Assignments click on the blue "Your Activity" words. This will list off all your present and past cross border assignments.



China goes shopping in Europe

IESF Partners wanting to know which areas are going to be the ones that will be recruiting in 2009 may wish to take note that China will set up "procurement missions" to buy European goods and technology in an effort to stem European protectionist sentiment against China. Premier Wen Jiabao, speaking in London at the end of his five day trip to Europe, said that the buying trips would be established as soon as possible. Wen said that the procurement missions would help to shore up confidence in the market. The announcement is part of China's efforts to strengthen relations with Europe which is also China's largest trading partner. An



official traveling with Wen said the procurement purchases would be part of the fiscal stimulus plan announced last autumn. European sectors most likely to benefit from Chinese spending include aerospace, high-technology manufacturing, education, pharmaceuticals, and low-carbon technology. So these are the companies you should be marketing to for searches!

Using your Embassy

Most Embassy/Consulate's have commercial sections which provide business introduction services for companies opening new businesses. Also Embassy's organize as well as host trade delegations. Having used these services I have found them to be most useful for providing introductions and getting invited to Embassy functions. Some of the larger Embassy's are prepared to rent out their meeting facilities and help to send out invites for meetings and cocktail parties. This can give you



access to the Embassy's circulation list

How can you use these services to your advantage

1. If you are visiting another Country let your Embassy know and offer to be a speaker or attend some events
2. Mail shot foreign Embassy's about your services and especially if you are prepared to sponsor lunch or cocktails for a visiting delegation
3. Get on their mailing lists