

TRANSCRIPT Episode 28 – David Liddicoat

Jonathan Bench: Today, I'm joined by David Liddicoat, founder of Ascend Global Consultants, helping companies build and scale high-performing teams, particularly in the Philippines. A finance, people, and operations leader with international experience, he's passionate about unlocking talent and developing leaders.

Known for a hands-on, people-first approach that blends strategy, execution, and real-world experience, David, welcome to the podcast.

David Liddicoat: Thank you very much, Jonathan. It's great to be here.

Jonathan: We met through a mutual friend, and you are, I believe, from Australia. Did I get that right? It's not New Zealand.

David: Correct.

Jonathan: Those of us in the States don't quite have the discerning ear to be able to tell an Aussie from a Kiwi, usually, until we've spent time around both. It's been a while since I tuned my ear, so I'm really happy to have you here. But you are based in the States now.

David: Correct, yes, based in Indiana.

Jonathan: Indiana. Now tell us a little bit about your personal and professional background. You just launched a new venture last fall, I believe.

David: I did, I did.

Jonathan: But it's built on your skill set that you've been growing over years and years. So give us a little bit of the rundown. How does a kid from Australia end up in the U.S.? How do you end up specializing in a business that focuses on the Philippines, on outsourcing to Asia, and maybe some of the lumps and bumps you got along the way?

David: Perfect. Jonathan, yeah. I studied my undergraduate degree at the University of Western Australia. I'm from Perth, Australia, about as far away as you can get from Indiana.

Jonathan: I heard that Perth's a different country, actually, from the rest of Australia.

David: It is very different. Yes, yes. We like it that way in Perth.

It's the best-kept secret of Australia. Many people will land in Sydney or Brisbane, which are beautiful cities, or Melbourne. But because Perth is so far away and there's nothing in between, they don't get the chance to go down to Perth and experience the beauty that's there. Amazing beaches, beautiful weather. It's a little gem.

But anyway, I completed my studies there in Perth and spent the first 10 or 11 years of my career in wealth management and financial planning. At that point, my wife and I made the decision, and it was a dream that I'd had for many years, to complete an MBA. So we packed up our young family and moved across the world to Brigham Young University, where I completed my MBA and spent two years living there in Utah for business school.

Part of the reason I wanted to do that was I had a desire to work in the corporate world and felt like the MBA was the best way to bridge the skills that I had into that environment. So I took that opportunity and moved there. After graduating from BYU, I was able to land a role in Silicon Valley. I started working in corporate finance there and worked for a few companies before getting an opportunity to head back to Australia with a software company that wanted me to lead their finance organization in the Asia-Pacific region.

So I spent a couple of years working in that role. I was the director of various entities across Asia-Pacific and was responsible for their controllership and finance operations. Then I was setting up a new entity for them in the Philippines. The company had made a decision to build a team in the Philippines, and so I helped them get that off the ground. They then asked whether I would be willing to move up and be the site leader and really help lead the growth of the organization there.

My wife, who's an absolute trooper, agreed that would be a great opportunity. So again, we packed up our young family and moved up to Manila and spent three years living there. During that time, I was able to grow the team there for that company from zero employees to 530 and had just an amazing amount of success. I really enjoyed that time and continued to run the regional CFO role as well as being the site leader for the Philippine office.

After that, I was asked to move to Indianapolis, which was the largest office for the company I was working for. So we moved back to the U.S. and I continued to work across the global sites we had there. At that point, I moved out of finance and more into an HR role and was responsible for people operations, as well as the global sites and the global employee experience in places such as Chennai, India, Manila, Philippines, and other locations around the globe.

I've since worked with another software company where, again, I was asked to help them build their team in both India and the Philippines. So I worked to build those teams for that company. And then that led me to where I was late last year, setting up Ascend, which was my desire to build something where I could help businesses with their offshoring and make sure they would be successful in offshoring and building strong teams in the Philippines.

Jonathan: That's fantastic. And you and I talked about this just before we hit record. You're currently early on the Ascend side. You've been building it for just months now, but you're also engaging in conversations with capital partners and potential investors.

What are you learning at this point as a mid-career, mid-life entrepreneur? And I'm also curious, how do you think you're a better entrepreneur at this stage of your life than you would have been in your twenties?

