



## Building an Asian Network

Neil Hough is the regional director for Asia at the global accounting and consulting group RSM International (RSM). In 1992, he set up RSM's first Asian partnership in Hong Kong before moving on to Jakarta. Over the next decade, he established a pan-Asian professional services network of affiliate offices in Vietnam, Philippines, China, Malaysia, Singapore and Thailand, providing professional accounting, audit, domestic and international tax, and advisory services. Neil is currently based in Melbourne, Australia.

Asia is a very small place. Professionals in the legal and financial supply chain – the bankers, lawyers, brokers, accountants – tend to know each other's capabilities. So in terms of marketing, it's still all about reputation, and you find enquiries just dry up if you are no good.

However, there are some differentiators in Asia – dynamics that can make marketing for professional services companies more difficult.

The biggest point of difference is in what you might call 'expectations'. A good reputation is the most effective marketing asset, so a lot of professional services business arrives by referral – both through customers and other professional firms that you work with. It's the way companies respond to referrals that constitutes good marketing.

In Asia, speed of response is absolutely critical, especially in financial services. For some reason China is the most demanding – you have to respond to a query as fast as you possibly can. As a general rule in Asia, if you end up taking longer than 24 hours to respond, then you lose the job.

The basic globalisation dynamic means that education is a powerful marketing tool. At RSM we invest in helping clients and potential clients understand the markets they want to become active in. The reasoning is straightforward: if companies are going to invest abroad, they need to understand the local rules. Incidentally, this is just as true for Asian companies investing in America, where investors find reporting rules, for example, quite complex.

We draw on our Asia-wide resources to educate the market, bringing professionals from different regions to scheduled marketing events. Recently, our Chinese clients wanted to investigate the opportunities and pitfalls of raising capital outside China, so we organised a forum and flew in experts from Hong Kong and Singapore. In Australia, we have the 'China Business Forum' where we bring professionals and some of our clients down from China to help explain and illuminate the Chinese business climate for the benefit of our clients, and also Austrade members.

Inevitably, the proliferation of supplier and distributor networks across the region has placed a premium on professional firms that can offer a pan-Asian service. Our Chinese affiliate, RSM China CPA, is already quite big. We have 16 offices on the mainland, and are the next biggest financial services firm after the big four. We focus a lot of our energy at the mid-market sector, but even here we find that companies want that pan-Asian service capability.

This need is a marketing pitfall for a lot of new or start-up professional services companies. If part of a deal requires a service in a country where the company has no presence, then the tendency is to find a partner in that country. But companies frequently get into problems establishing partnerships with companies they don't know and without doing the due diligence. It's a cliché, but you absolutely have to do your homework.

In Asia you have to retain control of the environment where the service is delivered; you can't afford to be let down by a partner. This means that professional services companies often go one of two ways: either becoming a country expert and building an international reputation based on in-country excellence, or, like RSM, establishing a brand network across Asia that gives you the resources and confidence to handle just about any job.

I'd say that in terms of marketing, the ability to offer a pan-Asian service is becoming more critical because of the way commerce is developing. RSM's US affiliate has conducted research indicating that within a decade, 25 per cent of US West Coast companies will have an Asian interest. But the interesting thing is the reciprocity. We have a very significant client base in China and, from my observation, there are now more Chinese companies investing outside China than there are Chinese companies attracting inbound investment. These companies want and need pan-Asian professional services companies.

In total, I have spent 10 of the last 16 years setting up new practices across Asia. The region is varied, but as I said it's a small place in professional services terms. People talk. And ultimately, you are only as good as your last job. ■

**NEIL HOUGH**

neil.hough@rsmi.com.au