

Business school of hard knocks

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Risk manager Heyrick Bond-Gunning advises key clients on how they can keep risks in dangerous locations to a minimum, writes **John Reynolds**

SEEING ONE of your company's aircraft hit by a missile, and cheating death on the road from Baghdad airport known as Sniper Alley, would be enough to make most businesspeople retreat to the safety of a desk for the rest of their working lives.

But Heyrick Bond-Gunning, author of Baghdad Business School – which recounts his experience of getting a logistics business off the ground for DHL in post-war Iraq – remains no stranger to countries where simply getting out of the airport with your wallet intact can prove a challenge.

As managing director of London-based Salamanca Risk Management, the 37-year-old Englishman's client list includes AIB, the Financial Times, Rio Tinto and the BBC.

With something of an appetite for risk and adventure, he advises how they and their employees can keep risks of all kinds to a minimum as they do business around the globe.

If Bond-Gunning himself hasn't encountered the problems his clients face, his colleagues – all of whom have some combination of military and business experience – will have the knowledge and contacts needed to achieve their business aims.

It's perhaps somewhat ironic then, that – despite being six-foot-plus and having a surname suggesting he's not to be messed with – Bond-Gunning got scammed while making his way through the airport on a recent trip to the Democratic Republic of Congo (DRC).

Faced with a doctor wearing a dirty, blood-spattered white coat threatening to inject him with a dirty-looking syringe that would supposedly immunise him from yellow fever, he reluctantly coughed up \$50 (€35.60).

“All visitors to DRC are required to have had the jab, and I had a certificate saying I'd had it before I left. Despite being able to look after myself, I ended up being 50 dollars down before I'd even got out of the airport,” he says with a laugh.

On a serious note, there is a heightened risk of much worse incidents than that as a consequence of the increasing unemployment, crime and outbreaks of social unrest brought about by the deepening economic crisis, Bond-Gunning says.

The global downturn also means investors and entrepreneurs are entering new markets to stimulate perhaps stagnant bottom lines, or are seeking out new business opportunities.

As they step outside their comfort zones, try to establish new operations and begin doing business, they may encounter more complex risks that require the assistance of someone who has experience on the ground.

Bond-Gunning has plenty of his own experiences to draw on in Iraq. When people trying to sell him snakes and pieces of motorway barrier weren't accosting him as he went about his business there, normally mundane matters such as IT and communications often proved something of a challenge.

One incident involved a Dubai-based IT expert instructing him and a colleague on how to configure their e-mail settings over the satellite phone as they drove around trying to get a computer satellite signal. This

was when the CIA weren't using the same satellite frequency as DHL.

Bond-Gunning eventually found it was easier to call someone in London who would access his e-mails, read them out and reply to them.

“Even something simple like organising a meeting took two or three days, and we couldn't follow up with a call or e-mail afterwards. We had to try and cover all our questions and concerns in one meeting, so from that point of view I learned about the importance of communication,” he says.

Getting all required logistics in place in Iraq proved crucial. This work ranged from ensuring the Portacabins used as both home and office had satellite links, water and sanitation, and ensuring the runways the company would use around Iraq were serviceable.

Sensational media reports threatened to hamper his progress. Deutsche Post bought DHL just before Bond-Gunning arrived in Iraq in 2004, and the new owners were understandably concerned that the brand and its Iraqi and ex-pat employees didn't come to any harm.

“Our aircraft crews in Brussels and my superiors in Bahrain saw pictures of explosions rocking Baghdad on CNN or BBC World News, and we had to allay their fears by telling them the truth about the situation. On one occasion, our insurers wanted to quadruple our premiums, solely based on what they were seeing on TV. So I had to return to London with some statistics on the number of planes flying in and out of Iraq that gave a true picture of the situation,” he recalls.

Despite these hurdles, and as the result of a plan written on a flight to Baghdad, Bond-Gunning and his colleague Phil Armitage succeeded in bringing in “extraordinary” revenues of \$70 million in the first year of DHL's Iraqi operations.

On his return, he spent a year working for Control Risks and then Kroll, gaining an insight into their businesses. As a managing partner with Salamanca for the past three years, he's now focused on building up its business, “ploughing the profits back in, undercutting its competitors and working more closely with clients to understand their aims and the risks to their business”, he adds.

It's his third time at the helm of a business, having safely navigated Mergermarket, a mergers and acquisitions intelligence business, through the choppy seas of the dotcom crash.

Mining firm Rio Tinto are one of his current clients. “We're an enabler for them, and we reduce the risk of their operations failing. We've commissioned a report that tells them precisely where they can and can't operate safely, given them awareness training, organised visas and found a secure route to their mines in DRC.

“Helicopter fuel, canoes and motorbikes are ready for them, and we've liaised with local police, tribes, militias and the military on their behalf.” Geographic obstacles in DRC's Lubumbashi region will be overcome once the firm builds its own road and rail infrastructure, he adds.

There are no plans to write another book. “Client confidentiality would be a problem, and I'm not sure I'd find the time,” Bond-Gunning says.

A return to Iraq – where DHL is still operating successfully – is on the cards though. “I'm still in touch with many of my former Iraqi employees. The sense of optimism there has now improved and people are approaching me about how they can go about investing in Iraq.

“Iraqis are very well-educated, very loyal and are hard workers. At DHL, we had a minibus or van collect them at about 5am and then from about 6.30am they'd be carrying boxes around and driving vehicles, toiling in 40-degree heat for 12 hours.

“I was very impressed by their warmth and dedication. They used to give me presents for my wife, Anna.

In the 1970s it was the Dubai of the Middle East, and it could be like that again.”

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