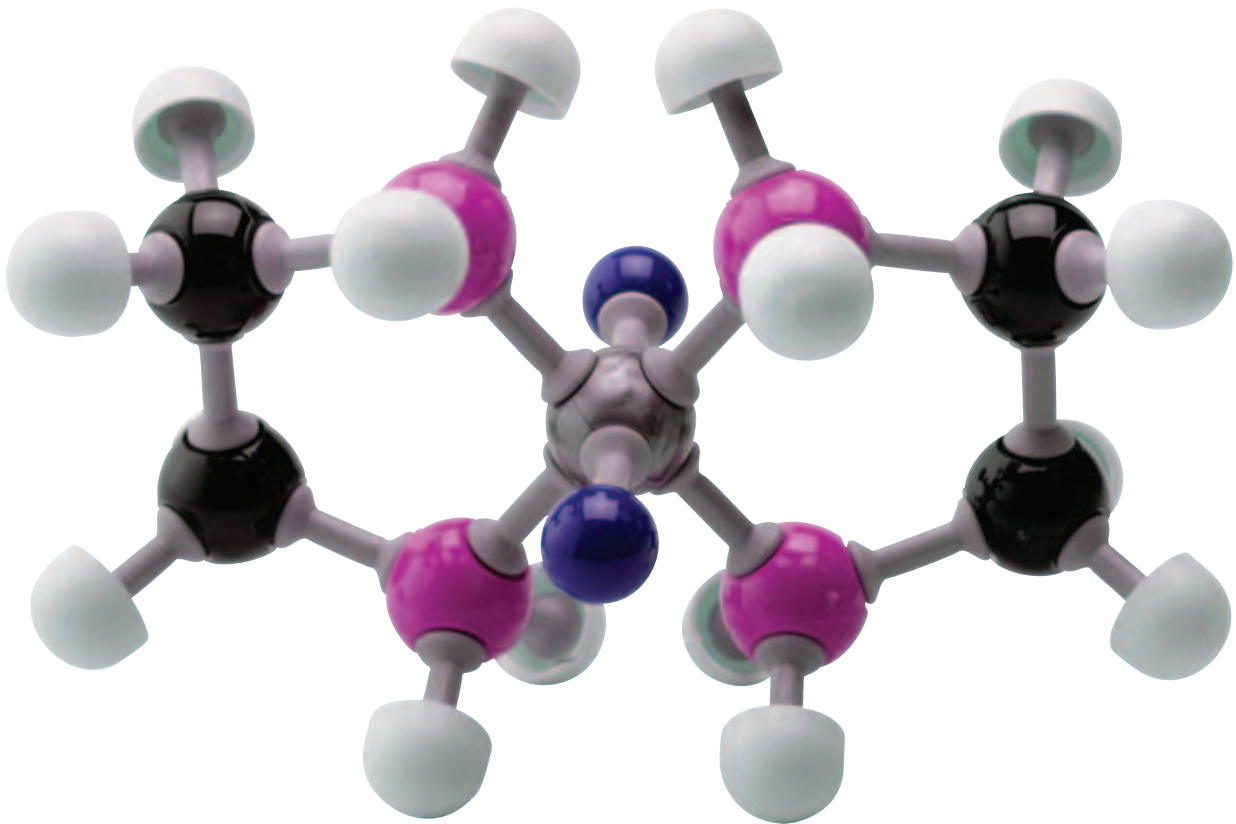


# Build with the best

The UK has undoubtedly benefited from welcoming overseas business talent. However, BT's CFO **Hanif Lalani** feels that UK-based international companies wishing to build their businesses with the strongest talent are not being well-served by headhunters, as he explains to Nigel Ash.



'If I look at recruitment and headhunters,' says Hanif Lalani, CFO of BT: 'I think they are still very much local firms with a global brand. They will have offices around the world but they are very much focused on their local markets. If, by chance, you are looking for someone in a specific area, they may ring their local office. I believe, however, that because of where the business world is heading and where we are at BT, what we need is a global perspective that pulls together all that information about potential recruits, anywhere in the world. It is a completely different mindset that we need.'

