

CSO Perspectives: Seth Bohart, Computershare Plan Managers, Managing Director, China/Hong Kong, Computershare

By Jim Dickie & Barry Trailer – CSO Insights

Seth Bohart

Established in 1978 in Melbourne, Australia, Computershare was launched as a technology service provider to Australian stock transfer agents. Listed on the Australian Stock Exchange in 1994, Computershare now has a market capitalization of AU\$4billion. Today, Computershare employs over 12,000 employees worldwide, serving approximately 17,000 corporations. The company is a global leader in share registration, employee equity plans, proxy solicitation, and other financial governance and communication services.

Computershare, like many corporations, had an interest in the Chinese marketplace for several reasons: number of companies, size of the employee population and economic expansion of the country. Also, with only one service provider supporting employee equity plans, the company recognized a potentially large growth opportunity. This was in 2005.

By 2008, Computershare had established a skilled, China-focused operations team, developed key strategic partnerships and had driven significant growth for the business line that delivers employee equity plan administration. The Chinese operation is now a profitable, multi-million dollar service provider with over forty Chinese clients.

To learn how Computershare established a presence in China in such a short period of time through effective sales collaboration, I reached out to Seth Bohart, Computershare Plan Managers, Managing Director, China/Hong Kong. Seth has over ten years of experience in equity plan administration and became part of the Computershare team after the company acquired his former employer, Transcentive.

Seth had spent several years driving sales growth for Transcentive on the West Coast. He was subsequently selected for an international assignment to gain an in-depth understanding of global share plan markets and associated practices. Shortly after that, Seth made his first visit to China to complete a market opportunity assessment for Computershare.

The following are insights that Seth shared with me regarding his sales team's experiences leveraging sales collaboration to support effective virtual selling.

Jim Dickie

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ENTERING THE CHINESE MARKET

By way of background, Computershare Plan Managers is a specialized division within our company that focuses on the administration of employee and executive share plan solutions. With over 3,000 share plan clients and three million employee plan participants worldwide, we are the dominant player in this field. We work closely with our clients to create the right share plan solution to meet their needs and maximize their return on investment.

Computershare Plan Managers has a strong reputation as an innovative and customer-focused service provider around the globe. However, there are some markets where we are or were not a known entity, such as China. To establish ourselves in new markets, it is important for us to prove that we are an excellent service provider. To explain how we do this, let me share with you the experiences of our Australia-based sales force and our efforts to build the business in China.

Initially, we were not completely sure we could build a presence in China. Our first consideration was how we might secure new clients to prove that Computershare could have a viable business. This was not an easy task given our lack of local infrastructure: a non-existent service offering specifically designed for the Chinese market, and limited funding to develop the business.

As part of our initial selling efforts, we were very fortunate to have the assistance and support of our sister company in Hong Kong, Computershare Hong Kong Investor Services. Although they represent a separate line of business (share registry), they were able to introduce us to many of the influencers, prospects, regulators, and other stakeholders related to share plans in the region. We quickly determined that, although the industry was in its infancy, there was significant potential in the market.

One of our greatest challenges was that we could not develop the Chinese market-specific technology solutions without first securing the revenue needed to justify development. We were, fortunately, able to convince some of our first clients to invest in development of the technology required to service their plans.

Today, after numerous sales engagements, client meetings and training sessions in China – Computershare has displaced the local competitive incumbent *and* we have established ourselves as the leading provider of employee share plans in China with over forty of the largest clients in the market. Computershare has built the largest native Mandarin-speaking services team in the industry, and we are currently generating a desirable profit.

Computershare is the first employee plan provider to establish a local company in mainland China, as a wholly-owned foreign entity. We are in the process of relocating the team to China and I am now the managing director responsible for overseeing the Chinese business, which includes solution implementation, product and technology development, client services, payment and trading processes, financial reporting, and sales and marketing.

PATH TO SUCCESS

So, how did we get to where we are now?

When we entered China, I was selling the same services that I did when I was back in North America. However, I found the sales cycle to unfold in quite a different manner.