David: Yeah, look, I was an entrepreneur in my twenties, and I knew very little back then about operations and the global environment. I didn't know so many things about how a company operates or what's important to a company. So I think I come at it now with so much more experience, both global experience and a better understanding of the overall structure of an organization.

In my younger years, I was very much focused on just one function within a company. I think the experiences I've had over the last 15 or 20 years have enabled me to understand so much more across the entire organization, not just finance, not just HR, but all the different aspects of how a company works together, as well as people from different backgrounds and countries and what's important there.

So I think I bring a rich and deep understanding of the overall business environment to be able to help all sorts of businesses and organizations.

Jonathan: Tell me about offshoring. It can be a good word or a bad word, depending on which country you're in and who's in charge of the political environment. But talk about that for a minute in terms of why offshoring is still compelling, and maybe some of the considerations that go into conversations you have with your clients when you're helping them decide: do we offshore, what do we offshore, and where do we offshore it?

David: Yeah, there's a lot of different things that go into offshoring. Part of the reason, and one of the reasons that Genesys, the company I was previously working at, was looking at it, was that they had a global customer base, but most of their employee base was in the U.S. So they needed to look at how they were going to grow at scale and make sure that their people were in the same locations where their customers were.

They were trying to build that follow-the-sun model and help ensure that customers throughout the globe would be able to reach someone from the company any time they needed to. So that's one aspect of offshoring: trying to make sure your customers' needs are met wherever those customers may be around the globe.

Another important part is access to talent. We've seen that since COVID, where all of a sudden we don't necessarily need to have all our talent in one location. Talent is more

dispersed. There are certain skills and abilities that may not be available in the market where we're located, or there may be a shortage of those skills in the markets where we are. So a big part of offshoring is helping businesses really find that talent and uncover it wherever it may be.

Jonathan: So you are clearly bullish on the Philippines, because you have a lot of experience there. But tell me why the Philippines is such a compelling option for companies to think about, and then maybe some alternative countries that others may not have thought of in the context of offshoring beyond India, let's say.

David: Yeah, look, India and the Philippines are two of the largest offshoring countries in the world. Others, and quite often U.S.-based companies, will look at more of a nearshoring strategy in countries such as Mexico and Colombia to access the talent they need.

The Philippines in particular, part of the reason I'm bullish on it and part of the reason I've seen so much success there, is that there are a number of reasons it works well. One of them is the cultural proximity between the Philippines and the United States. Obviously, after World War II, when the U.S. was heavily involved in rebuilding the Philippines and helping the country come out of the Japanese occupation, a lot of the systems and models in the Philippines became very U.S.-based. The Filipino people have a very strong alignment with the U.S., culturally as well as in their government organizations. So things are set up in a very similar way.

The language in the Philippines is another strength. It's one of the largest English-speaking countries in the world. So a lot of U.S.-based companies are able to go there and build a team that is able to speak English well and in a clear accent that is easy for U.S. customers to understand and work with.

The education system is strong, and the Philippine government has continued to improve and invest in it. A lot of students are coming through strong universities and getting the training they need. Then the next level of training comes from the proliferation of shared services centers, business process organizations, and multinational companies that have set up in the Philippines. These organizations provide the workforce with a strong level of training, which helps people get the upskilling they need to manage those roles and really develop the talent that's there on the ground.

I would also say there's a lot of flexibility in the workforce there. And this is a long-winded answer, so I apologize for that, Jonathan.

Jonathan: This is perfect.

David: The flexibility of the workforce is something that's great as well. Yes, the Philippines is on almost the exact opposite time zone, particularly from where I am on Eastern time. They're 12 hours ahead of us. But the workforce there will work across different shifts.

It's interesting, because when you hear about cities like New York being cities that never sleep, go to Manila and you'll find out what it really means to be a city that never sleeps. The lights are on in office buildings, and you walk around them at one, two, three o'clock in the morning and there are people everywhere because they're working the night shift. There are some people who actually prefer those shifts because it fits better with their schedule.

So you have people on a day shift, a mid shift, and a night shift. There are always people working there, and that flexibility definitely appeals to U.S. organizations.

Jonathan: What are some other front-runner countries? When I think of outsourcing labor, especially for an English-speaking market, I usually think about the Philippines and India. Are there any other front-runners, or maybe tier-two up-and-coming countries, that companies may want to be looking at if they're considering other time zones or other parts of the world?

