

Yuval Noah Harari: The world after Coronavirus



This storm will pass. But the choices we make now could change our lives for years to come

Humankind is now facing a global crisis. Perhaps the biggest crisis of our generation. The decisions people and governments take in the next few weeks will probably shape the world for years to come. They will shape not just our healthcare systems but also our economy, politics and culture. We must act quickly and decisively. We should also take into account the long-term consequences of our actions. When choosing between alternatives, we should ask ourselves not only how to overcome the immediate threat, but also what kind of world we will inhabit once the storm passes. Yes, the storm will pass, humankind will survive, most of us will still be alive — but we will inhabit a different world.

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60th edition
M&A NEWS
275th
Associate
joined CBA

Many short-term emergency measures will become a fixture of life. That is the nature of emergencies. They fast-forward historical processes. >>> continued page 4



A global business life

Richard Hemingway joined CBA as 275th Associate, writing about his experience in cross-border business transactions

Conducting business globally seems to be something that is programmed into your DNA. A bit like the wanderlust that some of us inexplicably have and other folks do not. The itchy footed soul versus the homebody.

From very early on in my professional life, it became apparent that international business was going to be a part of life. One of my early roles as a young CA was with a wonderful company based out of Sydney, Burns Philp & Co, who began in the 1880's as the first company to offer tourism excursions to PNG, and became a shipping and merchant company around the pacific islands. The spirit that gave rise to that trade lived on the company even when I worked out of their head office as an auditor in the late 1980's, traveling across their operations in the Pacific, Asia and Europe.



Coming out of that experience (and after having lived for a number of years on an island in Sydney, commuting twice daily on a small runabout boat....), I moved into my first CFO role in the resources / infrastructure / construction sector – based in Jakarta, Indonesia. In reality, this was the start of my addiction to entrepreneurial cross border business. As country CFO for a pioneering small cap, ASX listed company, we spent the next years assessing and forming business relationships around the region. Amongst the work there was forming a single purpose JV with a local partner for equipment hire into a major greenfield mining project; structuring cross border leasing agreements; managing the foibles of currency exposures in a hyper inflationary environment, heading into the Asian financial crisis years.... All great learning, for a young finance professional.

Back in Sydney, continuing on in the infrastructure sector, saw the listed firm for whom I was CFO, execute a series of acquisitions in Australia, NZ and Asia to transform a mid- size construction company into an infrastructure group with revenues over \$1bn and operations in a dozen



countries. Aside from the wonderful experience in structuring various M&A deals at the corporate level, it left us with the task of integrating and operating the businesses into a seamless service provider.

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We had created plenty of opportunity for cross-selling and up-selling, that we could either capitalise on or squander. There were a range of systems to streamline, and different business cultures to unify and optimise. No shortage of challenges, but all great stuff!



Next, I moved to New Delhi, India and spent a number of years, again as CFO for a large infra business, and a further period for the same group in a regional CFO role based out of Kuala Lumpur, Malaysia. Again, the business was full of cross border transactional work – JV's, major tenders, SPV's, acquisitions – and

across the resources, infrastructure, construction and energy sectors.

I took a change in direction after that and left corporate life for a family sabbatical. A whole new set of experiences again! That led to establishing Mandanex Capital, out of New Zealand, where we were living at the time. Coming out of the rigours of chartered accounting and the support & depth of large, listed companies into the SME world was an interesting challenge.



How to bring the financial discipline and structure of listed corporates through to the SME sector, whilst preserving and valuing the resourcefulness, entrepreneurship and adaptability of those businesses? And conversely, drawing on those nimble SME



skills to bring value back up to some of our larger client businesses, some of whom may suffer inertia through the burden of process.

Since its establishment in 2014, the Mandanex group's guiding philosophy has been the facilitation of cross border business in the middle market, by providing access to our teams on the ground, each of whom have strong networks in their home markets. It currently has operations in Australia, New Zealand, Indonesia, Singapore / Malaysia, India and Southern Africa.

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We have representation in Europe and North America, and further access to global networks via IR Global. Our work is principally in the areas of:

- Business Valuation
- Capital Raisings
- Mergers & Acquisitions
- Corporate Advisory
- Transition Preparation & Virtual CFO

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My business partners and staff across each country come mainly from strong industry and professional services backgrounds. Hence, our advisory work typically takes a very pragmatic approach, suited to the client's business, seeking to add value throughout the process and practical in its application, all with the end transaction in view.



Hopefully, my story has been an interesting read, but I'd also like to share some lessons from my travels, if I may, as they pertain to CBA's work:

People – it seems obvious, but worth stating that it is all about people. No matter where you are, the size of organisation & team, the cultural backgrounds, etc, people truthfully are the greatest asset, and the greatest teachers, who habitually exceed your expectations. I'm truly lucky to have a global network of friends and associates.

Diversity - Rightfully, there is a lot of talk around diversity currently. We should not pay lip service to diversity. I've learned that the importance of seeking diverse views in proper decision making cannot be overstated, and even more so when dealing across borders.

Opportunity – there is opportunity everywhere, and as we work with our clients in the middle market, it is truly exciting to be able to open opportunities up to clients in environments that they may have viewed as inaccessible.

Keep Learning – I will always cherish the learning opportunities that the world, and in particular, its business face has presented me. My philosophy has always been to seize such opportunities with both hands and go beyond my comfort zone – that’s where the best learning occurs!

As an aside, I have been a mentor in a program for younger, mid-career accountants for some years now, and what is fascinating about it is the amount of learning that happens *both ways* in such a relationship.

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Why CBA?

I became very involved in education when living in New Zealand around 10 years ago. Ultimately, as chairman of the main secondary school in a regional centre there, with around 1,000 students, we regularly debated strategies for optimising educational offering to students given the relative geographic isolation. The school itself, the outstanding staff and the eclectic student body had generated a number of sector leading programs. One such program, which had begun to be replicated

nationally, involved mandatory community service in the final year of learning and proved enormously fulfilling for the students and created strong community engagement. Without going into detail, suffice to say, it was obvious that if one school could generate such value adding programs, surely working together nationally and then regionally to both provide and draw on the best ideas available was in everybody’s interest.

Bringing that back to business, then, and it is equally obvious that whilst corporate behemoths such as Google can resource ground-breaking innovation internally, there remain the rest of us... Every week, I meet entrepreneurs who bring innovation and creativity to their fields of endeavour. Many of those ideas will be worthy of cross-pollinating business internationally, for profit motivation surely, but moreover there is also the sense of leaving a mark that is of equal importance, and the accelerating effect created by the exchange of such ideas.

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How then, without the depth of pocket that the major multinationals boast, can we as M&A advisors assist our clients in realising the goals of international growth, and allow them to access much of the economic, cultural, political and ecological benefits that trade across borders bring? My own firm has been working to create an integrated value proposition to facilitate this sort of activity, with the networks of our key representatives in New Zealand, Indonesia, Singapore, Malaysia, India and South Africa, together with our team here in Australia. Across our footprint, we provide a conduit to market entry assessments, investment opportunities and appropriate, skilled professional service providers to support mid-market companies

appropriate, skilled professional service providers to support mid-market companies as they grow.

And so, when I happened upon CBA a short while back, it seemed a perfect fit and I felt compelled to start a conversation with Gundo Kahle, CBA's CEO. With the reach that members have globally, be that individual practitioners or firms, we can collectively present the kind of assistance to mid-market clients which they deserve, and that is pitched at the right level for their operations.

I'm excited to join the CBA network, and look forward to interfacing with the CBA Associates, either working on a particular opportunity, or equally, I'm always happy to have a talk and meet when the opportunity does come.