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International Business Development in the Now Normal



By Richard Nelson

Many A/E/C businesses—along with their large corporate and manufacturing clients—have been expanding globally for the last five or six decades. But in the last decade, the global financial crisis (GFC), trade wars, geopolitics, and most recently the COVID-19 pandemic, have seriously damaged the open trade system that has powered the globalized economy since World War II.

There's a growing trend toward self-reliance, as politicians use these crises to bring supply chains back home in the name of security and resilience. Global or regional crises—and the rhetoric that follows—can give many clients a heightened sense of risk around their A/E/C supply chains. Clients, therefore, may seek to retain firms that are closer to them, or their project sites, in order to mitigate those risks.

Despite the geopolitical chess games being played, A/E/C firms that have the ambition to achieve the benefits of working internationally can continue to expand their businesses and win opportunities around the world, even in the now normal.

So how can these A/E/C firms navigate their way through the current turbulent waters in the export game?

In addition to my own views, and as a follow up to my 2018 *Marketer* article,¹ I spoke with several clients and A/E/C professionals on different continents to get their insights. They shared how the international business development environment has evolved in recent years, and what we may see in the future.

Global Versus Local

Despite the recent magnifying glass on the risks of using international A/E/C firms, Oliver Jones, co-founder and chief executive of Chayora, a Hong Kong-based developer and licensed operator of hyperscale data centers in mainland China, says, "For us, it's the person or people we're working with. So, if they're based in London, we make time for them, as we want international design." He notes that travel restrictions have "taught us it doesn't matter where the design work is done, provided context and the local regulations are fully understood."

Jones goes on to say he's not concerned with internal firm structures, so he doesn't like working with firms who insist on using a regional or local office because they're closer. He wants the flexibility to

work with the appropriate international experts, wherever they are.

Supporting these sentiments, Richard McCarthy, board director of London-based global design practice, Scott Brownrigg, says it's "not about retreating to being very local, but it's more about looking at how we work internationally rather than abandoning it altogether."

For international firms, he notes, it's about perception and "how you present yourself, how you conduct your tax affairs, and how you employ people." The current anti-globalization stirrings tend to focus on huge, recognizable brands that are perceived to have too much power across borders, not A/E/C firms. McCarthy adds, "There's a place for big firms that offer a globalized product ... If you're in the middle of nowhere and haven't been home for two weeks, nipping into a McDonald's can offer a quick bit of comfort. So, firms that offer a consistent standard have a place, but it's not for every client."

This approach is more about leveraging core expertise globally, but with localization. McCarthy finds that clients are buying their U.K. design prowess—Brand Britain—but they want a bit of that DNA sprinkled close to them. "When we set up overseas studios or partnerships,

we don't pretend that it's a replica of the U.K., but the local team works in partnership to ensure quality delivery, as well as provide cultural and behavioral insights that we wouldn't understand from London."

Greg Pearce, managing director and co-founder of One Space, Ltd., a regional design practice based in Hong Kong and Singapore, elaborates, "Clients need to create a safe place for their staff to work, so they value an understanding of local cultures, statutory requirements, and patterns of work. Global firms are perceived to pay less attention to this, so regional firms are being seen as on-the-ground experts" in times of crisis.

Is Anyone Listening?

Business development is all about building and managing relationships, and most of us were taught how to do that in person. So, the sudden shift to a remote world connected only by voice and video has been a shock to our systems. But because it's the same for everyone, everywhere, international clients have been understanding and willing to engage.

According to McCarthy, "It's easier to access people in the higher echelons of client companies, as no one is traveling.





Oskar, New York, NY.
Moinian Group x
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Also, we're finding that clients are making a bigger effort to communicate with consultants."

Pearce observed that, at the beginning of the pandemic, clients wanted to wait it out to meet face-to-face. But, as it became apparent that we would be unlikely to meet anytime soon, they immediately shifted to the virtual world.

In order to continue pushing business development in turbulent times, you need strong leadership, a solid plan, and a lot of perseverance.

