

# Guiding a Business Through Rapid International Workforce Growth

## Overview

A fast-growing U.S.-based company planning and executing an aggressive global expansion relied on Covington to mastermind a comprehensive implementation strategy that met the business' goals while addressing compensation and benefits planning and employment challenges across dozens of jurisdictions.

## Project Challenges

A core strategic vision of our client was to be the global leader in its disruptive business. To achieve this vision, the company planned a massive expansion that would take the company to the four corners of the globe in a very short period of time.

The company needed help assessing the myriad compensation, benefits and employment rules and standards in the countries targeted for expansion, while achieving consistency across regions. Allowing employees across the world to participate immediately in the company's U.S. stock plan was of particular philosophical importance to the company's founders.

The company's fast growth and increasing global publicity added to the complexity, because the approach needed to satisfy local requirements without causing adverse consequences for employees. Staying true to the company's culture and ethos was imperative to the business.

25+ Countries in 24 Months

## Strategy

A lean Covington team of global employee benefits and employment lawyers, combined with assistance from Covington global executive compensation, securities, data privacy, and tax attorneys, worked closely with the company to create an integrated strategy to ensure a global model for remuneration and benefits that was in line with the approach in the U.S. and with the strategic vision of the company.

## Is Your Company Facing Similar Issues?

- Are you a multinational company contemplating or undergoing a major expansion?
- Is your company acquiring other entities in jurisdictions around the world?
- Are you a U.S.-based entity with a rapidly expanding global footprint?

## Strategy (Continued)

Our experienced lawyers played a key role in orchestrating the company’s global expansion and in drafting the company’s country- and region-specific employment and employee benefits documents. This work involved direct coordination with the key stakeholders at the company who have a hand in the company’s longer-term expansion and development, including representatives from:

- the legal department
- the executive compensation team
- tax and accounting
- the executive operations team
- various business teams
- real estate
- human resources
- global mobility



Prior to this project, many of these internal stakeholders had not had the opportunity to work together across departments as a dedicated group

The company decided on an approach which saw its templates for the UK—which we had helped to create earlier—form the basis of those for all other countries that were part of the expansion project. Covington advised on the conversion methodology and the implementation plan, serving in a “quarterback” role in coordinating among the various stakeholders and other advisors mentioned above.

### Project Highlights

#### Strategic Planning for Entry into New Markets Outside the U.S.

- Assessment of different employment rules and standards
- Employment contracts
- Confidentiality, IP and post-termination restriction agreements
- Local employee policies and application of global employee policies
- Immigration/visa considerations

#### Compensation and Benefits Planning

- Application of U.S. equity plan
- Assessment of local securities, tax and employment law position
- Creation of novel alternative incentivization arrangements, including region-specific phantom equity plans and recharge agreements for certain countries

#### Recruitment and Termination of Employees

- Discrimination and equal treatment laws
- Probationary periods
- Background checks and pre-employment screening (privacy considerations)

## Results



The company was able to execute its aggressive expansion strategy while also achieving its goal of applying consistent compensation and benefits standards across its global platform.



We continue to serve as global employment and equity compensation counsel for the company on both day-to-day and project-driven matters.



The company continues to cement its global footprint with increased confidence as a result of our involvement.

## Contact

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