Lalani strongly believes that the recruitment agencies would do much better by 'turning their game around' and recognising that there is a global pool of talent available, upon which they should be focusing and change their operating models.

'No-one has embraced this completely, but I do believe that there are many that are thinking about it. From our perspective, with a presence in 186 countries, which continues to expand, we need to have very commercial, capable people driving great performance for our customers.'

Though the BT finance function employs many nationalities, Lalani identifies India and Sri Lanka as being a major source of recruits. He also cites Africa 'not in terms of volume but in terms of quality people. And of course Europe is abundant with good recruits.'

### International roaming

Lalani reckons that the average age of his finance function is in the mid-30s and he himself is 45. Recruiting key professionals worldwide does not, he believes, mean that these individuals should then be brought to headquarters to have the corporate imprimatur put on them. It is perfectly possible to develop finance talent in-country, especially if an organisation has effective web-based, business-wide internal communications. BT, of course, as a provider of such systems, is fully connected.

'What we have tended to do with our new overseas recruits, is to start them off in-country, in the majority of cases dealing with in-country commercial issues.'

However, BT has a shared service structure, based on centres of excellence and some new hires may be attached to

one of these. 'So we may, for example, have procurement experts or finance experts working on bids and tenders but they may be working in India on a global tender for a customer'. With strong internal communications, a business can have finance professionals working on programmes for the whole of the company but they just happen to be located in India, Hungary, France or the US.

Lalani doesn't believe that there is a shortage of global talent to be tapped by UK-based international companies. 'I was in India about six months ago where we have taken on a number of MBAs. They all turned around and said that in their classes, there were 16 or 25 others. Therefore, if we wanted to do any further recruitment, they could bring us all the applicants we wanted for interview. The volume of people with the capability that these universities are turning out means that if you really want to recruit people there, you don't have to try very hard.'

**'With a presence in 186 countries, we need to have very commercial, capable people driving great performance for us.'**

### Ambitious operator

When Hanif Lalani was appointed BT group finance director in February 2005 he was a man on a mission. In two years, he slashed £65 million of the finance function's costs and took 1,100 jobs out of the area, both in terms of in-house staff and third party outsourcers.

Carrying with him the staff, old and new was essential. In Lalani's view, anybody embarking on a mission, whether in finance or anything else, needs to communicate the business case for creating change and set out 'the burning sense of urgency behind it'. Unless people understand these things, it is difficult to go further.

For him the simple issue was the cost base of the company, which had not been changed substantially over the last decade. The changes necessary to produce a leading finance function embraced not just the people, but the processes, the systems and the way finance professionals thought and compared themselves to others.

You can hire one, two or three and they will suggest friends and colleagues from their classroom, all of them looking to enhance and use the capabilities that they have. So there is no shortage of good candidates at all.'

What is true of MBAs is even truer of overseas graduates. 'I think they have the energy which comes with hunger and desire. If you look at the skills, capabilities and techniques, they have come through the same training methods. Analytical capability is very, very strong, as is decision-making. What we are finding is that younger people are not scared to say what they think. They have very strong opinions, based on the information that they have in front of them and they are happy to share their beliefs. With that combination of energy and capability, it is just a question of pointing them at the problem.'

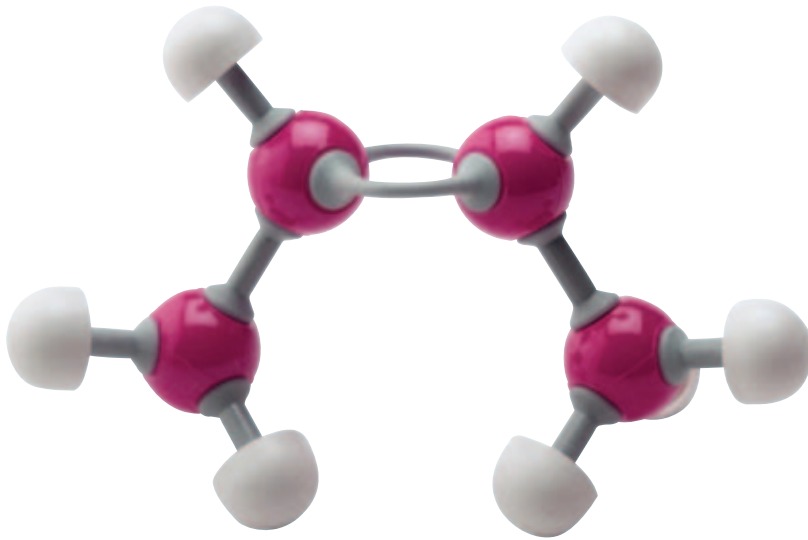
### High-speed connection

BT maintains a three year graduate entry scheme that takes on around 10-20 people

