



## BearingPoint Finds the Balance Between Global and Local Marketing

*An Interview with Guy Nielsen, Senior Director, Head of EMEA Marketing & Communications, BearingPoint, Inc.*

*Marketers have long been challenged to find the right balance between global and local marketing needs. They have experienced the constant pendulum swing between resource centralization and decentralization. The centralized organizations worry that they are too corporate-centric and less effective on a local level. The decentralized organizations lament the lack of economies of scale and limited idea sharing. Clearly a balance is needed. But where is the fulcrum?*

*Guy Nielsen has tackled this marketing dilemma in his role as head of EMEA Marketing & Communications for BearingPoint. Previously at BearingPoint, Guy was worldwide leader of field marketing, which included responsibility for communications activities in EMEA, Asia/Pacific, and Latin America. Prior to joining BearingPoint, Guy was vice president of international sales and marketing for a global bond-rating agency and spent 10 years at IBM in sales management and consulting. He is currently based in Frankfurt, Germany.*

*Drawing from his 16 years of experience for this interview with ITSMA, Guy sheds light on how to find your global/local equilibrium.*

—Julie Schwartz, jschwartz@itsma.com, June 2005

**ITSMA:** Guy, what exactly is the dilemma between local and global marketing?

**Guy:** The dilemma seems to stem from a company's heritage of following either centralized or decentralized marketing. Each approach has its advantages and disadvantages. Let me give you two examples. The first comes from private partnerships, such as the Big Four firms and the large global law firms. They tend to lean toward a decentralized model. They control financial communications and brand guidelines centrally and have a global Website. This is as it should be. But these firms leave much direct marketing activity to the country business units, an outgrowth of the fact that their target market includes many small to medium-sized local businesses and the country leaders have almost full autonomy to run their local businesses. As a result, they are typically very effective locally, but they are not organized to leverage scale, reduce costs, and optimize their marketing resources and spend. These firms have a tremendous opportunity to tighten and improve their overall marketing effectiveness. Many of these firms are strengthening their industry-driven model to support their top accounts more seamlessly, and this will require a strong and effective cross-border marketing program.

On the flip side, the large, publicly held technology services companies tend to have a more centralized operation to leverage scale and optimize resources and costs. They are constantly seeking cost efficiency. In addition they all have a fairly well established industry-driven model which means more global and regional marketing campaigns.

As these large technology services companies grow and become more successful globally, their natural tendency is to standardize more. This is an interesting paradox, since standardization often impedes local effectiveness. So they have sometimes over-centralized at the expense of local effectiveness.

**ITSMA:** How do companies find the balance? Should they follow the adage “Think Global, Act Local?”

**Guy:** “Think Global, Act Local” is a universally acknowledged truth. It sounds like a practical approach. But a global plan is simply a roll-up of local opportunities and client needs. Also, since all programs are executed locally, awareness of the local culture is vital if they are to work effectively.

I argue that “Think Local, Act Local” may be a better slogan.

It’s important for all services firms to have a well-defined, global strategic marketing framework. Corporate-driven cross-border programs can leverage scale. The value of synchronized promotion of a capability or an opinion on a global scale is tremendous. As companies globalize and their needs become more homogenous, regardless of the geography, the easier it is to implement effective global campaigns.

But large services companies have to be careful not to over-centralize. In the end, most activities are driven and executed locally. Clients have deep-rooted and enduring cultural preferences, swayed little by rapid globalization. So we must preserve a strong localized presence and approach while at the same time leveraging global scale.

Take a good hard look at your organization to make sure you’re not tipping the balance too much one way. Leveraging scale is great, but not at the expense of being effective locally. A strong local effort is great, but not at the cost of being inefficient from an expenditure and resource perspective.

The client base is a key driver. If most of your revenue and target list is Global 2000, then you should be able to get away with a high level of centralization. If your clients are a mix of global and local entities, then a strong local effort is key. But you should also have a layer of centralized, globally driven activities.

**ITSMA:** BearingPoint comes from a private partnership heritage but is now a publicly held services company. How would you characterize the global/local balance at BearingPoint today?

**Guy:** Some organizations move on a pendulum between global centralization and localization—usually in response to specific events. Going public or acquiring new businesses moves us toward centralizing power and control. That has been our experience at BearingPoint after our IPO and in the early stages of our European acquisitions. Time and growing trust allow us to relax the central control, and after years of optimizing the balance, BearingPoint has found its “comfort zone” of effectiveness with a balance of around 60% local control and 40% central, or global, control.

**ITSMA:** What does 40% global mean?

**Guy:** For BearingPoint, it means an organization structure that enables sharing of ideas and best practices across borders. It also includes a common set of global metrics, a common operational platform for campaign management, and, typically, one “global” campaign for each of the top segments. (At BearingPoint we usually focus on the top five segments.) As a rule of thumb, we spend approximately 20% of our overall programs budget on global campaigns. It also

means true dual reporting—to the CMO and the local business unit leader, which includes a tie-breaker process in case there's a split decision.

