

Net Expat Newsletter

Expats Coaching • Dual Career Solutions • Expats Assessment

Offices throughout Europe, America, Asia



Corporate Initiative

Anne Lemaire
HR Business Partner
SWIFT,
Brussels,
Belgium



SWIFT was established in 1973 by 239 banks and is today the financial industry-owned cooperative supplying messaging services and interface software to over 7,800 financial institutions in more than 200 countries.

NET EXPAT: Can you tell us why SWIFT has chosen to hire local Chinese employees and invest in a fascinating 18-month Management Trainee Program to boost SWIFT's presence in the People's Republic of China?

Anne Lemaire: The Chinese financial market is currently moving very fast and we're facing many new and interesting opportunities there: we are convinced the best way to tackle the road ahead is with local Chinese talent who will bring us an invaluable understanding of the local market. So we decided to recruit and develop Chinese MBA graduates with about three years' experience and international exposure.

NE: When you started this project in 2004, SWIFT was not really known as an 'employer of choice' in China, so how did you manage to attract the right people?

Successful China Management Trainee Program

AL: SWIFT was indeed not known to our target group. Therefore, before we presented the business case for starting this approach in China, we went to see what others were doing e.g. Deloitte, Alcatel, HSBC and McKinsey, and we learned a lot from their experience. We also approached the top Chinese universities and MBA schools like Fudan University, Peking University and Tsinghua University and started to work in

NE: How many applications did you receive, and how did you select the right ones?

AL: We received 229 electronic applications through swift.com, out of which 120 were invited to a first round of on-line testing. 76 applicants were selected and screened during a 30-minute phone interview. Adaptability, initiative, customer orientation and business acumen were some of the critical supporting skills we monitored.



For this final phase we combined a series of assessment centers and the use of the ExpAdviser test as an overlay to confirm what was identified

close collaboration with their career offices. We were impressed by the way these career offices featured our Campus Talks and helped us promote the SWIFT image. Publications in the local press, along with communications on strategically located notice boards on campus and on university websites, were also decisive.

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Editorial

Alain Verstandig
Managing Director,
NET EXPAT



Our warmest wishes for a great New Year in 2006 – so warm we are bursting with energy!

I would like to extend our wishes to those commuters who, last year, had to spend lonely weekdays relieved by weekends with the families they so sorely missed. May 2006 compensate you for the happy moments you were deprived of in 2005.

Happy New Year

We also wish a better year to those partners who relinquished a career out of sympathy for 'their better half'. May 2006 restore the smile that was sometimes missing in 2005. A better year, too, for those repats who gave up much to confront the uncertainty of repatriation. May 2006 give you renewed trust in your future!

A better 2006 also for all of you, corporate HR professionals, who had to make difficult decisions in 2005: may the New Year give you

the fulfillment of working afresh in harmony with your human values.



Dual Career

Mobility

Integration

Talents

Supported by



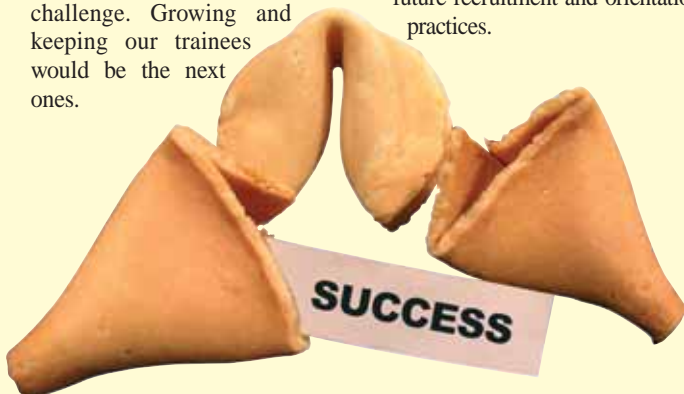
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■ ■ ■ 26 candidates were then chosen and invited to a face-to-face interview on campus with Monisa Wan (Regional HR Manager Asia-Pacific) who did a great job in reducing this group to 12 candidates, all of whom were then invited to our Hong Kong office for the final selection phase. For this final phase we combined a series of assessment centers and the use of the ExpAdviser test as an overlay to confirm what was identified. Everything was done to reduce the risk of recruiting the wrong candidates and identifying the final four "perfect" PRC trainees. I must say that we are quite proud to have done all of this in less than six weeks!