That being said, he admits certain challenges with the new environment: "Virtual tools can be valuable for keeping up momentum, keeping teams working together. But that's because we've already bonded, spent time together face-to-face, built trust, and established chemistry. Building rapport for the first time remotely, testing that chemistry to establish trust—there's a palpable disconnect that frustrates our initial bridge-building."

Echoing this, Peter Young, chief executive of Broadgate RE Devco (formerly Laurus Development Partners), a pan-African developer based in Nigeria, says that while he's always open to meeting new A/E/C firms, "it comes down to personality and chemistry, and that's tough to build online."

But as much as clients are understanding of difficult situations, fatigue can set in. Mark Lacey, partner of London-based international cost consultancy Alinea, says clients are tired of video conferences. He shares, "The other day, I was at one of our project sites in London. I posted a photo of it on Instagram, and within minutes I had a client on the phone saying 'I see you're in town; so am I. Let's get together!' I also had a colleague tell me that he recently had an 'old-fashioned-style' catch up in person with a client. People are eager for human contact."

Breaking Through

So how can firms build relationships with prospective new international clients remotely during turbulent times? Here are a few ideas:

- **Be open to relationship changes.** Broadgate's Young says that sometimes the relationships with existing players with whom they're working can change, so he needs to be open to new players for such occasions. Keep an eye out for competitors who've gone through mergers, acquisitions, or major personnel movements, as these occurrences can often signal opportunities for clients to change teams.
- **Utilize thought leadership.** One Space recently published a research paper on "Navigating Uncertainty in the Post-Coronavirus Workplace." Pearce says this has helped them "win the opportunity to meet clients whom we've never met before, simply on the basis of that published research and illustrated guidelines."

This approach has similarly worked at Scott Brownrigg, whose Design Research Unit has pivoted to focus all its sectors on researching how to minimize the spread of contagion through design. They've published numerous papers and videos on the topic. A media campaign around their research reached a potential audience of 380 million people globally in a 10-day period in May 2020, at the height of the pandemic.

- **Focus on being helpful.** Scott Brownrigg's McCarthy points out, "Everyone is researching and up-skilling more right now, so if you can be part of that for a client, it endears you to them more." In turn, this builds loyalty for the future.

Pearce echoes this sentiment, "Now we're having a conversation, not about selling a solution, but about helping the client understand what questions are going to come up and how they are going to navigate through that."

Alinea's Lacey elaborates further: "We're engaging in a lot of knowledge-based selling right now—sending information, sharing insights and

knowledge—and potential clients are hungry for it. It's not selling in the usual way."

- **Be professional.** Chayora's Jones understands the business development game well, as he's not only a buyer, but also a seller. He expects business developers and customers to act with equal respect and etiquette. He explains, "I always respond to emails or calls from people who've taken the time to reach out to me, even if it is to say 'Thanks, but not interested.' I'm amazed at how many people lack basic business etiquette today."

Keeping It Going

In order to continue pushing business development in turbulent times, you need strong leadership, a solid plan, and a lot of perseverance.

Firms seeking to expand internationally need to continue investing in marketing and business development. If they do, they'll likely be rewarded by faster recovery and better client loyalty than competitors who cut their budgets.

In fact, according to a Kantar/BrandZ analysis, after the 2008 GFC, brands that continued with their marketing spend during the crisis recovered nine times faster than those who reduced their budgets.²

According to Broadgate's Young, "If I had an international practice, I would be increasing my business development right now. Same as we're doing ourselves—we're looking to increase our pipeline going forward. The ones who are [increasing business development] stand out."

Related to content and thought leadership, marketing teams need to review and adjust materials they previously created, especially when being used to reach international audiences. Graphics need to be visually compelling without narration, to avoid language barriers.

Video should be easily streamed. All materials need to contain the right level of detail to be easily understood, without creating overload.

On Purpose

A/E/C marketers always talk about how they differentiate their firms through positioning. This needs to move to a completely new level in the international arena. Clients will only take notice of international specialists, since they have enough generalists in their own backyards.

Beyond simply differentiating your firm by highlighting its specialty, the new business climate requires firms to have a purpose. This gets down to the fundamental belief system of the practice.

