



Czech **headhunter** **boosts** Russian operations via takeover

Czech-based international executive search firm **Pedersen & Partners** (P&P) doubled its Russian operations by taking over Moscow, Russia-based **EWK International**, a well-established player on the local market. The move is aimed at reinforcing P&P's position in Russia and bringing more local clients to its core business, Poul Pedersen, managing partner with P&P, told *CBW*.

BY CRISTINA MUNTEAN

"This acquisition will give us the critical size we need in Russia. On this market, we would like to grow from an executive search firm focused on Western multinationals to one that combines synergies and serves the local clientele as well," he said.

Through the takeover, P&P is bringing on board three new consultants, two of whom join the firm as partners. Sergei Serdioukov, one of the new partners coming from EWK becomes the new general manager of P&P operations in Russia. The combined team will work under



Poul Pedersen

the P&P brand in Moscow and Saint Petersburg. P&P also took over EWK's database and existing clients. Pedersen said that the new clients, mainly Russian groups with interests across Central Asia, will be able to use P&P's wide expertise in the Commonwealth of Independent States (CIS). Currently, P&P has offices in all CIS countries, including the Caucasus states, Moldova, Ukraine and Belarus.

Pedersen said that his firm didn't pay anything to achieve the deal. "We didn't pay for it. We're paying [partners] for what they bring to the firm in the future," he said. He declined to comment on the names of

clients P&P serves in Russia or on the financial revenues of the group. "We never disclose results, as we're a limited partnership."

In Russia, Pedersen said his firm is now in the top 10 to top 15 on the executive search market, while being in the top three in the CIS market. "I hope this acquisition will bring us to the top five to top 10 in Russia in the near future," he said.

In the future, P&P might consider further acquisitions in Russia. "Some 50 years from now, Russia will be probably like the U.S. market. As we come early into such a market, I wouldn't rule out that one day we'd open a third office here," he said. "This is the start, but we certainly want to consolidate and there is the space to do it."

Synergies from the Czech and Russian markets

P&P has been present in Russia since 2002. Before the merger, it had three consultants and two researchers in Moscow and one consultant and one researcher in Saint Petersburg. The majority of consultants were expatriates. Now, the takeover brings more native Russians on board, which is aimed to stimulate local operations. The move is planned to boost the Czech and international operations of P&P as well.

"There are many Czech firms getting ready to go to Russia," Pedersen said, mentioning Czech financial group **PPF**, which owns one of the largest home credit suppliers on the Russian market. Also, there has been a high interest from Czech managers to develop professionally in Russia. Compared to the Czech Republic, the yearly salary of a financial manager with the same education and level of competence can be up to 40 percent higher in Moscow than in Prague. "Financial stimulus is a high motivation to attract more managers to Russia," Pedersen said.

Pedersen & Partners has been expanding extensively for the last decade. Currently, it has 37 offices in 36 countries. Russia is the only country where the firm has two offices, according to company information. In 2010, P&P aims to open at least two more offices in new destinations. "We're looking at Saudi Arabia, Egypt, Nigeria and Kenya, but no final decision has been taken yet," Pedersen said. He noted that Middle East and Africa are the future regions where the company plans to grow. "Latin America is too far away for us for the moment. Asia is indeed more interesting, but it's also more crowded. We see our highest potential in untouched markets such as the Middle East and Africa," he said. "I'm sure that in three to five years from now, we'll be the largest executive search firm in Africa."

In the Czech Republic, P&P has five consultants. ■