

John Marcarian:

Spend time studying the culture, do some reading on the differences between your culture and their culture. You've got to change because Lord knows, 40 million people in the country you're going to aren't changing.

Mike Paton:

Hello everybody, Mike Paton, with the EOS Leader Podcast. And today, I have the great pleasure of speaking with a truly global leader John Marcarian, the founder of Expatland Global Network and CST Tax Advisors. The Global Network is a business dedicated to serving the complex needs of the 244 million people in the world who are living and working abroad. Born in Calcutta India, John moved to Australia as a boy and ultimately went to school in London. So it's no surprise he's been fascinated by the complexities of international tax and global mobility for most of his life. At the ripe old age of 27 in 1992, John left Deloitte Australia and formed CST Tax Advisors. He opened his first of 30 international offices in 2004 in Singapore, where he's joining us from today. Good evening, John, and welcome to the show.

John Marcarian:

Good Paton. And how are you? Thanks for having me.

Mike Paton:

I'm fantastic and hope you're doing well as well.

John Marcarian:

Thank you.

Mike Paton:

Let's jump into it. You have as I was reading your bio and your story is one of the more fascinating, intricate stories. And I just want you to take us back to the very beginning of your entrepreneurial journey. What motivated you? What were some of the key decisions you made and how have you enjoyed the ride?

John Marcarian:

Yeah, I don't know if you want to go back to selling lemonade on the footpath, but I might just bring it to that, leading Deloitte and starting my business and just try and save you 18 years. So yeah, I mean, I realized pretty quickly that I wasn't cut out to work the big four triangle in the accounting space. And I realized that I wanted to work in international tax, but work for myself. And I saw a lot of my friends heading overseas to London, to Asia, to the US and I thought, well, I can help these guys. And I had a wide contact network, so I thought, yeah, I'll just start, I'll put up a shingle and I'll stop being an entrepreneur with having some sort of an idea what that meant.

Mike Paton:

That's right. When did you realize you had built an organization? This is a very common theme on this show is you start serving people and then one day you wake up and you're signing 40 paychecks.

John Marcarian:

Yeah, I think employee number one, I still remember her name, she won't mind me saying it, it was Vicki Hoffman. It was a 1994 and I had employee number one and I thought, wow, okay, now I actually have an organization. Somebody that's working other than me. And I can literally be sitting down at the coffee shop across the street and stuff is going on. And that was a, when you've been an employee, that's an interesting realization that someone you're paying is upstairs doing work and you're not doing it, but stuff's happening. So I think that was probably it for me, 1994.

Mike Paton:

Yeah. Let's give the listeners who are unfamiliar with global mobility, some insight into what CST Tax Advisors does and what the Expatland Global Network is all about.

John Marcarian:

Yeah. So CST is what I call, a global mobility tax firm, offices in Singapore, Sydney, LA, and London on the tax side, we help people with their Australian tax, for example, and also their Singapore tax or their US tax and their UK tax. So the tax from the country that they are leaving and the techs in the country they're arriving to. So we integrate the cross border tax solution. And quite often you have people landing in a city, looking around for someone to do their taxes. And when they find someone, that person's only ever done the domestic tax of the country they're in, and doesn't really have much of a feel for the country, the person's come from or international tax. So then integration is really poor and a lot of mistakes get made. So we focus on helping people seamlessly integrate two tax systems together, or as seamlessly as possible. And the Australian tax system and the American tax system have some pretty jagged edges, I can tell you.

Mike Paton:

Jagged edges might be a synonym for either tax system, if I'm not mistaken.

John Marcarian:

Yeah. Correct. So that CST and then the Expatland Global Network was really born out of the tax practice. When I realized that, when I moved to Singapore in March 2004, I had more in common with my Dutch neighbor than I did with a lot of my Australian mates who never left Sydney. And we were all adjusting to finding new service providers, trying to settle in. Who's a good insurance guy, who's a good banker, how do we find a home? And so I realized that there's a chronic shortage of help out there to help people moving, find trusted service providers. So in 2015, I wrote a book called Expatland and I got it into my head that I would solve the problem of people moving around by building what I call e-teams in a bunch of cities around the world and bringing professionals together who wanted to work together, like a football team. And then they would serve the client who they would all know and they'd work cooperatively together.

And then of course, LA would work with the London team and the London team would work with the Sydney team and so on and so forth. So we ended up building a global community of a few thousand people who want to work collaboratively together. Now we're not there yet, but we're well on the way.

