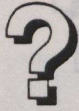


HOW TO DESIGN AN EFFECTIVE WORKING RELATIONSHIP BETWEEN HEADQUARTERS AND THE EUROPEAN OPERATION?



How to make sure that overseas management will share your values, and will understand your management style?

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

For existing work-force: cross-fertilisation programmes can be useful. But they might not be willing to work in your way and never will do 100% anyway. At least establish where the differences lie in order to manage them.

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



How to 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 on a local manager. What does not work is to have a dual leadership composed of a local manager and manager from headquarters.

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



How to maintain efficient communications between parent company and European subsidiary?

Have a fax.

Be prepared to pay large phone bills.

European management must be prepared 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 and ready 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).
