

Brussels

e key success factors for European trade associations e

a report based on interviews with leaders
of EU-focused trade associations, their
members and experts

2011

Foreword

As with so many other types of organisation, trade associations have had to absorb the shocks of the economic crisis, and adjust their activities accordingly. This report reveals what leading figures believe to be some of the main trends and drivers affecting EU trade associations in this new political and business reality.

Brussels-based, EU-focused trade associations are at the heart of political and regulatory debate, but their leaders and members often work within very specific vertical markets, or issue silos. This report canvasses opinion across these many silos, to identify common patterns of experience and identify what makes a European association successful.

There are many private reports and some academic literature on EU trade associations, but there is surprisingly little for the interested commercial reader. Our report aims to fill this gap, and to bring insights from the research to a wider audience. It complements Ellwood Atfield's major 2010/11 report on the remuneration of those who work in communications, public affairs and trade association leadership in Brussels.

We wrote this report because, along with the many people interviewed, we want to be part of the growing professionalisation of European associations. As an executive search firm focused on communications, public affairs and association leadership, we aim to help European organisations recruit the best people.

Our thanks go to all those who have given their time to contribute to this research: a full list of these organisations and individuals is provided in the Acknowledgements. I would especially like to thank my co-author Mark Dober, and also Rachel Barlow, and Natalie Sarkic-Todd for their incisive input.



Ben Atfield

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Ben Atfield, Director

About Ellwood Atfield

EA is the specialist search and selection firm dedicated to public policy, communications, and association leadership in Europe. We are uniquely placed to help companies and associations from EU member states and around the world recruit experts who help engage and shape European debate and policy.

Our specialisation is our strength, as it provides us with in-depth knowledge of the sector and its trends. The ability to impart this to our clients, and to the individuals within our sector, enables critical decisions to be made with exact knowledge.



Mark Dober

Mark Dober, Managing Director EA Brussels, has spent over 20 years working at the heart of public affairs and communications, having set up and led the Brussels office of the global consultancy APCO Worldwide. He brings a wealth of practitioner's insight to each of our assignments.

Mark and his team are able to provide in-depth knowledge while assisting organisations with the recruitment of mid-level to senior positions within the following areas:

- Association leadership
- Public affairs
- Public policy
- Corporate communications
- Media relations specialists
- Interim cover (maternity leave etc.)

We can also help organisations to set up new offices; identify an appropriate public affairs consultancy; and advise individuals who are interested in relocating to or from Brussels.

EA is proud to be a member of the European Centre for Public Affairs (ECPA).

In 2010 EA published a major report on the remuneration paid to those who work in public affairs and association leadership in Brussels.

Also in 2010, Ellwood Atfield spoke exclusively to the chief executives and chairmen of over 20 major UK-based and global organisations about the role and importance of communication within their enterprise. The report, *A View From The Board*, can be found on our website.

Introduction

Brussels is home to some 1,500* European business organisations or trade associations that play a prominent role in EU public affairs. Their composition, vocation and outreach vary considerably due to their particular histories and the growing breadth and depth of EU competences. Trade associations constitute the largest individual group of entries in the EU Transparency Register and tend to consider Brussels as their natural headquarters: the necessary platform from which to seek to influence EU decision and policy-making. While some of these groups have only a few staff in Brussels, this category includes major associations such as the European Chemical Industry Council (CEFIC), which employs about 170 people in its secretariat.

Today, most European associations are registered as international not-for-profit associations under Belgian law. Approximately three fifths are traditionally pure federations, composed of national associations; one quarter are composed of national associations and firms; and around one sixth have exclusive direct company membership. Their budgets and staff size often depend on the nature of the business sector that they represent, and on their prominence and results-oriented efficiency within the Brussels lobbying arena.

In the same way that you know an underperforming association when you see it, some associations stand out and add a great deal of value to their members. Typically the best associations have excellent people within the leadership teams of their secretariats, at the level of Director General, Director of Communications, or Head of Public Affairs. Working together they communicate effectively internally and externally, and deliver favourable EU policy outcomes for their members.

We believe there are four key success factors for European trade associations:

1. Effective leadership from the Director General and the Board.
2. Proactive EU public affairs driven by a politically-aware secretariat.
3. Integrated communications led by a Director of Communications who is part of the management team.
4. Demonstrable value for membership according to clear criteria.