Mike Paton:

That's terrific. Thank you for the background. What's one of the early successes you remember convincing you that you are on the right path?

John Marcarian:

Yeah, I would probably have to say that tax was my passion and so topping tax at university sent me the message that, okay, I've got a knack for this. And I look at tax like chess, so I knew the game and I could play the game. So I'd run home and I started, I mean, this will sound potentially weird, but that's okay. I started-

Mike Paton:

You won't be the first John.

John Marcarian:

Well, now I started, I actually read my first tax Almanac when I was 11. And it was talking about places like Cayman Islands and Lichtenstein and Luxembourg. And I was 11. So I've been reading textbooks when I was 11. So when I topped the tax course at my university, I thought, yeah, okay, I'm onto something here. I've got this game down. And then of course, I got a job in one of the best firms in the city and I was away. So, I mean, I think that's when I knew tax was going to be the first mine that I would mine, so to speak.

Mike Paton:

Yeah. That's great to hear. Do you recall, as a boy noticing someone who was leading and your first impression of what a leader is and how they work and how did that make you feel?

John Marcarian:

Yeah, very clearly. It was one of my dad's groomsmen, my dad was schooled in India and one of his groomsmen was a guy who worked for the United Nations and he was a chartered accountant or a CPA, and he was head of internal audit. And I knew that every time we went to his house, he was telling me that he'd just come back from Harare or he'd just come back from Nigeria or he'd just come back from another country. And it sounded so exciting. And he was running the audit program. And I was an eight year old kid thinking, wow, this auditing sounds really exciting and wow, being a chartered accountant, they must fly everywhere. So I think I want to be a chartered accountant when I grow up. So what did I realize? I didn't realize that John, of course, John Lucas is his name, he was an early inspiration.

I didn't realize of course, that most chartered accountants do not fly around the world three different countries in a month. And that auditing, in fact, is not the most exciting thing in the world to do, but yeah, he was a leader that inspired me. And I've always thought that good leaders have to inspire. And that's what I've always found actually.

Mike Paton:

What was it that he was doing that you found so inspiring? Did he have a way about him or?

John Marcarian:

He'd tell these wonderful stories about how he led a team and how 200 Jeeps were supposed to be somewhere, but they weren't somewhere in this country and then he and his team would have to go around and literally find the Jeeps at the houses where they weren't supposed to be and bring them back to the government bases where they had. And so his style was very engaging and the way he would motivate his team to go and recover property and he made auditing sound fun. And he talked about, when you're an eight year old kid, he talked about how he had this team of thousands of people around

the world, basically tracking aid money. And I thought, wow, they're giving out all this money and then someone's got to manage those programs and then inspire the people to collect it and track it. I was like, wow, this is amazing. So I was taken by that style that he had. And of course, as I got older, I had other leaders and influences, but he was one of the early ones.

Mike Paton:

And have you been able to emulate his storytelling style and his ability to inspire?

John Marcarian:

Well, I'd like to think I'm as good a storyteller as he is, if not better. I think that telling stories is a way of engaging people. And so one of the early mentors I had was a guy in Melbourne, his name's Tony, he was in financial advisory and he was a devotee of Dan Sullivan and the strategic coach. So Tony really taught me how to do strategic selling and how to tell a story and how to motivate. And that the importance of connecting and finding something to connect with, connect with somebody, any which way you can, but once you've connected, that's the first bridge towards making a sale or delivering an idea. And if you can't connect, then that's not happening.

Mike Paton:

That's exactly right.

John Marcarian:

So yeah, storytelling's a big part of what we do.

Mike Paton:

That's right. Along the journey, have you noticed anyone leading that wasn't doing it particularly well?

John Marcarian:

Yes. I had a business associate some years ago who had a fairly large business, but I think ultimately it ended up failing because primarily he was very self-absorbed and whilst he pretended to care about his people, it was words, it wasn't action. So I could see that that style of leading, it was everything had to revolve around him and he would just flog his people, work them extremely hard, churn them through, bring in new ones, churn them through. And ultimately, the business just imploded because it couldn't sustain itself. He couldn't keep crushing enough people, as he crushed people in the business, he couldn't get enough people through the front door. So they were all part of his life support system. So that wasn't really a good way of leading.