...the opportunity to discuss in complete confidentiality any of their integration aspects with someone external, without being judged or assessed

NE: Then the integration challenges began ...

AL: Yes, we indeed realized that the selection was only the first challenge. Growing and keeping our trainees would be the next ones.



The integration phase was very well structured: we invited the new PRC trainees to a 12-month training program at our Brussels HQ. They were literally snowed under with a series of intensive in-house and external training modules for the first six weeks: the trainees were close to 'overdose', but luckily got most of it! A program of internal mentoring was also put in place

The whole process is now recognized as 'best practice' within SWIFT, and will inspire future recruitment and orientation practices

and really kicked in when the management trainees started their first internship assignment: each PRC trainee was assigned a senior Mentor to ease integration within SWIFT.

On top of this, we gave them the support of external NET EXPAT coaches: the objective was to give them the opportunity to discuss in complete confidentiality any of their integration aspects with someone external, without being judged or assessed. I'm still curious about what was said and done during these coaching sessions: because of confidentiality, the details are complete 'black boxes' for us! But the most important thing is that it works, and all the PRC trainees are very pleased with their coaching. As a whole, the process from campus recruitment to integration has been extremely well received by SWIFT management. It is now recognized as 'best practice' within SWIFT, and will inspire future recruitment and orientation practices.

NE: What, then, are the future plans?

AL: The second recruitment wave has started, and we already have more than 350 applicants! Our current PRC trainees helped us during the promotion campaign on the campuses – it worked very well, with the obvious snowball effect! The current trainees will end their first assignment in our

Corporate Vision

Elie Monchi

HR, Head of Compensation & Benefits, Givaudan, Vernier, Switzerland



NET EXPAT: How wide is the international reach of Givaudan today?

Elie Monchi: Givaudan is the largest and one of the oldest flavor and fragrance companies in the world. Today, Givaudan is an innovative company, employing 6,000 people in more than 40 countries in the world. Our expatriate payroll comprises about 100 long-term expats and is continuing to grow.

NE: Do you measure a return on investment (ROI) on expatriate assignments?

EM: When talking of ROI, the first thing is to be wary of a term which owes its origins to the world of finance. But I like the concept of investing when talking about ROI because, when you expatriate someone, you are talking about an investment in one of your employees. The cost of an expat is relatively easy to calculate, being more or less 2.5 times the cost of a local employee on average. The question of the return on this investment is much more difficult

Brussels HQ this summer, and will spend six months in Singapore or Hong Kong before going back to China in January 2007. We have foreseen a repatriation coaching with NET EXPAT China to ensure a 'soft landing' back in China. The progress made by the management trainees and the very positive response from the organization help us to view the future with confidence. Their commitment is incredible! Here's what they said to Lazaro Campos, Head of the Banking Industry Division, and Mark Waller, Head of Human Resources, who are the sponsors of this program: "We are proud of SWIFT, and someday SWIFT will be proud of us!" ■

ROI

to evaluate because it is composed of both tangible and intangible elements. But the fact of trying to quantify the ROI on expatriation and apply a financial concept confers a certain credibility to the company's HR department. The returns for the employer are directly linked to the reasons Givaudan expatriates its people: the transfer of knowhow, responses to operational needs, and diffusion

To achieve cost savings, and for fear of having to tackle certain problems head on, one can end up creating bigger problems

of the corporate culture, without necessarily wanting to harmonize everything throughout Givaudan. Finally, our expatriates help us to work at the global level, to oil the wheels of a big global machine, to work better and more effectively.

It is legitimate to talk in terms of investment in the case of the employee too: expatriation can be a fantastic career-booster and Givaudan offers wonderful international opportunities.

Expert Opinion

Herb Jansen

Ernst & Young's Global Director of Human Capital, New York, USA.



When many companies consider the risks of their global assignment programs, they are traditionally thinking about the risk of not properly complying with a country's laws or regulations. And in many ways, that is still the primary risk that a program faces. Other types of risk – including economic, personal, market and reputation – are almost always a direct result of failing to identify and manage the compliance and regulatory risk inherent in global assignment programs. First and foremost, companies must understand the

Newsletter

on expatriate assignments?

Expatriation is a required rite of passage for all our high-potential executives. What's more, expatriation represents a marvelous human adventure.

On the "cost" side, these expats have to manage the process of breaking with their, and their families', normal environment and make a leap into the unknown.