This report discusses how these success factors should be formulated to satisfy the expectations of trade associations' members, their secretariats and their stakeholders. We base our findings on over 70 open-ended interviews conducted between May 2010 and February 2011, combined with our own insights and experience. Four different types of organisation were approached: trade associations and federations; corporate businesses; public affairs and communication consultancies; and association management experts and consultancies.

*There are no defining statistics on Brussels associations. This figure was derived from a cross-check of the following references: Running an International Association in Belgium - 2010, European Public Affairs Directory - 2009, Yearbook of International Organisations 2009 (Union of International Organisations), and the European Transparency Register List of Code of Conduct signatories, October 2010.

Leadership - Key Success Factor 1

In a well-run association, there is a good balance in roles and responsibilities between the Board and the executive staff. Both need to be strong but understand and respect the role they fulfil for the association. Board members should focus on the association's strategy and decision-making. The Director General needs to be empowered to run the daily operations of the association so that the Board or its members do not start micromanaging."

Alfons Westgeest, Managing Partner, Kellen Europe

Today's Director General needs to have a portfolio of skills, and although knowledge of an industry sector can be useful, it is rarely a necessity." Alisdair Gray, Director of European Affairs, European DIY Retail Association (EDRA)

There is increased professionalism in the management of many trade associations. The days are ending when a technical manager, or an end-of career company representative, with little or no public affairs, communications, or management experience, or Brussels network, was parachuted in to manage a trade association. Instead, there is a new generation of PA professionals starting to lead associations. This new generation, schooled in 'Brussels ways', better understands the tools and needs of modern interest representation." Carel du Marchie Sarvaas, Director, EuropaBio

Leadership and governance

Leadership is all about organising a group of people to achieve a common goal. The particular challenge of leading European associations is that they represent such a diverse group of people and interests. For example, the European food and drink industry organisation CIAA represents 27 national associations as well as 25 European sector associations, ranging from the Brewers of Europe to the European Ice Cream Association; 19 multinationals from Barilla to Unilever; and thousands of small and medium-sized enterprises from around Europe. Finding consensus in such an environment is challenging.

According to the 2009 EurActiv survey, "Both federations and corporates agree that the biggest challenge for federations is balancing members' differing interests". Leadership and good governance are therefore very important elements of the smooth running of European associations. According to one interviewee, "In some of the larger associations there have been turf fights between the national associations, often representing many smaller players, and the larger corporate members. Most of these power struggles have been won by the larger corporations, leading to more power for them within the European associations".

Leadership - Key Success Factor 1

Irrespective of size, the key leadership body of any association is the Board. In the words of one Director General, “my boss is the Board not the President”. A well-designed decision-making process with clear remit allocation and embodied accountability mechanisms is the most important hallmark of a strong Board. Hence, the European Society of Association Executives argues: “The requirement isn’t only that Boards be populated with people who are likely to have diverse opinions but that Board processes actively promote the expression of diverse opinions”. While many associations are evolving, there is a general feeling that European associations could do more to modernise their governance structures. According to one corporate interviewee, “I hear constant problems about inappropriate governance structures and how hard it is to change them. This impacts upon the tolerance of our senior management for trade associations and therefore our overall support. We need decision-making structures that are flexible and transparent”.

Speed of decision-making is often critical to input at the right time in the EU legislative process. If the association does not make its voice heard due to indecision or inaction, organisations with opposing views might impose greater influence in an era of online consultations and political processes with strict timetables. Associations of associations suffer the most from indecision. According to a number of interviewees, associations where there are either only corporate members or a mixture of associations and corporations tend to be more effective than associations of associations.

When making decisions, Boards need to guard against the effects of dominant personalities and have an eye to significant risks. One such risk is increasing scrutiny by EU competition authorities. When the European Commission imposed a fine on a cement cartel some years ago, it stated: “The producers cannot deny that they were perfectly aware that they were engaging in unlawful activities since, at a meeting of the European group, the Chairman stated that ‘needless to say there will be no minutes of this meeting’”. One interviewee explained that all meeting agendas and minutes are now routinely checked by lawyers to ensure that they do not inadvertently leave the company open to accusations of anti-competitive practices. The head of a trade association in particular needs to understand and take account of anti-competitive behaviour and review agendas accordingly.