Mike Paton:

Certainly not sustainable and difficult to sleep at night in my humble opinion. So, John, how would the people that you're leading on a day-to-day basis refer to you? What are the adjectives they'd use to describe you? Maybe that you're proud of. Let's start there.

John Marcarian:

Yeah. I was going to say that's an interesting question. Look, I think they would say I lead by example. I think they would say I have vision and that I'm prepared to go the distance. I would think they would say, I don't ask them to do anything that I don't do myself. And I think they would say that I care about

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them. And if they've got a problem and I can help, I will help and go beyond the normal employer employee, their problem at a personal level will become mine if I can help it.

Mike Paton:

Yeah. And those are attributes you can't fake. And I was listening very carefully there, there's no technique in there, genuine caring for people is not something you can put on for sure.

John Marcarian:

No, there are people and not as good as you are, what is a business? A business is people, so.

Mike Paton:

Is there any description somebody you're leading might give that you want to work on or that you hope to get better at?

John Marcarian:

Yeah. I think my passion, I can be a bit full on at times. I can be a certain type of crazy.

Mike Paton:

Could you be more specific?

John Marcarian:

Yeah. I can be a certain type of crazy. I mean, I will WhatsApp somebody at 1:00 AM because I'm still up and I'm thinking about it, but my direct reports, I don't expect them to answer me, but if a ting goes off, then they've just remember that they haven't left their phone on silent. So he's hit me again-

Mike Paton:

Yeah. Oh, That's John.

John Marcarian:

Yeah, that is John. So I feel a certain amount of empathy with Klinger from MASH at times. So I don't know what else to say, if that encapsulates it, if anyone knows, yeah.

Mike Paton:

Well, so I'm of an age where that invoked exactly what you intended to mean, but for our listeners who didn't, Klinger was always the poor person wanting to bring discipline to chaos, if I'm catching your drift.

John Marcarian:

Yeah.

Mike Paton:

Good stuff.

John Marcarian:

And wore interesting clothes.

Mike Paton:

Yes, he did wear interesting clothes. I want to talk what about the global nature of your work and you've certainly lived and worked all over the world. Do you notice any important cultural differences that influence the way effective leadership is carried out from one region or country to the next?

John Marcarian:

That's a great question. I was frankly, blind to it for a number of years and I think it's common when you go from one country and try and do business in another country, you just roll in and you think, well, I speak Australian, do I speak English? I'm just going to roll in and try and present my ideas the same way that I do to an Australian audience. And then they're sitting there and they're smiling, but they're not actually listening. And then you're wondering, why am I actually not connecting here? And the power of culture was something taught to me by one of my professors at [inaudible 00:15:22] who actually is from, I'm going to say Minnesota, but I think, she's a lady fell in love with a French guy and then went and started analyzing culture and developed an interesting book called The Culture Map.

And really what that work showed me when I studied it at [inaudible 00:15:41] was across eight to 10 measures, you can plot a hundred different nationalities and across a measure like trusting, giving negative feedback, forming judgments, trusting the different cultures will be at different places on the spectrum. So Australians and Americans tend to speak very directly. Singaporeans and Japanese will speak indirectly. And that's just not a criticism, it's just a statement of fact. So if you get a roll into Singapore or Japan and you're going to speak very directly, they're just going to listen to you, but they're not actually going to answer you directly. And so by not understanding the culture of where you're going, or the culture of how they look at these measures, you're going to fail dismally. And without meaning to, there were certain cities in the US and let me just leave it at that where a yes does not mean a yes. And then there's other cities where yes means hell yes.

So we all know what I'm saying, and that's within one country. So when you actually cross borders and you go to... And Erin, was her name. Erin said, there's a lot of things that you've got to absorb when you're trying to message and communicate. And if you don't study the culture going in, you're going to make some horrible mistakes and cost yourself a lot of money and progress.

Mike Paton:

Yeah. So that underscores the motive for my question, because you're working with professionals who may work in three to six to eight different cultures in their lifetime, often as leaders. Because if you're moving around the globe, you're leading people typically. So to the leader who is encountering a culture different than his or her own, what advice would you give to help us translate the way we lead in the US to the way we might lead abroad?

