

Literary

Club

Budget

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In my adolescence years travel was exotic, known only through grade school geography courses and adventures with Aladdin's lamp. History courses began to add meat to the bones of geography. The Greeks, the Romans, the Crusades, the Discoverers, then the wars made it even more exciting.

My first airplane trip was courtesy of the United States government to attend basic training at Lackland Air Force Base in San Antonio Texas. My most recent was to Thailand for a few days. In between I've learned quite a lot about trying to do business in other countries. My first such experience was Europe in the 1970's to aid in developing an international marketing research company, then to the Caribbean as a sailor adventurer, and more recently to Asia to explore investment markets coming alive.

Whether as a traveler, a tourist, or a business person there are simple guidelines or rules to make each foreign venture more successful. The simple answer goes back to grade school, know, understand, even study the history and culture of the country in which you may be working or visiting.

A year or so ago I was enlisted to value a company in Phuket, Thailand, an easy and pleasant task for a guy with a lot of investment experience. As it turned out, it was indeed an experience, but not one I expected !

The subject company was a mixed martial arts training camp. MMA! I knew nothing about such a business, a "gym", kick boxing. Oh Lord ! I saw a Jean-claude Von Damme movie once and boxed as a kid, but this Mixed Martial Arts. Oh My !

And then Thailand, I had been in Bangkok a couple of times, but the rest of the country? And then the next issue, not just MMA, this camp or gym specialized in Muay Thai ! What in the world is that ? !

So I did the business-like thing, met the people involved, examined the financial statements, got a lawyer In Bangkok, and began to study or research as much as I could.

First, this company was known as Tiger Muay Thai, located in Chalong, a village on the other side of Phuket, not the fancy resort area. The camp wasn't quite in the jungle, but close, palm trees, dirt roads, and often barefoot.

Muay Thai is the national fighting sport of Thailand, it is their football, boxing, or cricket, it is a treasure of physical skills, all rolled into one. They fight with "eight points of contact," fists, elbows, knees, and feet." It is really an art form and requires great skill and physical conditioning, training, and strength. The art and rules are over 400 years old and emperors, great warriors, along with every day men, women, and children are regularly trained and are fighters.

The fellow I was working for in doing this valuation was an American, young man not yet fifty, a college football player, little bit in the pros, who went off to Thailand fifteen to twenty years ago starting his adventure as an English teacher in a private Christian school in Chang Mai. Call him Mac.

As an athlete, this Mac guy wanted to stay fit, to work out, so he went to a small local gym in the evening to lift, pull, run, kick and all that. He found out about this Muay Thai style, liked it, and then decided to start his own gym or training facility.

Over the next 15 years this start-up adventure grew into the largest MMA training camp in the world; it sits on three acres, has four large gyms, covered yet sort of outdoors, weight rooms, an outdoor running track, guest rooms, a restaurant, offices, conference rooms and six of the octagonal fighting rings always associated with MMA matches.

The guest, clients, students or whatever come there are from all over the world, only a few are actually Thai, forty percent of the guests are women! Now get this, these guests are there, staying at the camp or in near-by hotels for a week, a month, or several months; they work out for six to seven hours a day, six or seven days a week ! This is s serious energy.

And there are 250 to 300 people working out every day. They have 60 licensed trainers on staff. It is a real business! But Mac returned to the

States two or three years ago as there were serious health issues in his family. Another American, who had been working with him at the camp as an assistant, temporarily took over managing the business and things changed, revenue even grew, but profits seemed to lag, vendor issues arose, and many administrative matters, such as building permits, employment agreements, and government filings were neglected. I also found out another very difficult problem; the whole thing was built on leased land, which had but two years left to go, and the landlord was not interested in renewing.

A valuation? My assignment was impossible. There were serious problems in this little business. I took over as chairman, and when I brought in an audit team, the manager quit, I brought in counsel and new interim management. Then tried to figure out how to save this fascinating little company.

Here is where the guidelines, rules, and experience in foreign, non-USA business, came into play.

The very first rule is to know the history and to try to understand the culture of the country. This is not "what to wear" or even speaking the language. But know the culture. For instance, Thailand was never conquered or colonized by the Western powers in the era of discovery, colonization, and trade; it is one of the oldest empires in the world and ruled by an emperor. It is surrounded by what was formerly known as French-Indochina, which

became or was returned to being what we know today as Vietnam, Laos, and Cambodia. It is a Buddhist country.

A second rule, almost every county on earth knows the the dollar, the United States, and it's advanced commercial enterprises. So many countries also know conquers, slavers, and invasions. While we as contemporary business men and women do not try to covey being better and do not want appear to be superior, often we cannot help ourselves, and error in little ways. Try to be respectful of traditions, not necessarily imitating them, but knowing such. This may, of course, also apply to religion. The past was "the white man's burden", a widely held belief in the 18th and 19th centuries and a position still around in many businesses today. And In business, one does not want to appear to be superior, richer, or smarter; they, whomever you are meeting with, often know a great deal more about you, than you know about them.

Most foreign countries do not have legal systems identical to or even similar to that of the United States. It is hard to figure out what a local agreement exactly says, even when written and translated. Semantics and linguistics.

Things change over time amid political occurrences. What is the difference between conquer and liberator, much less racial or religious matters, many of which are thousands of years old.

At Tiger Muay Thai, or in the martial arts camp with which I was now involved, all of these ideas or things I thought I had learned over the years, came together.

The PROBLEM: we had a fine little business, great reputation, good revenue, a pretty good operating staff, trainers, and support people, BUT senior management was lousy, chicanerous, and corrupt, we were running out of money, and the local government was all over us on various violations.

EASY ANSWER, raise some capital or put in some more money and solve your problems, fire bad people, get some more good people.

I dismissed this tack as what I had learned or experienced in the past kicked in! The problem was not just money, it was our culture of management as Americans or Westerners.

I felt that this business would be best run on site by locals, a Thai management. It is not an American import like a golf course or the NBA! It's Muay Thai. Of course you have to have some money, that's often the easy part!

I have come to believe that most foreign countries don't want or need US money as the cost of accepting a subordinate position is both no longer accurate (if it ever was) and too high.

And then even more so, this is a prestigious business, fighting and winning. Find a local sportsman. One who wants to own something around which to be envied, something everyone wishes they could do, like win the Kentucky Derby, or be the owner of a team that wins the World Series,

SOLUTION: Find a Thai businessman, sportsman, hard working, and wealthy, and make a deal! In our case, the prospective buyer knew we were broke, and I knew that he knew.

Lo and behold, we found the perfect partner and swiftly consummated the transaction. We both got what each wanted, we respected one another, and we communicated. We made a deal !

Since then, this past August, this Thai businessman has renovated Tiger Muay Thai, added to it in many ways, improved some of the facilities and lifted it even further into a unique position in the world. Our little group , principally Mac who is now comfortably in the States with his little family, are proud of what he started and how it is growing and prospering.

My grade school history and geography classes were, just maybe, a success in in how to think globally.

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