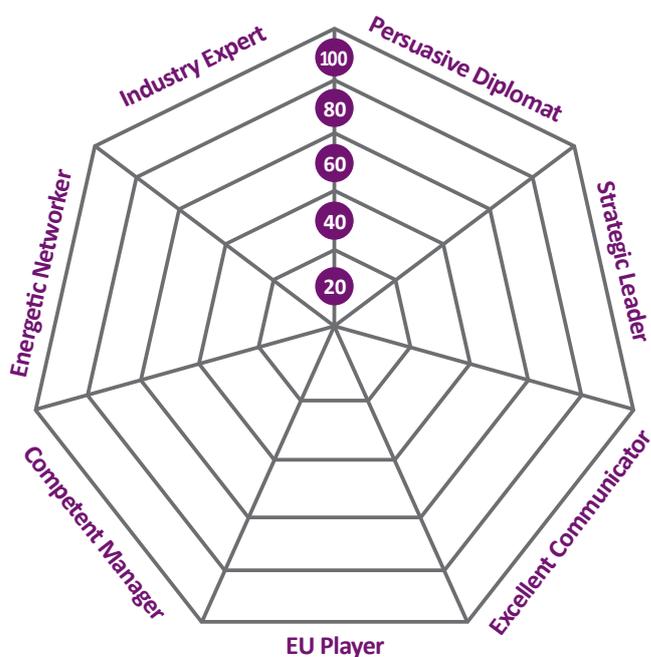
The Director General

Although still common in European associations, it is interesting to note that the title “Secretary General” is on the decline. Originally the Secretary General was the person who took the minutes of an association’s meetings. Now members expect the association’s day-to-day leader to direct the association and the title is evolving accordingly. For instance, Philippe de Buck, the Secretary General of BUSINESSEUROPE, recently became Director General (DG). Associations such as the European Medical Devices Association (EUCOMED) have gone further and have a Chief Executive, while others, such as European Biopharmaceutical Enterprises (EBE), have an Executive Director.

Leadership - Key Success Factor 1

In the same way that shareholders, management and employees expect exceptional qualities in their CEOs, so it seems that members and secretariats of associations expect (sometimes unreasonably) their DGs to be outstanding in all aspects of association management. Unlike CEOs, however, association DGs need extra skills of persuasion and diplomacy to broker compromises between multiple individuals and interest groups, as well as being good lobbyists and real players at the EU level. Many of our interviewees talked about the importance of 'balance' for a DG, whether referring to balancing strategic planning with attention to detail, or to balancing the competing interests of association members. The multicultural nature of Brussels also means that language skills are a distinct advantage. Members often expect their Director Generals to be able to express themselves in at least English and French, and sometimes German as well.

Size does matter for associations. In smaller associations a Director General has to be an all-rounder and engage intensively in the everyday detail of running the association, down to deciding HR policies for the secretariat. Larger associations usually have dedicated administrators, as well as regulatory and communications specialists, to spread the workload. Former German Chancellor Helmut Schmidt once said: "If you have visions, go see a doctor". However, it seems important that the Director General can articulate and promote a vision for at least the association, if not the industry. There are diverging views on whether it is more important to be an EU insider or industry expert, but there are many examples of excellent DGs that have developed both attributes. At the same time the DG needs to have a head for figures and the ability to manage people and a budget as well as operating within the prescribed legal parameters.



Through this research, EA has developed a methodology to assess Director General candidates for European associations based on the seven attributes. The rating system is summarised in the graph here.

Leadership - Key Success Factor 1

Key Attributes	Selected interviewee quotes
1. Persuasive Diplomat ✓ Presence ✓ Listener ✓ Integrity	"Nobody wants an overly aggressive or authoritarian Director General." "The ability to work out compromises when members have different views, and the authority to say 'no' if a position is not defensible, is essential."
2. Strategic Leader ✓ Purposeful ✓ Good judgement ✓ Flexible	"The DG needs to unify different camps and the secretariat by articulating a common purpose." "Where associations fail is in their inability to agree on priorities and specific actions. The Secretary General plays a crucial role in leading the member companies to an ambitious but achievable outcome."
3. Excellent Communicator ✓ Engaged ✓ Articulate ✓ Likeable	"The ability to sell a message internally and externally is critical." "The DG must be able to reduce complex issues to simple explanations and positions."
4. EU Player ✓ EU knowledge ✓ Contacts ✓ Access	"Must understand Brussels, and be able to cultivate contacts up to the highest levels." "DGs need to be much more political than technical these days as the EU's influence over industry has evolved."
5. Competent Manager ✓ Process-driven ✓ Detail-oriented ✓ Analytical	"A well-run association requires attention to detail, financial acumen, smooth processes and a human touch." "Successful Director Generals are good people managers with a clear vision aligned with the interests of the membership."
6. Energetic Networker ✓ Dynamic ✓ Relationship-oriented ✓ Empathetic	"The best DGs have an uncanny ability to be at all the right places in the day, and still manage a drink with their members at night." "A good DG has to have a lot of stamina."
7. Industry Expert ✓ Cares about the industry ✓ Inquisitive ✓ Represents the industry	"The sector can be learned, but ideally DGs should have a track record within the industry or at least on the key issues." "They should be empathetic to their members' interests and have a certain pride in their sector which they can reflect externally in Brussels."

