

UKIBC Case Study

MOORE STEPHENS

Tell us about your business – its origin, offering and coverage?

Moore Stephens is a leading independent accounting and consultancy network. We were established in 1907 in London as a small accountancy firm with the 2 founders named Moore and Stephen. It has grown organically in the intervening time - it was Moore Stephens & Co and it changed its name to Moore Stephen in the 1980's. The grandson of the founder is still a partner of the firm.

Tell us about your global geographical footprint?

We have 647 offices across 98 countries worldwide. The only exception is in Africa, where we focus on SA rather than Africa as a region.

When did you make the first investment in India?

An independent company from India initially joined the Moore Stephens network in 1980 so we have had a presence in India for almost 30 years in the auditing and taxation area. Our current venture are focused on other services particularly Corporate Finance. We currently have 3 network firms in India at the moment and operate in 13 cities.

What were the main drivers of your decisions to foray into India?

Moore Stephens network has clients that are involved in cross border requirements and so we seek to expand our network in those countries so we can serve clients in those areas. Our clients were moving to India and they wanted to take advantage of our network so we looked to expand our network in India.

What was your business strategy for entering India?

Our business strategy is based on a network model and in the last few years we have been focusing on expanding our network. We are now looking to get business from India by capitalising on our network out there; we will be focusing on SME's and wealthy individuals rather than the big conglomerates that the big four deal with. We want to take advantage of SME's and high net worth individuals that are pursuing a diversification strategy in their own interests. Also there will be more listings coming from India in the next few years and we want to be involved in those.

What business model did you leverage for market entry into India?

Our business model in India has been very similar to that of other countries - we tend to

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match up with firms that have a similar ethos. We always do sufficient due diligence on new members to make sure that our name is protected.

What have been your biggest challenges of entering and operating in India?

We are both new to the market – but I would say the size of the country is a challenge as we are looking to expand. We are being guided by our contacts in India and covering the country is a challenge for anyone. We haven't faced many other challenges. The Raj period has been very beneficial for companies looking to operate in India, as English is widely spoken; the company laws are very similar to English laws. From a cultural and legal perspective it has been beneficial especially as Indians like doing business with the British from our experience.

Has the Indian investment met up with your expectations, please state why?

The time that we have invested in the last year has been worthwhile. Our client database was relatively low at the beginning and it has grown immensely because of the culture of the India community - they want to do business, they want to exchange business cards so it has been very much worthwhile.

What key factors would you attribute your success in India to?

- The network of firms that we have placed already have enabled us to leverage their knowledge,
- We have developed a good external network of contacts,
- Good planning and commitment to generating success in India
- The quality of our work - London is an international finance centre and Jersey is renowned for being a high quality jurisdiction.
- We operate in a different marketplace, we tend to find that we are better at working with SME businesses so that is an advantage as it is different to other competing companies

What impacts (if any) have you experienced as a result of economic downturn in the UK and India?

In the UK on the corporate finance side the listings have been very quiet there and that has had a knock on effect on M&A. There are signs that this is beginning to pick up now. In India, there are more M&A opportunities this year and there are more promising opportunities in terms of listings

Do you feel that your company has been more or less severely impacted by the economic downturn in the UK as opposed to India? If so, why do

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you feel that your operations in India have been more or less effected?

Although the UK and India are part of the same cycle to a degree, there are more promising opportunity in India for us over the coming year.

Does your business operate in China? If so, could you tell us more about how your experiences of doing business in China differ from that of India?

The network does operate in China and we have been involved in transactions in China. However, we have chosen to focus on India because of the language and legislative advantages in India and we also feel that the real opportunities are in India.

What is your candid view on future opportunities within India for your business?

The Political and economic climate is very promising with the recent congress party win as this will have a positive impact on India's reform agenda. The GDP in India is expected to grow by 6-7% in 2009 and the recent elevation at the G20 all signal that India is on track to become the world's 3rd largest economy. The people are so warm and receptive - until relatively recently Jersey was unknown and the levels of knowledge were relatively low but when we returned at the beginning of Jan it was great to see how much they remembered. It's an excellent place to do business.

From Moore Stephens network perspective, our aim is to increase our coverage - a firm of our stature should cover the whole of the country. From a Corporate Finance perspective, we see future opportunities very exciting and the fact that Indian business and high net wealth individuals are pursuing diversification strategies and going overseas means that we have opportunities to work with their aspirations. We have been successful so far and we are committed to generating more success - our growth plans are ambitious and we will be investing a lot of time and resources into the growth of Moore Stephens in India

What advice would you give to other mid-cap businesses in the UK looking to do business in India?

It is difficult to say at this stage as we are on the road to growth ourselves and still have a way to get to where we want to be. But the best advice that we can give is that you need contacts out in India or some sort of partner but doesn't have to be a formal arrangement. Whether we could have survived without our contacts is questionable. You also need to demonstrate the commitment to travel there on a regular basis.