

Designing an Effective Working Relationship between Headquarters and the European Operation



How do I make sure that overseas management will share my values, and will understand my management style?

Recruit people with experience working in multinational companies. Hire people trained in North American business techniques.

For the existing workforce, cross-fertilization programs can be useful. But they might not be willing to work the way you do and will never completely adapt to your style anyway. At least establish where the differences lie so you can manage them.

Bring head office people (right-hand people) over to supervise overall functioning, but only if they speak the local language. Otherwise, you must delegate to a local manager.



How do I reconcile the need for control with the need for local initiative?

Establish rigorous financial control and reporting systems, but leave marketing initiatives to the local management.

Establish clear lines of responsibility. Either have your own manager who can operate on the local market or delegate heavily to a local manager. Having a dual leadership composed of a local manager and a manager from headquarters does not work.

Pay close attention to recruitment, to find people who can cope with uncertainty.



How do I maintain efficient communications between the parent company and European subsidiary?

- Have a fax.
- Be prepared to pay large phone bills.
- Prepare your European managers for the need to stay late at the office.
- Set up regular face-to-face meetings.

Don't hesitate to jump on a plane to solve a problem. And make the Europeans feel that they too can come as often as needed to headquarters. Be prepared for heavy transatlantic travel costs.

Some companies have found it useful to have dedicated staff on both sides of the Atlantic ensuring smooth communications. Staff should be prepared to work the hours of the other side.

Don't underestimate the need of your European team for encouragement and advice (especially if they are on their own).