EU Public Affairs - Key Success Factor 2

The decay of national presidencies, pre-legislative agreements, agreement at First Reading and the avoidance of conciliation are some of the EU institutional changes that will impact upon the activity of trade associations.” Tom Spencer, former MEP; Executive Director, the European Centre for Public Affairs (ECPA)

Trade associations will need to know who to plug into, to deliver on the EU agenda with new institutional players.” Miguel Pestana, VP Global External Affairs, Unilever

The increased frequency of pre-legislative agreements and agreement at First Reading really does put the spotlight on trade associations. They need to be plugged into the process early, they need to be able to respond quickly and flexibly and, above all, they need a sufficiently intimate relationship with the key players in the Council Presidency, the European Parliament - especially the rapporteur - and the Commission.” Michael Burrell, Vice-Chairman Europe, Edelman

Finding consensus

Some had expected the role of European associations to decline as more companies set up their own European affairs offices in Brussels. In fact, associations have not only retained their role but in some cases have increased their influence. Secretariat staff and their corporate members generally agree that a European association’s biggest value is policy influence via lobbying. This view was confirmed by 85% of respondents in the 2009 EurActiv survey on EU associations.

Companies see advantages in lobbying through associations so that key messages are repeated often to the various EU institutions and at different stages in the legislative process. A report by the European Centre for Public Affairs (ECPA) found that the majority of those surveyed agreed that “trade associations are much needed to ensure consistency in positions adopted by corporate lobbyists”; but the majority also believed that “trade associations are too often driving lobbying down to the lowest common denominator”.

Finding consensus in an association is often a frustrating process for large corporates who want to drive issues forward. However, large corporates can benefit from allying with smaller players. In the words of one interviewee: “The European Commission, with its almost obsessive preoccupation with small and medium-sized enterprises (SMEs) for their growth and job creation abilities, strongly prefers to be able to say it took an industry-friendly line on something, if it can argue that this benefited SMEs. It’s less popular in both the European Parliament and Commission to be seen to be promoting the larger corporations than it is to be seen to be helping SMEs create jobs. Trade associations with SME members have capitalised on this over the last few years and smart ones have benefited from it”.

From an institutional perspective, trade associations are highly valued as they provide a source of technical expertise often lacking in their own services. Additionally, the fact that European associations help build consensus makes the lives of EU institution officials easier. Hence the European Commission has said that it “tends to favour European (con)federations over representatives of individual or national organisations”.

EU Public Affairs - Key Success Factor 2

EU institutions – a shifting balance of power

One year on from the appointment of the 2010-2014 European Commission, the adoption of the Lisbon Treaty, and the appointment of new high-level EU representatives, what are the public affairs challenges facing trade associations and their members?

Most interviewees agreed that a shift in the balance of power between EU institutions is underway that will affect policy-making and public affairs practice. This is indicated by:

- Further shift of power towards the European Parliament;
- Tendency towards agreement at parliamentary First Reading, and by implication, a reduced time-frame for influencing legislation;
- Potential 'checks and balances' role for national parliaments in EU legislation;
- New powers invested in the President of the Council of the European Union (Van Rompuy);
- Greater opportunity for deals to be done between EU institutions.

Coalitions – broadening influence and impact

Many interviewees referred to building coalitions as an effective way of managing cross-sectoral issues between associations, such as intellectual property, counterfeiting, data protection, energy security, and climate change. Tactics include creating subgroups, aligning with other trade associations, and forming supra-structures of networks to align lobbying efforts, engage a wider group of stakeholders, and broaden the debate.

