



PASSPORT TO SUCCESS

JUST OVER 18 MONTHS AGO GEMMA TUMELTY LEFT SYDNEY FOLLOWING HER FINAL RECONNAISSANCE TRIP FROM THE UK. THE MANAGING DIRECTOR OF THE HR DEPT HAD CONFIRMED, AFTER EXTENSIVE RESEARCH ON BOTH SIDES OF THE GLOBE, THAT AUSTRALIA WAS THE IDEAL MARKET TO SPEARHEAD THE INTERNATIONAL ASPIRATIONS OF THE COMPANY FOUNDED BY HER MOTHER.

The growth into Australia now marks an exciting time for the business and also for small businesses across the country who are looking for outsourced HR services and advice to help them manage their employees.

Of course, it also coincides with Brexit and

may as such be seen as one of many British businesses which will soon look further afield than immediately past their own borders for opportunities to grow.

With the company's UK heritage, any overseas expansion would need to mirror the core culture and values that have guided its approach and, in many ways, led to its success.

EXPORTING A BRAND

There are obvious likenesses between the UK and Australia – the language, shared culture, some common legislation and a similarly high proportion of their employees working for SMEs.

With a clear market opportunity to bring something unique to the Australian SME market there was confidence in our ability to successfully export IP, systems and corporate identity from the UK.

The business model and systems were in place to meet the needs of a substantial SME market, however the missing ingredient was

an Australian partner who would embrace and build on the values and culture.

The two great strengths of The HR Dept are its brand – personal and expert service on a local scale – and its collaborative network, with franchisees sharing knowledge and contributing input to the development of the company.

FINDING THE RIGHT PEOPLE

The first essential was therefore for the UK management to find an individual who was able to continue the growth of the brand in Australia and also instil in new franchisees the service and values ethos initiated by our founder, Sue Tumelty, when she started the business and which still permeate the company today. "What would Sue do?" remains the go-to response to any tricky decisions throughout the business!

From the start, I have appreciated the strength of the brand and recognised that other franchisees would need the right HR acumen and the ability to collaborate with colleagues to help the company grow.

This collaboration even extends between the UK business and our operation here. Both parties have jointly invested in the new company in Australia, in a true business partnership which will hopefully see the brand's success providing a blueprint for continued international expansion.

In finding new franchisees, it would be easy to say yes to potential businesspeople who want to become part of the model. However, as well as being highly experience HR practitioners they need to fit the brand. Our franchisees value that in the recruitment process and are relieved to know that their investment is protected by the rigour we apply to selection.

LOGISTICS AND INFRASTRUCTURE

To establish viability for the venture, Gemma and I have worked closely with trade bodies in the UK and Australia.

At the time, the British Government's UK Trade and Investment agency was running a programme called Passport to Export, giving small businesses like ours advice necessary for developing an international or export strategy.

Initially, we used a franchise broker to facilitate initial introductions between myself, Sue, Gemma and the UK office team.

Modern technology now makes it simpler to do business with a company on the other side of the world. Both parties have travelled between the UK and Australia, however regular face-to-face communication via video conferencing technology has maintained a sense of team connection without the need for multiple journeys.

Working in a franchise model is a new experience for me, requiring learning on my part. I have used advisors here in Australia to help manage the knowledge and cultural transfer. We had external advice from third parties – franchise advice and franchising legal expertise – to help us make sure the joint investment would prove successful. With the strong franchising legislation in Australia, our membership of the FCA has also provided helpful guidance.

GETTING THE LEGALITIES RIGHT

There have three primary aspects of the legal requirements to consider. Firstly, the joint venture approach between the UK and Australia in launching the Master Franchise here; second, the differences between the two countries in terms of the arrangement between franchisor



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and franchisee; thirdly, the adaptation of the various services transferring over to Australia to ensure they adhere to Australian employment law.

This last point is significant and fundamental to bringing the business model to market. Our ongoing relationship with employment law specialist partners Hall and Wilcox has not only produced the required documentation but will also see management and maintenance of these documents as legislation changes, ensuring our franchisees always have up-to-date products to offer their clients. Hall and Wilcox, under our employers' indemnity insurance offering, also look after The HR Dept's clients should an employee matter progress to a Fair Work Commission claim or settlement.

The experience of the UK business was invaluable in bringing this unique product to market, dealing with the significant localisation and negotiation necessary with the insurance underwriter Lloyds Australia Underwriting.

PRACTICAL DIFFERENCES

The time difference, of course, is an issue to overcome. Both parties have become used to committing to early mornings and late nights, making the balance of work and home life difficult to achieve. The UK is starting its day as we are looking to wind down and it makes it tempting to continue working while the UK office is open.

It also means potentially long turnarounds or response times, if people you are trying to contact are only available by email or telephone call during certain hours, rather than being in the same office.

There are business attitudes and social norms to consider. I have found Australian businesspeople to be more ready to drop what they are doing to accept a meeting. We have different approaches to business and casual dress and we differ in our ways of socialising with prospects, customers and suppliers.

From time to time it may become necessary to tweak the UK company's business models

and processes. Such changes can be difficult to justify when related to an aspect of something which has already been proved to be successful. There is though also the opportunity for fresh eyes to drive innovation and we have some of the models we have implemented here being exported back to the UK.

Australia is an early adopter of technology and follows a fast rate of technology refresh. This became an important aspect to the launch of The HR Dept here as, while proven franchise systems and customer applications were available, the Australian opportunity enabled a new perspective and drove investment in new partners. This in turn allowed us to leverage the existing market share of these partners, to strengthen our model.

TO WRAP UP

In conclusion, we are confident that all the effort put into establishing The HR Dept's brand in Australia will provide good foundations for the company's success here.

Different businesses will take different approaches on the goods, products or services they are looking to export and franchise. But for a company whose clear objective is to ensure small business owners are abreast of legal and compliance obligations, along with productivity measures pertaining to employees, it makes sense to ensure that our brand identity was placed front and centre of efforts to establish ourselves in a new domain.

Whatever your company and no matter what you are looking to franchise from abroad, it is important to identify and enhance the similarities in what your target markets want from you, and separate and overcome the differences between the business cultures in the two nations in question.

The HR Dept launched Australia in August with franchises in Perth and Sydney. Originally founded in 2003, it today has over 60 franchisees servicing some 6000 small businesses in the UK and Ireland.

www.hrdept.com.au