Let's say you're trying to get a virtual meeting with a client halfway around the world whom you've never met. You're more likely to get a response if they see that not only does your specialty interest them, but also your values and approach align with their own.

But, it works both ways. Using purpose as a filter also enables firms entering foreign countries to conduct more effective due diligence to avoid potential corruption and opaque business dealings.

Wearing their ethics on their sleeve, Scott Brownrigg became a signatory to the UN Global Compact, sending clients a clear message as to what they're all about. McCarthy comments, "Now more than ever, people have taken the opportunity to reassess what's important in their lives. Financial reward and climbing the corporate ladder seem to have gone out the window, and clients are showing a massive appreciation for our commitment to environmental, social, governance principles."

He adds, "When a huge global fund like BlackRock says it's only going to make sustainable investments going forward, that sends a powerful message to everyone."³



Global Sectors To Watch

Making predictions, especially global ones, is always fraught with difficulty. Due to the impact of the pandemic, forecasts must be taken with a higher-than-usual degree of uncertainty. Based on the demand profiles and opportunities we're currently seeing with our clients, we think the built environment will ramp back up roughly in the pattern below:

'Now' Sectors	'Evolving' Sectors
Immediate beneficiaries of the pandemic, the must-haves, and those experiencing significantly higher demand, as well as private investment and strategic government support to stimulate economies.	Adapting for a new user experience and significantly revised user forecasts and budgets; clients are likely to delay major investment until they can see new business cases emerge.
Healthcare	Aviation
Life Sciences/Pharma (R&D and manufacturing)	Offices
Data Centers	Education
Logistics/E-commerce	Retail
Live/Work Residential ('20-minute neighborhoods')	Leisure/F&B
Transport Infrastructure	Hospitality
Utilities/Renewables	Culture/Civic
	Mixed-Use Developments
	Sport and Event Venues
	Government/Defense





BuzzFeed New York City headquarters, New York, NY. STUDIOS architecture. © Ines Leong / L-INES Photo, l-ines.com.

📸 Story Behind the Picture | The glass pavilion was a welcome addition to BuzzFeed's New York City headquarters. The space is drenched in sunlight throughout the day. Even on a cloudy day, the view of the city is still prominent.

✍ Editor's note: Check out our bonus content, "10 International Markets To Watch" at smps.org/resources/marketer-journal.

One Space's Pearce adds that clients are definitely paying more attention to purpose. "Purpose underlies any business case," he says, referring to not only how clients are hiring A/E/C firms, but also how they're justifying launching any projects in these difficult times.

Geopolitics

Any international business development article must address geopolitical issues, but of course these change over time. Active monitoring of global situations is a boardroom must-do for all A/E/C firms practicing internationally. At a minimum, international business developers need to reference *The Economist* weekly, and turn on notifications for international news from the *Financial Times* or *The New York Times* app.

Looking at the recent situation in Asia, according to Pearce, the challenges started in 2018 with the U.S.-China trade war, then moved on to the Hong Kong pro-democracy protests, then COVID-19, raising uncertainty.

Now, the focus is on Hong Kong national security legislation, which has caused heightened strain on U.S.-China relations. Pearce says, "Firms doing business with both American and Chinese clients need to navigate a fine line. There are many business ties that have been structured over decades, and companies that have trading relationships with both sides may find it difficult to navigate between those forces."

Echoing this sentiment, Chayora's Jones adds, "Our fundamental strategy hasn't changed, but the emphasis, details, and execution have adapted for now. One thing we do know is how things are today is not how things will be in six months' time."

Takeaways

There have been more than 40 global or regional crises since 2008, ranging from economic shocks and humanitarian crises, to

environmental catastrophes and pandemics. It's unlikely that the world will get any less turbulent in the future.

One thing is clear—the fundamentals of international business development practice haven't changed, only the tools and the approach.⁴ Effective business development still involves creating and maintaining relationships, which requires understanding and empathy. It also requires perseverance. "People need to recognize that we are judged in everything we do, and the only thing people can see right now is how we respond to them in terms of contact," says Jones.

Partnering with your clients can also light the way to ensuring international workstreams. Broadgate's Young says, "As a developer, we're always looking at a number of schemes concurrently, so we like to engage one firm early on to work with us, in the hopes that one or two schemes move forward."