NE: And how do you cope with the risk of failure in all this?

EM: There are indeed a lot of risks if one fails to prepare properly for expatriation: there is the risk of the spouse/partner or the family failing to integrate into the new environment, there are the professional risks and, finally and not to be underestimated, the challenges linked to the repatriation process, both for the expat and his or her family. The new forms of mobility, short-term and "split family", have brought along risks of their own. To achieve cost savings, and for fear of having to tackle certain problems head on, one can end up creating bigger problems. While expatriating a whole family to another country

is anything but a simple thing, the "split family" solution is, in my opinion, an even more delicate and dangerous process. Even if it proves easier in the short term, the 'short term' often turns into a longer one and can lead to some very difficult decisions... I think employers should put very strict limits on

... there are finally and not to be underestimated, the challenges linked to the repatriation process, both for the expat and his or her family

such matters, because family problems clearly have an impact on an expat's performance. Givaudan's commitment to helping its expats and their partners is well evidenced by the recent collaboration with NET EXPAT, which has rapidly resulted in positive results, both for the employer and for the expats and their families.

NE: And how do you see the future?

EM: I think international mobility will become even more complex, with ever more formulae developed to replace the single expat format of the past. Cross-postings between locations, and not just from or to HQs, will grow and will add to the geographical complexity. Along with this growing complexity, mobility – if it is properly managed by the employer and employees – will be more fluid, as it becomes an even more normal part of a professional career.

Despite progress in telecommunications, we will never dispense with the human presence at the international level: expatriation still has an exciting future ahead of it! ■



What Does Risk Mean to You?

obligations in the countries where they have global assignees, and understand where local obligations may give rise to

Take the time to determine whether your global assignment processes are adequate

cross-border implications. For example, have you considered the impact of Sarbanes-Oxley (SOX) or similar legal and regulatory obligations? SOX has specific rules under Section 404 that

require certain companies to have a compliance process in place to ensure recognition of financial risks and liabilities. It is easy to raise these issues, and often difficult to develop an effective control process. But knowledge – of your corporate obligations and the actual practices of your assignees – is the first step in managing risk for your assignees and your company.

Here are additional examples to consider. Companies often have corporate executives who aren't officially "on assignment", but who repeatedly travel to certain locations outside of their home country for business meetings

throughout the year. Can you adequately determine whether these executives, or "stealth expatriates", are subject to tax in the foreign location, starting by tracking the number of days they spent in each location? Do you even know who these executives are? Or whether they have contravened any immigration laws by visiting too often or for too long?



Some Clients

3M
Advanced Elastomer Systems
ACNielsen
AMIS
Alstom
Airbus
Apple
AVIVA
AXA GMST
BD Biosciences Europe
Borealis
BP
Brady
Bristol-Myers Squibb
Bull
Cadbury Schweppes
Cargill
Colgate Palmolive
Cordis
Corus Group plc
Danisco
Delhaize Group
Dexia
Diageo
DuPont de Nemours
Electrabel
Electrolux
Euroclear Bank
ExxonMobil
Gemplus
General Motors Belgium
Givaudan
GlaxoSmithKline Biologicals
Guidant Europe
Honeywell
ING
INSEAD
International Paper
ITOPF
Janssen Pharmaceutica
Kraft Foods
La Poste
L'Oréal
MasterCard
MBDA France
Merck Sharp & Dohme
Methanex
Nestlé
Newell Rubbermaid
Nissan Europe
Nur
PerkinElmer
Pfizer
Procter & Gamble
PSA Peugeot Citroen
Quest International
Reckitt Benckiser
Saint Gobain Glass France
Schlumberger
Sogem
Solvay
Sonaca
Sony
SWIFT
Standard Life
Tele Atlas
Tessenderlo
Thermo King
Total
Tractebel
Tyco-electronics
Raychem
UCB
Umicore
Unilever
Unisys
UPS
Whirlpool...

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■ ■ ■ Do you know the host country rules for the number of days allowed before the employee becomes taxable in that country? Have you considered the

relationship between visa application designation and tax filing obligations to ensure that consistent approaches are followed? If not, there is a risk of non-compliance with immigration and tax laws. There is also risk of business interruption and penalties if your company is identified by a host country as not complying with the rules.

