



Making key international – and regulated – leadership changes in a pandemic

Client:

A small Australian subsidiary of a multi-national listed Japanese company.

Industry:

Manufacturing and distribution.

Client challenge:

A sudden need to respond to key leadership changes during COVID-19.

Grant Thornton services:

Restructuring advisory (business turnaround) and the Japan Practice.



Mid-sized businesses often run lean teams. So when someone leaves, the impact can be significant.

Making sure you have the right people in your organisation is essential. Identifying this leadership talent can be an extensive and time-consuming process. Further complications arise when you physically can't be in the location – or in this case, country – due to a global pandemic to manage your urgent and mandated appointments. A team at Grant Thornton provided local support to this leading Japanese parent company.



Grant Thornton
Australia



Business
Turnaround and
continuity



Client challenge

A reputable Japanese company (the Parent company) acquired an Australian entity before the outbreak of COVID-19.

About a year after the acquisition took place – and during the global pandemic – the General Manager resigned. This GM was also the only Australian resident director – a requirement of doing business in Australia.

The Parent company had no direct experience of running the business in Australia. Travel restrictions and border closures also meant they were unable to send a representative within their Japanese management to run the Australian subsidiary on the ground.

The immediate challenges faced by the Parent company were to identify a candidate to fill the GM role and to ensure the key management functions were supported so that the business continued to operate effectively during the transition.

The solution

A team at Grant Thornton Australia – bringing together our restructuring and turnaround experts and Japan desk representative – was engaged by the Parent company. The first step was to establish transparent and consistent communications between the Parent company and the Australian subsidiary to develop a plan for the transition.

The Grant Thornton team helped run the process for engaging a new Company Director, which was a priority given the legal requirement to have at least one Company Director located in Australia. We also assisted on transitioning responsibility from the departing GM to the temporary new GM, and attended the first meeting between new GM and the Board, as well as oversaw other matters as required by the Board of the subsidiary and the Parent company representatives.

Supporting local management was key to the business operating effectively throughout this phase, so there were regular on-site and local management meetings.

The team also liaised with the client's largest customer, ensuring consistency in the relationship at a key time for the business, strengthening the relationship from both an operational and strategic perspective.

The outcome

The Grant Thornton team was able to move quickly to identify the right people for the key leadership roles, being GM and local Australian-resident Director. The team provided financial support and was the on-the-ground liaison for the Parent company to ensure ongoing stability of the local business.



‘Doing business in Australia provides lots of opportunities for foreign-owned businesses, but there are strict considerations you must meet.

‘Our global network means we can support cross-border growth – we can be on the ground where and when you need.’

Shoko Arakawa
Japan Practice Leader, Grant Thornton