

## Executive Search Case Study - 2011

**Assignment:** Global Director of Research & Development based in Shanghai

### Client Company Profile:

The client company is one of the top 2 global companies in the Food, Flavour & Fragrance industry with annual sales over US \$4 bn. The company is privately owned and takes a long term perspective towards R&D fundamental research for its 10 year goal is to become the industry leader ahead of 5 major global companies in the sector.

To achieve this ambitious goal, the company invested US\$75m in a Shanghai R&D laboratory to develop new products from China's extensive and diverse eco-systems and also to refine products to meet local fast growing demand across China and SE Asia.

### The Challenge:

To recruit an R&D Global Director for the Shanghai centre who had the scientific capacity, the correct relevant industry experience and leadership capabilities to help drive forward the fundamental research and ambitious employee growth plans for the laboratory from 15 to 80 scientists over the next 2 years.

The client understood it was critical to put in place an ideal person for this role, however, the company using several local search firms and their own internal HR staff had failed in over a year to recruit a suitable person despite interviewing numerous potential candidates who had experience with many leading FMCG food and beverage MNC companies across China and beyond.

### Solution:

Fitco-Consulting was selected as an exclusive search partner in August 2009 as a result of the Client being convinced that its international presence, skilled people and round the clock dedication would deliver the right candidate.

After searching extensively across Southeast Asia, Fitco deduced that in the region there was no ideal talents who would fit the profile. Consequently, the conclusion was drawn that the majority of chemists in Asia are specialists in development rather than fundamental research and that there were therefore nobody suitable for the Shanghai R&D Centre.

As a result of this feedback and following discussion with the client, the search was elevated from domestic to global. The search was extended to North America and Europe focussed on the fundamental research centres across the industry in those locations.

Soon afterwards, an ideal candidate from the client's Nr.1 industry rival based in Cincinnati, Ohio was identified and the subsequent on-going conversations led to an increasingly trusted relationship on a personal and professional level. The candidate was a PhD Chemist who had held scientific roles in the rival company for 25 years and was at Director level. He had the perfect scientific background, had ideal industry experience and had the leadership capacity and outstanding career track record our client was seeking.

### Persuading the ideal talent:

Identifying the candidate was only part of the challenge however for the candidate considered the role for several weeks and decided to reject it due to:

- Uncertainty about residing in Shanghai
- Concern over loyalty to his current employer for whom he had worked for 25 years
- Concerns expressed by his wife and 2 senior high school and college age daughters

With the candidate being considered as the only suitable person globally, Fitco elevated the challenge of persuading him by introducing its Managing Director Cliff Hegan to him. As a result, the candidate was persuaded to reverse his earlier decision and reconsider the opportunity for the following reasons:

- He related his own and family members personal growth experiences resulting from a cross continental transfer from the UK to North America between 2003 to 2007
- He articulated the great career opportunity and the chance to achieve scientific prominence as a result of working in a “world class” brand new US\$75m R&D facility that is probably the most advanced in the industry
- Based on personal experience, he reassured him that the cultural issues with a move to China were ones to be enjoyed and not feared by his family and himself and that he would be at the centre of the new world economy

These convincing arguments resulted in the candidate agreeing to explore the opportunity further and an interview was arranged for January 2010 in Shanghai.

### **Fitco’s personal touch that altered the outcome:**

#### **1. Highly Tailored Extra Steps:**

With extensive experience of placing senior foreigners into Shanghai and China, Fitco recognised a key factor to persuade the candidate in this case was to convince his family and in particular his wife who accompanied him on the trip.

#### **2. Personal Touch:**

The action implemented to realize this goal was to provide a personal cross cultural coach to accompany his wife of the challenges of moving to and living in Shanghai through the duration of the 5 day Shanghai visit and adjust and lessen the potential culture shock a Shanghai ex pat assignment can often result in.

#### **3. A Personal Coach:**

A Cross-Cultural consultant from Ohio with extensive China experience was contracted by Fitco to undertake the personal coaching and advice. The finding of a person the candidates wife could relate to easily who understands China thoroughly was highly influential to the resulting positive feeling the candidates wife experienced at the end of the trip. During their trip to Shanghai, the candidate and his wife were made to feel highly special and wanted; and they thoroughly enjoyed the experience of meeting the client and a site visit and from being in Shanghai where they were shown apartments, retail alternatives and cultural locations across the city.

#### **4. Satisfying Result:**

The outcome of the week was an agreement in principle to commence a negotiation to bring the candidate on board. It was required for the Fitco team to become totally immersed in the negotiation process, by managing expectations on both sides to find common ground over a satisfactory package.

#### **5. Facilitation of a Highly Complex Expat Salary Negotiation Process**

Developing an appropriate compensating for a senior person giving up 25 years of benefits became a highly complex negotiation that initially collapsed due to the Client’s North American Human Resource leaders being unable to reach an agreement with the candidate and by April both had concluded that the a mutual settlement would not be possible.

The Fitco team however made a successful intervention by suggesting a new negotiation angle related to a reduction of the minimum time period of the assignment. To the delight of all parties, changing the negotiation focus to a relatively non-contentious aspect brought everyone back to the table and a deal was at last successfully reached.

### **Results and follow up actions:**

In June, the candidate was engaged and commenced work in Shanghai. The appointment has been a resounding success in large part because his family are thoroughly happy with life in Shanghai and also with Fitco who arranged an internship employment for the candidates’ youngest daughter who was on University vacation from the United States. The candidate has been ‘on board’ for over a year and the company is delighted with the progress he is making in both research work and in building a successful team in the R&D lab. He himself regards his role at the client as the best he has ever held and likens the working culture to being more similar to a University Research Centre than a profit driven

organisation, for the realisation is that the long term success of the company will derive from successful fundamental R&D.

In conclusion, the candidate and his wife are highly content with an expat life in Shanghai with expenses covered and have blended fully into the American community in the city; so much so, Fitco now consider it highly likely the candidate will want to extend his contract to at least the full 5 years the company originally wished.

**More value add follow up services:**

In 2011, Fitco successfully recruited for the client other Senior Scientist positions for fundamental research, with candidates originating from USA.

In 2011, Fitco conducted a workshop presentation for Global VPs of the client company on: “How to Build a Successful R&D Team in China”, presented by Fitco’s consultant Ms. Carol Mao, who has 10 years of experience with Accenture and Towers Watson, combined with Fitco’s Search consultant Ms. Katherine Wang. Both gave extensive and valuable suggestions to the Client company on Team Building in China.

**More follow up actions are in process.**

Testimonial letter from Client Company:

A testimonial from the Client will be provided upon request.

**Fitco’s Strengths:**

1. Global Search Capacity – Worldwide thorough searches
2. Experienced Consultants – Manage candidate’s expectations
3. Cross Culture management
4. Highly Tailored Solutions to meet client’s business goals
5. A Personal touch that makes a huge difference