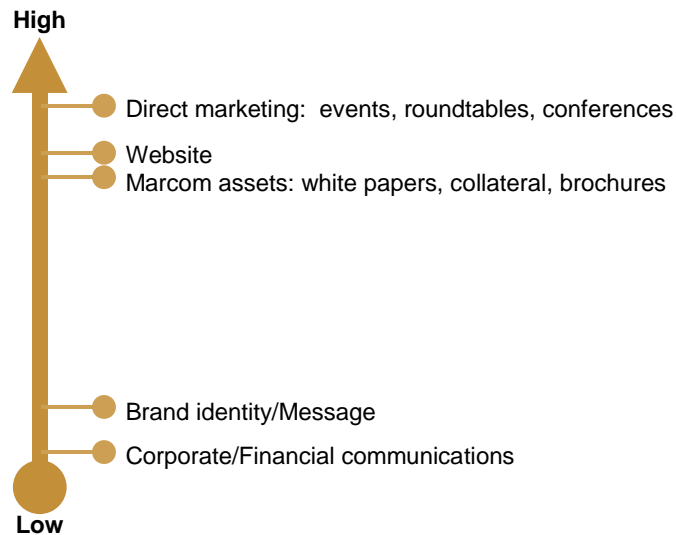
At BearingPoint, we think the need for localization varies by function (Figure 1). BearingPoint is a public company. Therefore we are very strict in our policies regarding financial communications. There is no localization when we talk about our financials and forecasts. With brand identity and corporate messages, there is some room for local tweaking, but in general we want to keep that brand essence consistent globally.

What is interesting about brand identity is the number of missteps that occur in the brand development phase because of lack of sufficient homework in the local markets. Most companies are thorough, but there are cases where it hasn't happened.

The Mitsubishi Pajero is an example. The word "pajero" has a sexual connotation in Latin America. So Mitsubishi sales in Latin America were not so hot, until they changed the product's name to Montero. A fascinating example is Electrolux's slogan "Nothing sucks like an Electrolux," often used as a case-study of insensitivity to double meaning. The slogan was in fact only used in the British market. That may have been a master-stroke culturally with the British, subliminally flattering their cosmopolitanism in knowing the U.S. phrase 'it sucks' and their more sophisticated sense of irony. Interestingly enough, at BearingPoint we had an issue when we initially issued our visual identity guidelines. They had a black border. We rolled it out and quickly got calls from Japan, Brazil, and some other countries informing us that a black border is typically used to communicate death. We quickly regrouped and changed that. That was an easy one to change, but we missed it at the front end of the brand development process.

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**Figure 1. The Need for Localization Varies by Function**



Source: BearingPoint, 2005

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**ITSMA:** Let's drop down to the next level. What does this mean for managing the global/local balance at the campaign level?

**Guy:** Designing and deploying global campaigns for maximum local effectiveness is no easy task. But global campaigns are important. The value is

tremendous when you can do a program that has synchronised buzz across seven or more countries. The scale is fantastic.

BearingPoint has a methodology that ensures alignment to the business priorities, synthesis of the various marketing functions (media relations, analyst relations, Internet marketing, industry marketing, etc.), and effective rollout to each of the local markets. For us, the key ingredients for a successful global campaign are:

- **Executive buy-in.** You should have full buy-in and support from the CEO, business unit executives, and the country leaders where the program will be rolled out. Without buy-in, don't even attempt to do it.
- **Global representatives on the project team.** The project team must have international representation, especially from the biggest countries.
- **Flexible framework.** The campaign plan should allow for flexibility and tailoring for local effectiveness.
- **Sufficient planning horizon.** Allow at least nine months to map out all the details.
- **Budget.** Think through all the costs. If you really want to tailor your programs for maximum local effectiveness, the costs will add up. You'll want to set aside budget for translation, adapting assets to local needs (such as adding an appendix of details to a white paper for Germany distribution) and spending on hardcopy distribution in countries like the United Kingdom, where e-mail blasts are less effective.
- **Global from the start.** The best plans are the ones that are global from the start. It is more difficult to take a local country campaign that worked well and turn into a global campaign with sequential country-to-country rollout. If it wasn't *originally* planned as global, you might have issues force-fitting the campaign into the local plans and getting the right buy-in.
- **Team on the ground.** It's a great benefit to have a team on the ground in each country where a global program is going to be deployed. Otherwise, be sure you have a local advisor on cultural effectiveness.
- **Cultural awareness.** It's critical for the project team to understand what works and what doesn't in each region.