And finally, it pays to be prepared in case a global crisis lasts longer than expected. Jones observes, "Look at World War II. Everyone initially thought 'It will be over in five months' ... Five years later, it was finally over. But we have no choice; we have to deal with the here and now. We have to continue living our lives and do what we can to make sure business keeps moving."

It's comforting to know that clients are in the same boat as A/E/C firms. If we go into the international business development process with that understanding in mind, then crossing the abyss will not seem so intimidating. ■



RICHARD NELSON is managing director and owner of Abyss Global Ltd., a U.K.-based management consultancy. An SMPS member since 1991, he won two MCAs, spoke at two Society conferences, and served on the SMPS New York board. Contact him at +44.7730.680976 or richard.nelson@abyssglobal.com.

Resources

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- 2 "Brands in a pandemic world: insights from Kantar's COVID-19 Barometer", March 27, 2020 warc.com/newsandopinion/news/brands-in-a-pandemic-world-insights-from-kantars-covid-19-barometer/43422
- 3 "BlackRock shakes up business to focus on sustainable investing: Chief executive Larry Fink warns of risks posed to markets by climate change," Richard Henderson, Billy Nauman, and Andrew Edgecliffe-Johnson, *Financial Times*, January 14, 2020 ft.com/content/57db9dc2-3690-11ea-a6d3-9a26f8c3cba4
- 4 "Lockdown Does Not Mean Shutdown! – The New Distance Selling Challenge," Richard Nelson, May 7, 2020 slideshare.net/RichardNelson5/lockdown-does-not-mean-shutdown-the-new-distance-selling-challenge

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International Markets to Watch

Economic fundamentals in many markets didn't evaporate during the pandemic, but rather were put on pause. Although some of the data points will have changed, here are a few markets that may still offer good opportunities as the recovery takes hold, and may be worth exploring:

- 1. Canada** — A shortage of local resources in architecture and engineering offers opportunities, as do significant investment pipelines in major cities in infrastructure and mixed use, with public-private partnerships (PPP) a favored procurement method for large-scale public projects.
- 2. Colombia** — There's strong activity in a number of sectors, such as rail, air, and rebounding hospitality/tourism, while public sector funding has increased for higher education, hospitals, and prisons, with plans to use PPP for the latter two.
- 3. Spain** — Investor confidence continues to grow in this market, with good quality offices and residential in short supply, and continued growth in demand for logistics/industrial and data centers, serving growing e-commerce and tech industries.
- 4. Poland** — The only EU country that never entered a recession during the GFC, Poland's property market has now matured to institutional status, continuing to create opportunities in residential, commercial, mixed use, transportation, and logistics/industrial.
- 5. Saudi Arabia** — 10 gigaprojects focused on diversifying the economy from its reliance on petrochemicals offers foreign firms significant opportunities, including airports, rail networks, hotels, resorts, schools, hospitals, sports, entertainment, and new sustainable communities.
- 6. Oman** — Increased government spending on key non-oil sectors to stimulate private investments has created opportunities for international players in sectors such as education, healthcare, transportation, and energy/utilities, and latterly commercial, residential/ and logistics/industrial.
- 7. Philippines** — This is a very active construction market across all major sectors including office, retail, hospitality, infrastructure (air and rail), institutional (education and health), and utilities.
- 8. Vietnam** — This rising star among the Asian economies cites hospitality and tourism as a key driver, with continued government and private investment in infrastructure, education, healthcare, manufacturing, technology, and utilities sectors.
- 9. Indonesia** — The relocation of Indonesia's capital to Borneo will be a long-term project, and meanwhile, the existing Jakarta is getting new metro rail lines; sectors such as aviation, roads, mission critical, and new townships continue to attract investment, alongside the well-established hospitality and tourism sector.
- 10. Australia** — Population growth of 25% to 2050 has resulted in a funded forward pipeline of rail, airport, utility, healthcare, and education work, while private investment in commercial, residential, logistics, and technology are keeping pace; an acute skills shortage across A/E/C disciplines offers opportunity for foreign firms.