

INTERVIEW: ROGER DUCE

Our interview guest Roger Duce is an expert in international business development. He has worked at several start-up projects at international firms, delivering innovative strategies and translating them into practical results.



Roger graduated from Brigham Young University and received his MBA at Cranfield University. He held executive roles at leading direct selling companies like Newways, Young Living, GNLD and most recently at Stemtech where he was the Interim General Manager, European Markets.

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- **Having had senior roles at four major direct selling companies, I would like to learn about your experiences as far as the corporate cultures in our industry are concerned. What similarities have you witnessed and were there major differences between companies?**

My experience with companies in the industry have shown that there are definite similarities between these businesses. Inevitably, companies in our industry offer high-quality products to the end consumer, and companies in our industry are very entrepreneurial, seeking opportunities for international growth and new product development on a consistent basis. However, I think the key thing that distinguishes companies within the industry to others is their focus on personal development. There are very few companies outside the industry that spend as much effort in training individuals and rewarding individual success as our industry. This is one of the key things which draws me to stay, and bodes well for our industry's continued success.

While there are key similarities, there are also some critical differences in company strategy. Specifically with regards to international expansion, there are wide variances in how these companies decide to manage international markets, ranging from a highly centralized support system, where all marketing and IT related issues are handled at HQ, and supply chain is managed as centrally as possible; to a strongly regional system where the various offices around the globe have increased freedom to make marketing and IT related decisions, and product fulfillment is handled more locally. There are pros and cons to each method and therefore plenty of grey area where companies tend to land.

Critical to this regional vs central issue is an underlying decision that the company needs to make about how flexible it wants to be to various cultures around the globe. It is increasingly difficult to be both culturally sensitive and centrally managed, so as a company expands internationally this is always one of the key issues that needs to be addressed.

- **Can we say the corporate cultures at the headquarters are generally reflected on the field as well?**

The Corporate culture of a company is definitely reflected in the field. The values and passions that lie at the heart of any company are, often inadvertently, shared throughout the organization. Staff and distributors alike identify and adapt to the culture of the corporate offices. This can have a profound effect in the business, and therefore it is critical that the founding values of a company are well considered and shared, not just in word, but through action. This is an industry based on duplication. So what I do, others will do as well.

- **You have a wealth of experience in diverse markets. In which areas do you see direct selling companies stumble the most while expanding into a new market?**

There are many issues which should always be addressed when undertaking an international expansion. The key stumbling blocks that I have witnessed in the industry are the following:

- Business case for expansion
 - The worst thing a company can do is underestimate the required cash flow for expansion as it will create knock-on effects throughout the entire business including existing markets.
- Culture and language
 - Marketing decisions made independent of cultural and linguistic considerations may lead to very little return on investment. A shared language does not always communicate as effectively as we might think, (e.g. American to UK english, South American vs the Spanish of Spain).
- Respect for authorities
 - Respect for the regulations of national authorities is critical to positively influencing these stakeholders. Neglect of their regulations will inevitably lead to challenges down the road, which may prove decisive with regards to a company's success.
- Regional vs Central infrastructure
 - A robust infrastructure instills confidence in the minds of key stakeholders (staff, distributors, and the local government), but it has cost implications; therefore, these decisions need to be well considered.

- **What are the most critical success factors in an international expansion? The critical factors for success are similar to the stumbling blocks mentioned above. Thorough consideration of these factors can lead to extensive return on investment.**

- Robust planning. Understand economics, market potential, forecast sales and forecast costs, Project financial returns realistically over 12 months and 5 years. Be decisive with supply chain and marketing strategy as these will have significant cost implications, but the returns might be well worth the investment.
- Key partnerships. Identifying trustworthy and competent legal advisors, financial advisors, and product registration experts can eliminate costly mistakes and lead to smooth market entry.

- Sales plan. Creation of a well conceived sales plan which considers rewards and incentives, training for distributors, sales meetings for new prospects, online communications, and print materials is vital. Failure to deliver such a plan, will lead to complacent distributors and stagnant growth. Don't forget to consider how language and culture can effect these communications.

- **Would you prefer a local or an expat as the Country Manager to lead a start-up in any given country?**

The decision between hiring local or expat country managers is a challenging one. I think the answer depends upon the specific situation of the company. In some markets an expat can be an attractive part of the brand and be seen as a positive. In other markets it is critical to have the cultural and linguistic understanding that a local offers your business.

I would tend to have a local as a the conduit between the distributors and the company. Therefore, I believe locals in the call centers, and locals as sales managers are recommended. I am more open to expats in positions of Marketing, Operations, IT support and regional management.

- **Quite a few countries are now in the EU. Are there still big differences among the member countries that should be taken into account in expanding into the EU?**

While the EU has been making steady progress towards a unified business model, it is not quite being practiced in reality. Product registration, product claims, company registration, banking and tax regulations differ from country to country and must be respected individually. Adherence to these country regulations will develop a stable foundation with the government and pave the way for a solid, long-term relationship within their country. Attempts to identify and take 'short-cuts' may have serious long-term effects and prove costly in the end.

- **Roger, thank you so much for your time. Would you like to add anything?**

Having had experience of developing and implementing operational strategies for companies on several continents both inside and outside the direct selling industry has given me an opportunity to look at our industry with fresh eyes.

I believe that this industry has great potential that is still largely undiscovered.

The ability of our companies to help individuals with their physical and financial well being is critical in these unstable and changing economic times. With demographic changes such as baby-boomers reaching retirement and recent University graduates facing difficulty finding employment, our industry is poised to fill economic gaps that could eventually lead it to the economic forefront. Businesses that plan well, and develop appropriate strategies will achieve great success. Planning opportunities for the long-term will mean that success translates into significant growth and a solid future for consultants, companies and the industry alike.