David: Yeah, there are other parts of the world. In Southeast Asia, there are places such as Malaysia, Cambodia, and Vietnam that have talent. A lot of the time, these are lower-cost countries that people will look at and explore.

In Eastern Europe, there are a number of countries where talent is available for certain roles, and businesses will look at setting up teams there. Places such as Poland and Hungary. I would have said Ukraine up until recently, but of course there's a lot going on there. Coincidentally, that still doesn't stop some organizations, because I am aware of certain ones that are setting up there because the talent is strong. But it adds an extra level of diligence that needs to be done.

Then, as I mentioned earlier, some Latin American countries such as Mexico, Colombia, and the Dominican Republic are certainly places where organizations are looking to offshore and find the right talent.

Jonathan: So I'm a lawyer, which means I always think about the legal aspects of having employees, whether they're actual employees or consultants or you're working with an outsourced company. What are some of the legal considerations that companies often overlook when they're thinking about expanding globally?

Usually my best clients are the ones that call me after they've already made a mistake. So I'm always encouraging companies to go out and try to figure it out on your own with AI, by all means. And then when they call me after that, it's a better conversation for me.

David: Yeah, there are a lot of things to overlook. One of the biggest things I've seen companies overlook is the idea that they can stand something up immediately, that they can set up an entity straight away and start hiring right away.

In reality, in a lot of these countries, it takes longer. There's more red tape. There are certain elements that need to be thought through and planned out before you can go from "we've made the decision" to "we're hiring our first employee." So it's a matter of making sure you have that awareness as a business and that you think through it and plan accordingly.

At the last company I worked for, there was this idea that we could stand something up in India in three months and start hiring straight away. That was not the case.

Another important element is what type of entity you're going to set up in one of these countries. I'll give the example of the Philippines, where there's a government body called PEZA, the Philippine Economic Zone Authority. If you set up your entity through PEZA, it comes with a number of tax advantages. However, on the flip side of that, there are also a number of restrictions around how you can do your business.

So if you choose to register under PEZA, and I've helped organizations do that before, there are very compelling reasons to do so. But there are also compelling reasons not to. If you go that route, you have to be aware that it's going to add a lot of additional administrative work and additional requirements that you have to adhere to in order to continue receiving those tax benefits.

Sometimes businesses may be better off just going through a regular entity setup and structure. So it's really about planning at the beginning and making sure you understand all the different requirements that come into it.

Jonathan: How pervasive is the internet right now? I'm asking this as a very broad question because if I think of a place like Malaysia or the Philippines, I know even between city centers and more rural areas there can be a gap.

How would you say we're doing in terms of that level of penetration where people can actually do their jobs from a cell phone somewhere remote, or do they need to be in a city center right now when you're looking at offshoring to locales in Southeast Asia?

David: Yeah, it's a great question. If you had asked me that six years ago, prior to COVID, my answer would be very different. My experience living in Manila, in one of the most modern, built-up areas, paying for the most expensive internet I could get in my home and still having dropouts on a regular basis, would have led me to say that you need your employees working from an office in one of those large metro areas.

The Philippines has invested a huge amount in infrastructure as a result of COVID, because they saw very quickly that all of a sudden employees needed to work from home, and the right sort of internet needed to be in place. So the internet today is significantly better, and coverage for people in their homes is significantly better now than it was before COVID. A lot of investment has gone into that.

I would say there is still a case to be made for a number of people having office space in one of those large metro cities. Again, the Philippines has invested in a couple of those cities. You hear of Manila, obviously, as the capital, or Metro Manila, which is a combination of a number of cities in the metro area. Cebu is another area with strong infrastructure and strong office space. But other second- or third-tier cities such as Iloilo also have that sort of infrastructure for business. The Philippine government has really put a lot of investment into making sure those cities are ready and able to support hiring there.

Jonathan: Fascinating. And would you say that a lot of people have laptops and work from home generally? Do companies issue laptops so people can work from home? Is that the norm, or is it still desktops?

David: Yeah, that is the norm today. Six years ago, it was, “You’ve got a desktop here at the office.” But when COVID shut everything down, the Philippines was very strict on its COVID requirements. So all of a sudden, companies needed to issue laptops to employees who had previously worked only on desktops.