Of course knowledge for knowledge's sake is not useful at all. You must take the right steps to use that knowledge to effectively manage risk. Start by making sure you have clear and detailed policies and procedures in place. Implement a system to obtain the data on the days an employee is in each country. Take the time to plan your assignments properly. Consider whether you have the right systems, resources, and advisors in place, both internally and externally. And don't forget to implement according to the policies (or all that planning will be for naught!). Periodically, you should conduct a

compliance review to determine whether you are operating in accordance with your established policies and meeting your obligations in each country.

The scrutiny that global assignment programs face is expanding, however compliance and regulatory risk management is at the heart of the solution.

Take the time to determine whether your global assignment processes are adequate to manage your risk in this area. ■

Testimonial

Saritha Uthappa

Accompanying Partner
from Nestlé,
Paris, France



NET EXPAT: Saritha, you've been moving around quite a bit these last years?

Saritha Uthappa: Yes. I left India end-2002 to move to Vevey, Switzerland, where my husband who works for Nestlé was transferred. I basically thought that continuing my career would not prove to be too difficult. At the time I was not fortunate enough to receive support like that of NET EXPAT's services, and so I started by 'spamming around' about 70 applications.

Things tend to work out well when you tackle them the right way!

It was not long before I got to know the bitter taste of silence: I waited to no avail and probably did not even receive five "regret letters". While it was disheartening, I pursued further studies and focused on learning the local language.

Next came our move to Brussels. My husband and I understood that it was important that both of us be able to

pursue our careers and when we were offered the services of NET EXPAT by Nestlé, we were really grateful. It was indeed, reassuring to get the support of NET EXPAT and my coach Pierre-Yves. With Pierre-Yves, we soon had a job-hunting strategy in place and I began to feel surer of positive results. We developed a structured approach, stressed on developing network and soon established two-way communication with potential employers.

NE: ... and this is when the unexpected came?

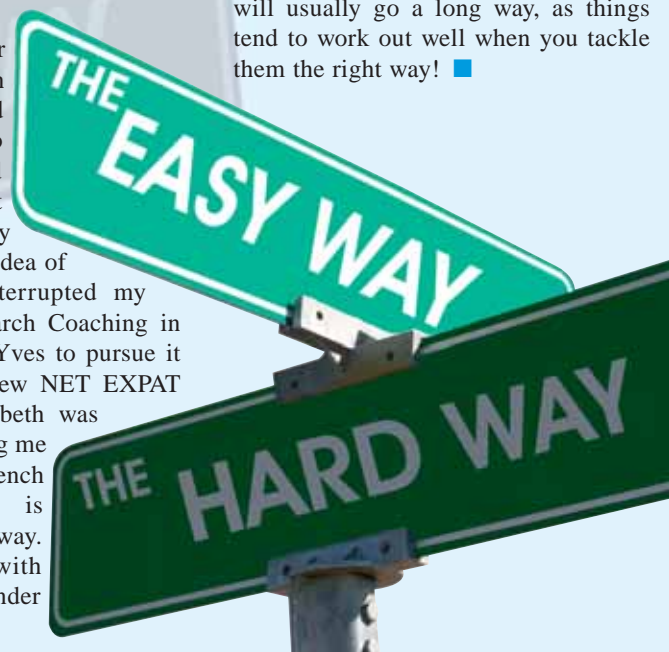
SU: Yes, indeed. After only eight months in Brussels, my husband and I had to relocate to Paris as his office had moved there. I left Brussels, happily reconnected with the idea of working again. I interrupted my NET EXPAT Job Search Coaching in Brussels with Pierre-Yves to pursue it with Elizabeth, my new NET EXPAT coach in Paris. Elizabeth was instrumental in helping me get aligned to the French job market, which is unique in its own way. And so it was with Elizabeth's help and under

her guidance that I had two offers for job. I expect to start working end-January 2006 when my work permit will be delivered.

When we were offered the services of NET EXPAT by Nestlé, we were really grateful

So, Mr. or Mrs. Expat Partner, be patient and prepare yourself in your new environment. Professional help will usually go a long way, as things tend to work out well when you tackle them the right way! ■

Ups and downs



We help you expat your talents

NET EXPAT

NET EXPAT helps Corporations and Expat Families achieve successful expatriation through a series of Career & Life Transition programs in more than 42 countries. Two programs have been specially developed to facilitate international mobility of your Expats while four other programs help partners of your expats find work in their future host country • Web site: <http://www.netexpat.com> • e-mail: info@netexpat.com