

Silver Advantage Consulting Alert

Import Talent or Hire Locally?

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When an international company expands into the US, deciding how to staff the new US operation is complicated. Should you transfer key employees from the parent company or hire locally? It sounds like a simple question, but like most business questions, the answer depends on many factors.

The middle ground is to transfer someone from the parent company and support them with locally knowledgeable, outside professionals or hire local employees who will report to the transferred employee. Having someone already knowledgeable about the company's products, services, and modus operandi is a big advantage.

Transferring an employee takes time and is costly. Obtaining a work visa or green card for an employee takes months and there are many expenses associated with transferring an employee. Those include moving expenses, temporary living expenses, travel expenses, legal expenses, and tax expenses.

Also, while this can be an exciting time for the employee, this person may find it difficult to be away from family, friends, and familiar surroundings, which may weigh heavily on that person. It can also be lonely working by one's self. If the company or the person hired later decides the job is not the right fit, the company can suffer devastating consequences.

The other option is to employ local talent with knowledge of the targeted marketplace and the ways business is conducted in the US. This can be a big plus. However, finding this the right fit can be difficult. Utilizing a good executive recruiter is usually warranted and expensive. You should make important decisions about salary and fringe benefits right away and recruit a very self-disciplined person because he or she will be relatively unsupervised in their position once hired. There needs to be a clear definition of duties, responsibilities, and acceptable ways of working. Too much control or too much autonomy can lead to problems.

My recommendation would be to start the operation with a transferred employee who is capable of continuing with the job or training a successor within a pre-determined timeframe.

Under either option (transferee or local hire), it is important to have a written strategic business plan in place to assist the US employee. For more information on strategic business plans, see my Silver Advantage Alert of July 2014 "Opportunity Knocks: Start Your Business The Right Way."

<http://www.msco.net/silver-advantage-alert-july-1-2014.html#.WA93OGczVMw>.

The international team at Michael Silver & Company is here to help you find the right answers to this and the numerous other strategic questions you will face with a US expansion. Please contact Steve Handler, Partner-in-Charge of International Services, at 847-213-2107 or Stevenh@msco.net if you would like to discuss expanding your business into the US.