The changes definitely happened in the workforce there such that people now have those laptops and that ability to be a little more remote and flexible.

Jonathan: So let’s talk cultural nuances, because this is what I love. I always joke that I’ve never met an Australian that I didn’t like, which I think is still true to today. Maybe when I travel to Australia I’ll meet some jerks, we’ll see.

But talk a bit about cultural nuances, because when you’re trying to mesh cultures, and it’s hard enough if you’re working with people who speak the same language, have the same culture as you, same time zone, same cultural references, and you grew up watching the same cartoons. What is it like when you start meshing global organizations and you’re trying to build teams and capture synergies where people really feel like they’re part of the team? How do you bridge that between West and East?

David: Yeah, look, I found, and maybe not all companies can set up a team in the Philippines in the way that Genesys did when I went over there as the site leader, but I think maybe I stumbled into this style of leadership when I took on that role. It was very much a matter of understanding the culture in the Philippines and the people there.

They are such friendly, outgoing people. They've got such a love of life. Whenever we'd have an executive come into our office and view it, the common refrain was, "Wow, the energy, the excitement, the enthusiasm here is palpable. It's just so different than other offices that we go visit." That had nothing to do with what I built or established there. That was because of the people in the Philippines. They really have that zest and love for life.

Probably the clearest indication of it is that everyone walks around singing a song. Karaoke is massive in the Philippines. Everyone loves to sing karaoke. You'll walk into a mall and someone's on the karaoke machine singing. Wherever you go, you hear someone singing to themselves. It's really quite amusing and quite fun. There's just this energy and excitement.

I think you need to capture that as an organization and build it into the workplace. The Filipino people like to be together and they like to have fun. So you need to be able to build that into your organization and make sure that if you're setting up a team there, you allow some kind of budget for the team to get together, have fun, and build relationships with each other.

Recognition is another important part. Milestones matter, and making sure that you're recognizing employees matters. All of this leads to stronger retention among your employee base there. At the end of the day, it's so important to retain, build, and develop the people you have.

I think that's something a lot of companies miss. Unfortunately, more often than not, companies will look at a place like the Philippines and think, "It's a low-cost option. We're doing this only for the cost arbitrage." And they miss out on so much more because of that. They don't realize that if they think more broadly and see it as a talent destination, there's so much more they can gain. But they have to invest in the people and in understanding the culture.

Jonathan: I love that, thinking about offshoring not just stereotypically as a cost savings center, someone answering the phones, but really leaning in and looking at the people and taking training seriously.

What are some of the roles that might be considered less traditional roles that you're seeing outsourced now, that companies might not have considered five or 10 years ago?

David: Yeah, I think one of the big roles seeing more and more work being taken up in the Philippines is on the engineering or development side. Again, that has typically been an area where Eastern Europe or India has dominated. You can get great engineers in those countries, whereas the Philippines historically hasn't had as strong an engineering background. It's been more known for customer support and that kind of work.

But over the last decade, a lot of investment has been put into university programs and into training and development. So we're seeing a lot more staff being hired into R&D roles, particularly software R&D. Of course, my background has been in software, but that R&D and engineering type role is an area where more and more people are being hired in the Philippines.

Jonathan: How important is the government? You've alluded to it in a few of your answers already. But how important do you see the government's role in helping forecast where the country wants to be, building the labor pool, making internet infrastructure available, probably improving transportation, and making sure there's enough energy to run buildings 24/7?

How much do you see the government really leaning in and being a champion for success? Because I feel like maybe some of us think governments are there and they just slow things down too much. What have you seen happen to make the Philippines more successful?

David: Yeah, I think the Philippine government has been good. Yes, infrastructure is important, and I'll be honest, the infrastructure is not ideal in a lot of ways when you talk about roads and things like that. But I think what they've done well is ask: how can we incentivize businesses to set up in the Philippines and grow here? What are the things we need to do to encourage companies to establish operations here?

We've seen that growth. We've seen the growth of so many multinational companies with large shared services centers operating in the Philippines. I think that's largely because of the incentives that have been given, as well as making sure business can be done there and that the essential infrastructure is in place.

Jonathan: What's the fastest you've seen a company successfully set up an entity and hire its first employee?

David: Set up an entity and hire? I would say six months.

Jonathan: Yeah. Six months. Yeah.