In the US, a Computershare salesperson would typically have one or two prospect visits with a decision maker from a company interested in our services. Each meeting would last an hour or two and after those few visits, the potential client would select a service provider.

The process in China did not work in the same way and it simply took longer to move through the sales cycle. Each sales engagement required at least ten meetings with a prospective client before a service provider decision would even be considered. In general, building relationships in China was simply a more complicated task.

In addition to many more meetings, we had to answer an extraordinary number of questions – sometimes providing information several times to address the same question. We also had to find several creative ways to prove our capabilities, prove our services, and prove our dedication to the market.

In comparison to the US or North American market, I would describe the Chinese selling environment as more consultative with an emphasis on relationship

building where patience and gentle persistence are required. We learned that being too pushy can seriously jeopardize a potential new client relationship. We also had the obvious challenges that any company would have when trying to enter a new market, whether it is in North America, Europe, the Middle East, or Africa. The sales process was further complicated by the cultural, language and business etiquette nuances of China. Importantly, we discovered that the Chinese perceive value quite differently than decision makers in North America.

Our experience in China has shown us that a potential client's first objection is always price. We also found that most of our prospects believed they could build their own employee plan service capabilities in-house for less money than we would charge as an outsource provider. Therefore, it was very important for us to sell the value of our knowledge and to sell our demonstrated service capabilities as some of the best in the world. It was also essential for us to highlight our system capabilities and our relationships globally with brokerage houses and other value-add areas that could help us implement the required processes and procedures for providing services in China.

Although the majority of the decision makers with whom we spoke were fluent in English, we needed to be sensitive to the language preference in China. As a result, we produced all of our marketing materials, presentations and brochures in English and simplified Chinese. Computershare has now hired a Chinese sales staff and our entire team is conversant in Chinese; we have the largest Mandarin-speaking team in the industry. Therefore, the language barrier and nuances to communicating in a language other than English are much less of an issue now. We have realized a much shorter sales cycle as a result.

A VIRTUAL APPROACH

Selling Virtually

It is interesting to note that Computershare has only recently hired equity plan administration staff to work in China. We accomplished a great deal through our Australia-based team and received counsel and introductions through our stock transfer team based in Hong Kong. Our ability to succeed in selling into China without having local equity plan administration staff is surprising to many. However, we found that selling and providing our services remotely has not been as big of an issue as some might imagine.

Computershare developed processes and service components to make it look and feel like we were operating "right next door." For example, we provide clients with a local Chinese toll free number that rings through to our Chinese-speaking team in Australia. Another approach that we adopted was the use of web-based tools to service our clients as well as sell to our prospects. This has been very effective.

In our sales environment, the use of an online/web-based presentation, conferencing and meeting technology has become an essential part of our sales artillery. We use it quite frequently, especially if there is urgency for us to meet with a local Chinese client. The common misconception is that Australia is in close proximity to China. In reality, it is a twelve and a half hour flight from Sydney to Beijing.

Two key advantages of Web conferencing for us are the time and expense we save from not traveling to remote provinces across China. In the past, even once we arrived in Beijing, we would spend up to another day and a half traveling to remote areas or provinces to visit with potential clients such as the largest dairy manufacturer in China or the largest solar manufacturer in Mongolia.

When you spend that much time traveling in trains, buses and taxi cabs just to get to the client, it can be extremely expensive. Web conferencing has allowed us to become much more efficient in the number of prospect touches we can facilitate and it decreases the amount of travel time. It also allows us to be much more strategic about which meetings require a trip to China.

Using web-based meeting and collaboration tools, we have also been able to effectively execute specific sales tasks such as a customer needs analysis. More importantly, we have been able to deliver high-impact presentations to review core service capabilities, value-added services and unique value propositions with potential clients.

Web conferencing is much more effective than a phone-based conference call. People want to see visual presentations, as they can be easier to follow and much more interesting. I believe you can only effectively show complicated process flows and complex interactions amongst numerous parties when you actually have a visual, diagrammed presentation where you walk the client through step by step. We have found that we can more clearly articulate our messages through the use of the web-based technology, and our prospective clients more clearly understand and retain what we are conveying.