**ITSMA:** Tell me more about the cultural awareness issue.

**Guy:** Cultural awareness is a key factor that is often overlooked. As globalization accelerates, we are all recognizing a big gap in our understanding of cultures, which can limit doing business effectively. Americans like me are probably the biggest offenders in not taking the time to learn about cultures because we're geographically isolated. In addition, many Americans see the United States as the most successful economic and democratic power and therefore assume American norms are the "correct" ones. Even within Europe, where Germans, French, and British professionals have been working with each other for a long time, they've still only scratched the surface in truly understanding how their neighbors communicate and think, why they do things differently, and what to do about it. BearingPoint has made a concerted effort to educate all levels of our organization on cultural awareness, from the executive management team right down to our newly hired consultants. We also have an advisor meet with the executive committee two or three times a year.

**ITSMA:** Don't cultural differences also impact which marketing vehicles will be most effective?

**Guy:** That's absolutely right. The effectiveness of communication channels varies widely by country (Figure 2). Webcasts may be great for the United States but ineffective for Germany. Direct mail may be the best way to get to people in the United Kingdom but less effective in Spain. It's vital to research the local market and understand what approaches work best. Listening to local country leaders is a good starting point.

Also, think about how to give your white papers, case studies, and briefs more local impact. Clearly, translating your communications into the local language will help. But keep in mind there are big differences in preferences, too. A quick synopsis of a survey or opinion piece may work beautifully in the United States, for example, but be viewed a no-value in Germany, where they prefer detail and context.

Think also about the value propositions and messages you select for different markets. Here are some examples:

"We have 16,217 consultants in 24 countries with 305 SAP implementations and leading 41% market share in ERP related projects" may satisfy German, Swiss, or Austrian need for detail, but it could sink like a lead balloon in the United States or Spain.

"We implement solutions with speed and purpose and quickly transfer knowledge to help our clients become self-sufficient" may work well in the United States but may make the Germans and Japanese feel like they're being steamrolled.

"Our consultants know their stuff, but they also know that facts and figures are not the whole story," on the other hand, may be a great slogan for a budding Jack Welch, but it could make the Germans tremble and the French shrug in intellectual despair.

The British philosopher John Locke believed that most misunderstandings are verbal. Clarity is hard to achieve, even with our fellow countrymen, but as soon as we open our mouths we unconsciously verbalize our values and differing world views, complicating communication across cultures still further. Sensitivity to this can improve understanding and trust both ways without compromising what we believe in.

**Figure 2. Effectiveness of C-Level Communication Channels Varies Widely**

|  | Webcast | Direct Mail | eMail Push | Roundtable | Telesales |
|--|---------|-------------|------------|------------|-----------|
| U.S.   | G       | Y           | G          | G          | G         |
| U.K.   | Y       | G           | Y          | G          | G         |
| Germany  | R       | Y           | G          | G          | G         |
| Japan  | R       | G           | Y          | Y          | R         |
| France   | Y       | G           | Y          | Y          | Y         |
| Spain  | R       | Y           | G          | G          | Y         |
| Key: G = effective      Y = think twice      R = not effective |         |             |            |            |           |

Source: BearingPoint, 2005

**ITSMA:** So what process does BearingPoint follow to ensure you have the message right in your local markets?

**Guy:** There are a number of different approaches to interpret the world culturally. BearingPoint has adopted the Lewis Model of Cultural Classification, as it seems to be a rather practical one and useful for business (Figure 3).

It focuses heavily on communication, which we have identified as one place we can really make improvements. It is based on a categorization of cultures into three main behavioral types. In addition to understanding the behavior types, there is a system of predicting the likely style that these types will use or respond well to in different business situations. It also uses knowledge of deeply held values and beliefs to help us fine-tune our approach.

For example, the Japanese are reactive, meaning that in communication they tend to be silent rather than initiating and that they tend to search for harmony and consensus. This should tell us that the discursive, potentially lively and provocative atmosphere of a roundtable is unlikely to work well with them. Another example of how knowledge of cultural values and beliefs can help our decision-making would be sensitivity to a sort of mildly cynical conservatism in the British. The United Kingdom is in the top few countries in terms of use of information technology, so email campaigns should work as well as in the United States. But underneath, Brits feel that email communication can be too glib and insubstantial for important matters. This means, ultimately, a stronger trust in traditional hard-copy communication.