John Marcarian:

Yeah. I'd liken it to understanding whether the person is a peach or a coconut. If a person is a peach, you'll make good progress busting through the skin until you get down to the seed, then no matter what you do, you will not crack through that seed. If the person's a coconut, it'll take you a while to crack through the shell, but when you do you're into the fruit. Now, a lot of the East European countries, I'm thinking Hungaria, I'm thinking Poland, I'm thinking Slovakia. They're all very stone faced and I love a lot of these people, so it's not negative, but they will just give you a very deadpan. And you're going to do a

lot of work to get in there. And if you just roll in with it like an Australian or an American, nice and direct, and saying, look, do this and then you fly off and then you come back six weeks later and nothing has changed.

And you go, "But come on guys I said, do this." And they're going to go, "Well, I'm glad you said, do this, but that's great, you left and we're just not doing it." And "Well, why aren't you doing it?" "Well, you didn't connect with us, you didn't put the work in, you didn't see the world through our eyes, you didn't break it down, you didn't get absorbed with us." So you just can't roll into France, tell a group of 200 French people, that's the LZ way, that's the American way. Just do this and then fly off again. Hey, Presto that's what they're going to do. That is not what they going to do. So I feel like the first thing I would tell a CEO, spend time studying the culture, do some reading on the differences between your culture and their culture. If you're trying to get them to do something, work out, which way you express things. And what are some of the signals you've got to send to show them that you actually care about them.

Which could be quite unusual or uncommon in your home jurisdiction, but you've got to change because Lord knows 40 million people in the country you're going to, aren't changing.

Mike Paton:

Yeah. Now what do you do when you're encountering a coconut that has a peach inside of it? How do you break? Because there are some cultures where that's the way it works as well. Where the outer shell is tough and then the inner pit is impenetrable as well. Have you encountered cultures like that? And any advice for those of us who [crosstalk 00:19:59]?

John Marcarian:

Yeah. I'm glad you asked. I have, because I was born in Calcutta, so I can actually say this and my friends will understand. Certain parts of India, let's leave it at that, they will only do business with certain people from the same culture. And that's just obvious. So I will get to a certain point and that's fine, but I will go no further. So I've just got to understand that in my relationship with them, I've got to set a realistic expectation and bond with them, but get to a certain point in the journey and then go, okay, to make any more progress, I've actually got to bring in somebody from the same community. And they actually then will be able to go further because their grandfather knew the other guy's grandfather and the tie is stronger. So you can actually go into the deepest level, but you got to have the right tools in the toolbox.

Mike Paton:

Well, and I think that's it. I think acknowledging the battles that cannot be won earlier in the game is a big part of this. Is instead of beating your forehead against a brick wall over and over and over again, and failing repeatedly, recognize you've got to try a different approach and engage different people. And that's a big part of figuring this out.

John Marcarian:

Well, I think as Clint said every man's got to know his limitations.

Mike Paton:

Yes, he does. Well said. What do you think the greatest global weakness from a leadership standpoint is today? We've been talking a lot about leadership on a global stage, over the course of the last couple of

years in the global response to the pandemic. And it's a topic that I'm fascinated with. What do you think the world needs to get better at, from a leadership standpoint?

John Marcarian:

Empathy, plain and simple. There's a complete lack of empathy, not only within countries exacerbated by the current crisis, we've seen examples of that. There were two Aussie women, and I'm an Aussie it's on the news, rolling around, beating the living trap out of each other over a 12 pack of toilet paper, because one woman thought she was going to run out and the other woman was trying to grab it. And then they got into a mole on the floor of an Australian supermarket. So we see lack of empathy and care everywhere. But I think obviously the G20 obviously very wealthy and then the G the rest, are not, and we're seeing a huge amount of inequality. So I think that that all driven by a lack of empathy. And I feel like that's the greatest problem facing the world.

Mike Paton:

Is there a way forward, do you see us injecting empathy in leadership around the globe? Or are we stuck?

John Marcarian:

That's a very interesting question. It goes to deep rooted senses of identity and the globalization project. So if my neighbor is from the Philippines, for example, or from Mexico, or from France, suddenly I have a lot more empathy with somebody who's from Mexico or France or the Philippines, why? Because I'm an Australian strip, my neighbor is from a place that I didn't know before. So I feel like technology is helping us break down national boundaries. And I think that as interesting as it sounds, the digital world is actually helping with that because gamers and gaming, we're forming all sorts of new friendships with people. There's a gaming team that my nephew is a part of, his mates are on the other side of the city, but it could just as easily be on the other side of the world.