Virtually Servicing Clients

Another thing we have found is that Web conferencing tools are very effective for training our clients' employees. We offer on-site as well as remote web-based training. I have personally found that on-site is always more effective as you can assess how things are going through visual observation. However, when considering time and expenses as well as overall efficiency, our web-based training approach is actually preferred by our clients three to one.

To be effective with our training, we develop customized materials for our clients' employees specific to their plan or plans, and then we provide online sessions for their employees no matter where they are located. Many of our China-based

clients have employees located in various provinces. So, we will set up two to three sessions to deliver training to 700 to 1,000 employees, rather than traveling to five different locations over six days to provide 20 to 25 sessions. This approach has been very effective for sales presentations as well as for our clients' training and educational needs.

Considerations for Presenting Online

As web-based meeting, presentation and collaboration tools are user-friendly and easy to implement, we did not have any challenges within Computershare. However, we did experience some difficulty in convincing prospective and current clients to take advantage of the technology. Many of them simply preferred face-to-face meetings, and/or because they had not previously used web-based presentation and collaboration tools, there was the fear of the unknown.

We were persistent and requested that our audience simply give us ten minutes to show them how easy it was to get set up and how easy it was to use. In the past, we had preferred to meet in person as well. So, we were very focused on making sure our prospect was aware that the use of a web-based conference technology was not intended to replace all face-to-face meetings with them. It was simply a means of getting to know one another quickly and easily.

It is important to know that there are risks associated with virtual selling. Sometimes there is too much focus on improving efficiency and saving expenses rather than emphasizing the effectiveness of the selling process.

It is important to spend time developing the presentation. We have found that using a story-telling approach is very effective in China. To do this, a needs assessment should first be completed and then leveraged in developing a presentation customized to the specific requirements of the prospect. This is an important component to delivering a high-impact, presentation for use in web-based meetings. This will ensure that the attention of the audience is fully captured by speaking to the prospect's needs and requirements.

I would highly recommend that those intending to use web-based tools hone their online presenting skills through mock presentations or role-plays before getting in front of a potential client. We do this with the Computershare team. The presenter sits in one room delivering the presentation online to a mock audience in another room.

Through many sales engagements, we learned that the verbiage and content of a presentation should be in Chinese and include a lot of process flow diagrams, screen shots and pictures to support the story. A presentation delivered on-site is usually used as a prop in that you speak to the presentation. We have found that a virtual presentation is essentially relied upon more heavily. With a remote presentation, you need to speak directly to it and guide the prospective client through the message flow.

Finally, during a remote sales call, it is important to create a dialog with the prospect rather than delivering a monologue. Again, because it is not possible to be in the room with the audience, it is important to be actively engaged with them, and the presentation content needs to be specifically directed to their needs and requirements.

Impact on Sales Success of Virtual Selling and Servicing

Looking back, we could not have entered the Chinese market without support from our colleagues in Hong Kong while spending time in the country to develop local relationships. Once we had the clients and proved that we could service Chinese companies, Web conferencing became a very effective tool for us. While certain prospects prefer that we meet them face-to-face and we can accommodate this while many do not have this requirement. Without the cost and time of travel, selling over the Web is clearly efficient when done well.

With this technology, we are able to save time and connect with many more clients in the same amount of time needed for just a few face-to-face meetings and at a much lower expense. Today, leveraging Web collaboration tools in addition to having Chinese clients to reference has allowed us to shorten our sales cycle by 60% or more since we began our sales effort in China. Lastly, we don't have to wait to move things ahead by going back to China to meet locally with our clients.

SUMMARY OF SUCCESS IN CHINA

There is no one secret or key to success in China. For Computershare, it came down to a combination of efforts: we built on solid relationships our colleagues in Hong Kong had cultivated; we were frequently in China in the initial phases to get to know all the important players and their issues; we adapted to the local culture and were prepared to have that culture drive our sales cycle in the early stages; we listened to our clients for their actual needs; and finally, we used all the technology available to drive improvements in communication and efficiency while effectively demonstrating why this new virtual way of doing business will benefit clients and their employees.