David: Because it's not just getting the entity registered. It's then registering with all the different government organizations. It's getting your banking set up. It's getting your payroll set up and having all of that ready to go.

So often, and what we did with Genesys, was realize that we weren't going to be able to hire as quickly as we wanted if we waited until the entity was ready on the ground. So we partnered with an employer of record there. They helped us, had their recruitment team and everything else ready to go, and then helped us transition those employees over once our entity was ready and tested.

Jonathan: And so if you're looking at companies that are thinking about doing this quickly, retooling in a matter of weeks or a few months rather than six to 12 months, what do you normally say is the right way to do that? If they already have a plan and they've already identified a country or metropolitan area, what are the few steps they need to line up? Is finding the right employer of record really the first major step?

David: I think that's a very important step, especially for companies that are wanting to hire immediately. If you've got a little more time and think, "We can wait until we do all the legal aspects and get the entity off the ground," then by all means, that's the way to go.

But the employer of record, if you find the right one, has so much of the recruitment infrastructure in place that they can really be a great partner as you start to build your own HR team, recruitment team, finance team, and the like. They can take a lot of that early work off your plate so you can get the right people on board and really hit the ground running.

Jonathan: David, this has been absolutely fantastic and fun for me. I love every one of these conversations and certainly love learning from you about your experience and what you're doing now with Ascend.

I have one question left for you I didn't prep you for, and that is: if you were not doing what you're doing today, and money were no object, how would you spend your time?

David: That's a tough question. I think I'd definitely spend more time on the golf course. My wife may not be happy with that.

Wow. You put me on the spot here, Jonathan.

Now, you said money was not an option, or money's no issue.

Depends on the time of year. I live in Indiana. I love living in Indiana. I do not enjoy the winters here. So I'd spend more time at a beach somewhere, preferably more time back in Australia, and more time with my family. I've got four beautiful children, and I would try to spend more time with them.

But I'd have to be busy. I'd have to find some sort of way to spend my time. Church service is important to me, but I love building things and helping build organizations. So even if I wasn't working for the money, I'd still have to be involved in trying to help people.

I learned in my last role with the previous company I worked for that I love working with people in the Philippines. When I left that role, one of the things my boss said to me was, "I can see why you're doing this, because every time we talk about the Philippines, you light

up. When we talk about some of the other operational things, you don't have the same level of enthusiasm."

So I love working with the team there in the Philippines and building that team, helping them grow, helping them develop, and helping them establish careers with the company. I love seeing the growth and development of those teams. So I'd have to be involved somewhere in doing that kind of work.

Jonathan: All right, I lied, because I have one more question for you now. Because I've been exposed to Filipino culture as well, and there's only one thing I refuse to eat, and that was balut. Now, have you eaten balut? And is there anything else that you say, all right, I'll eat anything up to this point of Philippine cuisine?

David: Two things, two things. Yes, I have eaten balut. I'll never have it again. I was extremely sick about two days after I had balut, and I still blame it on the balut. I couldn't eat a whole thing.

I've never had such a strong gag reflex as I had eating that. It was horrible, and I won't do it again.

The other thing in the Philippines that I've never eaten, and I took it as a badge of honor, is Jollibee. I think I may have upset a few Filipinos because it's such a sense of national pride. It's a fast food chain in the Philippines called Jollibee.

Jonathan: You've never eaten Jollibee?

David: I've never had Jollibee. They have a couple of restaurants here in the U.S. even, but I refuse to eat Jollibee now.

One look at me and you can tell I'm not the most health-conscious person. I tend to eat the wrong things and eat them in excess. So maybe it's just a matter of saying, I don't want to find another fast food restaurant that I enjoy and then eat it too much. But the idea of sweet spaghetti just never sat well with me.

Jonathan: All right, you have me there. The only thing I remember eating at Jollibee in Hong Kong, which I did eat at several times, was the pineapple burger. That felt normal enough. Pineapple and cheese, it felt normal. But sweet spaghetti, I think I draw the line there as well.

David: Yeah, apparently their fried chicken is great, the Chickenjoy. But again, it became a matter of principle, so I had to stick to it. Maybe one day I'll budge.

Jonathan: David, this has been excellent. Thank you so much for spending the time with me, and I certainly look forward to catching up with you and hearing how things are moving with Ascend.

David: Thank you very much, Jonathan. I really appreciate your time and your having me on.