

PEOPLE MOBILITY

Lunch & Learn

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The People Mobility Alliance hosted a second **Lunch & Learn** session with experts who shared their insights on the compliance, compensation and policy needed to be successful in #Expanding2Germany.



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#Expanding2Germany

Working from anywhere is no longer a distant dream for many employees. It's a reality. It has given people freedom in what they do, where they do it and how they do it. For employers, this presents a unique opportunity to fundamentally change their value proposition. It means they can now access new talent pools and drive big cultural change. #Expanding2Germany seems attractive, but there are also wide-ranging implications and responsibilities to consider.

Main Findings

-  **Germany** is open to welcoming companies of all sizes.
-  **International talent** is keen to move to Germany, especially in the main hubs like Berlin, Munich, Cologne and Hamburg.
-  The German government recognises the talent shortage in **critical infrastructure** areas.
-  **Employers of record** are vital to the recruitment of international talent.
-  The **transfer experience** is one of the most important factors to consider when moving internationally.
-  It is important to build **company culture** even while using **employers of records**.

Legal Focus

Five distinct types of companies are seen expanding into Germany. Each of these companies requires different legal services.

There are large international corporations that are already established in their home country and are looking to expand into Germany. There are also small international startups looking for fast global expansion. These organisations need corporate & employment law advice, as well as commercial law advice.

Next, there are international companies that have acquired a company with a pre-existing German presence. These organisations need post-merger integration and consolidation legal advice.

Global companies of the professional services sector need advice on compliance with their business model. Once they're established, they also need ongoing advice in all fields of law.

Finally, there are global advisory companies. Their role is to help other international companies grow and expand globally. While these companies often already have a German subsidiary, they still need legal advice in all fields of law, depending on the issues their clients have.

When launching an international company in Germany, the first legal step is founding a German subsidiary for the clients in the form of a GmbH (limited liability company). The timeframe for this can vary but an Employer of Record is useful here because they can provide the fastest and easiest solution.

Corporate Focus

Expanding to Germany is an obvious move for many companies. Germany has the largest economy in Europe and is always growing.

Employers of record are useful from a corporate perspective because they provide local knowledge. This is often lacking from the company, especially if they are only beginning their operations in Germany.

Employers of Record can also provide international companies with both blue-collar workers and high-end professionals.

Under normal circumstances, the end-to-end launch process of an international company's operations in Germany can take between 6-12 weeks. Companies should be prepared for this to take longer, especially under pandemic conditions.

International companies should also be prepared for it to take several months before a new employee is up and running in Germany.

Individual Focus

When it comes to individuals, it is clear that there is a desire to expand their career paths into Germany. Germany is home to a growing number of business and cultural hubs. Cities like Berlin, Munich, Cologne and Hamburg all attract huge numbers of personally motivated international talent.

While we often see people expanding their horizons in Germany, many Germans are also expanding their talents into other European countries such as Spain or Portugal. Either way, there is a passion among people to become flexible workers and take the time to discover new countries and climates.

However, one of the biggest challenges individuals face when moving to a new country is the complexity of the process. Especially for families who are moving with spouses, children and even pets! The transfer experience is vital to a successful move abroad.

Employers of record are an integral part of the transfer experience and can provide proper relocating counselling which can help increase onboarding satisfaction. Employers of record can often help provide community and local knowledge that might be missing from the company, especially if the company itself is international.

Positive news for employees is that the German government has recognised the talent shortage across Germany in critical infrastructure areas (e.g. healthcare/IT) so there is an obvious need for international talent to expand into Germany.

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People Mobility Alliance

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