**Figure 3. Cultural Categories Based on Richard Lewis’s Model**

| LINEAR-ACTIVE            | MULTI-ACTIVE                | REACTIVE                    |
|--------------------------|-----------------------------|-----------------------------|
| Talks half the time      | Talks most of the time      | Listens most of the time    |
| Does one thing at a time | Does several things at once | Reacts to partner’s action  |
| Plans ahead step by step | Plans grand outline only    | Looks at general principles |
| Polite but direct        | Emotional                   | Polite, indirect            |
| Partly conceals feelings | Displays feelings           | Conceals feelings           |
| Confronts with logic     | Confronts emotionally       | Never confronts             |
| Dislikes losing face     | Has good excuses            | Must not lose face          |
| Rarely interrupts        | Often interrupts            | Doesn’t interrupt           |
| Job-oriented             | People-oriented             | Very people-oriented        |
| Sticks to facts          | Feelings before facts       | Statements are promises     |
| Truth before diplomacy   | Flexible truth              | Diplomacy over truth        |

|         |      |      |             |        |       |        |        |       |       |       |
|---------|------|------|-------------|--------|-------|--------|--------|-------|-------|-------|
| Germany | U.K. | U.S. | Netherlands | France | Spain | Brazil | Mexico | India | China | Japan |
|---------|------|------|-------------|--------|-------|--------|--------|-------|-------|-------|

Source: BearingPoint, 2005

At BearingPoint, we talk about cultural competence. Cultural competence means using such knowledge and collective experience to “budget” for largely foreseeable differences. However you decide to do it, cultural interaction is a business process that must be managed, not left to chance.

## Global/Local Marketing in Action: A BearingPoint Example

In 2004, BearingPoint launched a global campaign targeted to the financial services industry. The campaign leveraged a global CRM survey conducted in conjunction with *The Economist*. With a nine-month planning horizon, BearingPoint outlined a global campaign consisting of a press release, a white paper, a Webcast, a series of roundtable discussions, and speaker placements at banking conferences. However, BearingPoint soon learned that “global” cannot exist without “local,” and the company quickly modified its original plan.

What prompted BearingPoint to scrap the original plan? A highly successful, provocative research headline. Here’s what happened.

The research project, like many others, was led by the company’s U.S. organization, which created an attention-grabbing headline:



With this headline, BearingPoint was sure to get attention. And sure enough, the campaign was a huge success in the United States, garnering BearingPoint much coveted press coverage and white-paper downloads. However, what works in the United States does not necessarily work in other countries. Telling the Japanese or Germans to “Wake up!” might not go over well. At the very least, the intent of the headline would not be understood. The marketing organization quickly regrouped and modified the original plan to account for geographic and cultural differences:

| Original Global Marketing Plan   | Revised “Glocal” Marketing Plan   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ A global press release announcing the research results</li> <li>▪ An e-mail push with a link to the white paper; registration to capture leads</li> <li>▪ A Webcast reaching 10 countries</li> <li>▪ A global road show for 8–12-person roundtables led by U.S./U.K. presenters</li> <li>▪ Speaking slots at banking conferences</li> </ul> | <ul style="list-style-type: none"> <li>▪ A “toned-down” press release in the more sensitive markets</li> <li>▪ Four versions of the white paper—in U.S. English, U.K. English, German, and Japanese</li> <li>▪ An e-mail blast to the United States, Germany, and Spain</li> <li>▪ Webcast only in the United States</li> <li>▪ Hardcopy direct mailer in the United Kingdom, Japan</li> <li>▪ Telesales follow-up to registrations in the United Kingdom, United States, Germany</li> <li>▪ One-on-ones in Japan, France; roundtables in the United Kingdom, United States, Germany</li> </ul> |

The proof, they say, is in the pudding. BearingPoint generated a significant amount of pipeline and bookings as a result of this campaign. The campaign bookings distribution nearly mirrored the company’s geographic revenue distribution: 50% Americas, 30% Europe, and 20% Asia, a well-balanced global campaign.

## Recent and Related Publications

- **Connecting with Customers: Generating Awareness, Interest, and Confidence for Technology Services**, May 2005.  
Based on interviews with 211 key decision makers for purchases of technology services in U.S. companies and government entities, This *ITSMA Focus Report* provides detailed data and analysis to help marketers deliver the most effective information at each stage of the buying cycle. It provides insight into how customers first learn about services providers, which marketing vehicles are most effective at each stage of the buying cycle, and the most influential third-party input.
- **Using Business Impact Tools to Communicate Value: How Avaya Revitalized Its Services Business**, April 2005.  
This *ITSMA Case Study* describes the marketing-led turnaround in Avaya's maintenance services business. The report highlights how Avaya made its remote services more tangible and valuable using customer-driven tools and an integrated marketing program. Finally, it spotlights the success of the program, which, by early 2004, had not only stabilized renewal rates, but had spurred growth, increased services revenue, and strengthened customer loyalty.
- **Rethinking Marketing in a Solutions World**, March 2005.  
Amid dramatic changes in the technology marketplace in recent years, many IT providers are trying to move up the value chain by providing more comprehensive and business-oriented solutions. To succeed with solutions, however, requires companies to rethink virtually every aspect of the way they go to market. This *ITSMA Update* highlights seven key initiatives that companies must take to market and sell solutions, and includes successful examples from such companies as Accenture, BearingPoint, EDS, HP, Unisys, and Wipro.

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