I feel we have to work on it. I feel like we have to have leaders who realize that 99% of the world are generally worse off than they are. And I think that the younger generation are working towards that. So I'll stay off any political topics, but I will say that I think younger people are doing a better job of it than the boomers like me, last year of the baby boom. So I think they will do better than we did.

Mike Paton:

Yeah. And I share your hope for the impact of digital connections on globalization, because I think travel is a barrier that if you never leave your own cocoon, you never see the need to empathize with people who are different.

John Marcarian:

Correct.

Mike Paton:

Let's turn back to your organizations in your leadership John, you're a visionary, you've grown a organization that's complex. I know you've worked with two professional EOS implementers on two continents. And so I'm curious about the impact implementing EOS in your businesses has had on your leadership style.

John Marcarian:

Look, it'd be hard to overstate the impact because well, Dan and Alexander, are pretty different individuals, Dan Davis and Alexander Sealy, while they're quite different individuals, their passion for the subject is the same. The introduction of the technology of EOS to leadership teams that hadn't done the pre-work that I'd done with Dan Sullivan and the Strategic Coach back in the 90s revolutionize those teams. So EOS took a group of people who had heard about management stuff in the Expatland team, and basically said, well, look, here's a discipline, here's a framework, here's an infrastructure, radical transparency, comfortable being uncomfortable, DWC, all those great tools. If you actually run your business along these lines, it's pretty hard to, I wouldn't say hard to get it wrong because of course, you can make mistakes, but the identification of what is important immediately pops up and where the focused effort needs to be, immediately pops up and just people get held accountable.

So it's turned the tax practice. And Gino said that he didn't think that EOS was suited to an accountancy practice, and we actually proved him wrong, which I don't know he's from Detroit he probably wouldn't even agree it was wrong. But he kindly wrote the forward to my second book. And basically, what it's done is give us a platform to take the accounting firm model global and not many accountants go global with the same ownership. We've done that and traction's being a big part of that. And so, yeah, I think it's hard to understate the impact that EOS had on our two businesses.

Mike Paton:

Nice. Is there any leadership move you've made, decision you've made or action you took that you wish you had to do over?

John Marcarian:

In nearly 30 years there's been a few, quite a few, but, hey-

Mike Paton:

By the way I had one guest say we don't have enough time for that Paton next question.

John Marcarian:

Yeah. This is one that sticks. I took a really nice guy and his wife and two kids, and I moved them to a country to expand and build and run a practice and set up a practice. And eight months later, I had to shut not only the practice, but ended up firing the guy. Before it was mine, there was no GWC. Well, there was some G a bit of W but probably no C. And so really, I got that wrong. It was a bit of an awkward conversation because I had to fly up there and terminate, and that's never fun, but it was lack of planning. I'll take the blame for that one.

Mike Paton:

Yeah. Appreciate you sharing that. For the listener who's not familiar with GWC gets it, the genetic and coding to be great at the job, wants it, springs out of bed every day, wanting to excel and capacity to do at the acquired ability, the education, training, experience, intellectual and emotional maturity that wasn't there. And you wish you would've known that before you made the decision. Yes?

John Marcarian:

Correct. Yeah. But that was a learning.

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Mike Paton:

Good stuff. All right. I'm going to wrap here and let you get on with your evening. One last question, talking to the young John Marcarian, who wants to be the best leader he can be. What piece of advice would you go back in time and give yourself?

John Marcarian:

This is almost, we don't have enough time for it, but the one crazy advice I would give myself would be, don't try to be great because of the money, money comes, money goes. Try to be great because you've got a passion for what it is you want to be great doing, and that you would get out of bed every day and do it. And you don't regard it as work because if you're regard it as work, you'll be good at it, but you'll never be great at it.

Mike Paton:

Great advice. John, thank you. How can our listeners learn more about your organizations and about you if they so choose?

John Marcarian:

Yeah, they can come to www.expatriantland.com and connect with John Marcarian and they'll find me.

Mike Paton:

That's awesome. Thank you. So once again, Mike Paton, with the EOS Leader. I hope you enjoyed my conversation with John as much as I did. This is all about becoming the best leader you can be every day. And I think John gave us a dozen really tasty nuggets that'll help us on that journey. Have a great day. Thank you again, John. If you're running your business on EOS, you know we value open and honest feedback. So please open up your podcasting app and leave us a review. Let us know if there's anything we can do to make the podcast better or help you along on your own entrepreneurial leadership journey.