Early on Lalani identified advocates for the change, not all of them existing managers, who had the energy and drive to embrace the changes and in many cases influence the rest of the finance function. There was an element that initially sat on the fence to see what would happen and a small group who decided very quickly that the new dispensation was not for them, and moved on.

'The key thing is to tell people that they have great capabilities and they can do great things. In my case, it was very simple. I said, 'Do you want to spend the rest of your life doing purchase orders and putting them into the system or do you want to work on helping improve acquisition and integration? Do you want to help us solve other problems?'

Implementing radical change, he admits, was initially daunting, 'but it actually turns out that it isn't that hard once you get people with you'.



each year. 'They qualify through CIMA,' says Lalani. 'We give them a variety of roles to allow them to complete their log book. They then move into the finance function with a discipline behind them, having experienced quite a lot in their first three years.'

He believes that it is important to put a focus on leadership by giving graduates access to finance directors in the business, to make sure they feel motivated and want to continue with the business when they have completed their training.

'At the same time,' he adds, 'we also go into the marketplace. There is absolutely no shortage of people with the right commercial skills, who, having worked in

other companies, bring with them new ideas, new ways of working, challenging existing processes.'

During his two-year radical BT finance function overhaul, Lalani sought out action-oriented professionals. 'They are willing to try things and learn from mistakes, to take a considered risk on a different approach.' Although changes had to be thought through and analysed thoroughly, Lalani still demanded drive. 'What I really wanted was to inject pace into everything we do and not necessarily be 100% right. I was quite happy with 95% or 90% and then changing as we moved along. It was pace and action that I was really interested in.' ■

## Hanif Lalani

Hanif Lalani was appointed group finance director at BT in February 2005 and is a main board member.



In July 2007, he was voted best chief financial officer in the European telco sector, an accolade that came from buy-side analysts in the Institutional Investor Research Group (IIRG) 2007 European Investor Relations Results.

He joined BT in 1983 and has worked in a wide variety of roles in the company's UK and international divisions.

Lalani went to Northern Ireland with his family in November 1998 to take up the post of finance director BT Northern Ireland. In October 1999, he was appointed chief executive of BT Northern Ireland. He was also chairman of OCEAN Communications, BT's subsidiary in the Republic of Ireland, from June 1999 to September 2000. In April 2002, he was appointed managing director of BT Regions.

In September 2002, Lalani returned to London as the CFO for BT Wholesale and in January 2003, he was awarded the OBE for his services to business in Northern Ireland.

He was born in Uganda in 1962 and moved to the UK with his family in 1972.

**'There is no shortage of people with the right commercial skills, who, having worked in other companies, bring with them new ideas, new ways of working, challenging existing processes.'**

### Local calls

During the changes to the finance function and since, Lalani has used an internal website to communicate with his fellow finance professionals. 'The key thing for me is communication. If you do not communicate often enough and people do not know where to go for information, it leads to a vacuum which tends to create rumours and myths.'

Over and above face-to-face communication and regular meetings where local team leaders checked off

milestones, there was a strong reliance on a two-way flow of information, to assess what was going right and wrong and how approaches could be modified.

The original internal website, he says, not only enabled all finance function staff to pull down the latest information updated on a daily basis, but also to push back experiences from people who were actually encountering the effects of the change.

'This arrangement gives you a combination of push and pull and means people can at their own pace, think through what is going on. And also there was a feedback tool on all of the things that we did. If you were in a team meeting and you had some ideas, there was a way of sharing those. People could send information back saying, 'Look, these things are really not working but I didn't want to say it in public.' So people had lots of different opportunities to share their thinking with us.'