As one corporate interviewee said: "Business has no patience with trade associations duplicating work on the same issue. We want to see pooling of resources and pulling together of coalitions to work on particular issues even on an ad hoc basis. I would like to see coalition-building as the default way of working for everything except purely sectoral issues".

Managing global issues

Companies identified the increasing globalisation of public affairs issues, and increasing influence from global bodies, particularly those based in Geneva such as the WHO and WTO, as placing new pressures on European associations. Miguel Pestana, VP Global External Affairs at Unilever, contends that issues, governments, NGOs and trade unions have all globalised, but trade associations have not: "Just responding in Brussels doesn't take the issue away. Brussels alone is no longer enough".

Transparency

Many interviewees commented on the impact of the European Transparency Initiative. While most said that this had not affected the way they operate, the process of collecting data and complying with the EU register of interests had led to greater consultation between trade associations and their members. This had helped to clarify interests and publicly reinforce transparency. However, some corporate members expressed concern over 'grey areas', such as having lunch with EU officials; and interviewees noted that the EU's register of interests has aroused the Belgian tax authorities' interest in trade association finances.

EU Public Affairs - Key Success Factor 2

Key Success Factors	Selected interviewee quotes
1. Keeping ahead of regulation	<p>"Members want their trade associations to be ahead of the curve: they want to be informed early of EU developments and the potential impact of institutional change."</p> <p>"Associations should keep fully up to speed with changing people in the institutions - not just in the silos of Commission DGs they usually talk to but across the spectrum."</p>
2. Making timely decisions	<p>"The decision-making processes of trade associations can be frustratingly slow."</p> <p>"Members want their associations to be faster at reaching consensus and better at influencing policy."</p>
3. Simplifying complexity	<p>"Some of our issues are so technical that an MEP without a PhD in biochemistry is never going to understand what we are talking about unless we boil policy options down to simple choices."</p> <p>"Secretariats need to make the EU more understandable for their members. They should interpret, and not expect businesses to interpret Brussels jargon."</p>
4. Teamwork between members and secretariat	<p>"Creating effective teams within an association membership and secretariat with a clear mandate is often the best way to tackle important issues."</p> <p>"Corporate lobbyists need to co-ordinate outreach with the association secretariat so that EU officials are not over-lobbied and the industry presents consistent messages."</p>
5. Building coalitions	<p>"Broadening the debate horizontally with other affected interest groups has become more important."</p> <p>"Elevating the debate and debating more macro issues has found us new allies."</p>
6. Adapting to the new EU	<p>"We are spending 50% more time in the European Parliament these days. The President of the Council is a new audience to understand and influence."</p>
7. Behaving ethically and transparently	<p>"Effective public affairs is often invisible. How do you reconcile that with transparency?"</p> <p>"We must assume that the papers we produce are going to end up on the internet one day. Some associations have been suspended from the transparency register by under-declaring their lobbying expenditure."</p>

Communications - Key Success Factor 3

One of the critical factors for communications to be successful in a trade association is to be in – not report to - the leadership team. I am surprised that some medium-to-large associations downgrade communications to a second-tier role as it is, besides regulatory and public affairs, their core business.” Ingmar de Gooijer, Director of Communications, European Medical Technology Association (EUCOMED)

Associations need to work to keep their members’ trust continuously and listen to their needs. It is critical to have the right internal structures to meet the right people at the right intervals. An association must be run professionally which means, for instance, good preparation of meetings and agendas. You need to demonstrate success and keep visible so that your members are proud of your association.” Maria-Fernanda Fau Sebastian, Director of Communications, BUSINESSEUROPE

Internal communications are very important and have to be weekly at a minimum. We have very sophisticated tools but at the end of the day members want information summarised in an email with attachments. People just don’t like going to extranets and soon forget their passwords.” Françoise Humbert, Executive Director of Communications, CEFIC (European Chemical Industry Council)

Communications infrastructure

Ensuring that members receive relevant information in a timely and user-friendly format is the preoccupation of trade associations the world over. In the EU, the complex nature of the policy-making process means that harnessing members to respond to consultations, draft position papers, and launch lobbying campaigns requires highly-organised communication.

It is surprising to find that the communications function is under-resourced or downgraded in many European associations, even those whose reputation has been most seriously challenged. For instance, the Head of Communications at one of the most important European financial services associations is not part of the core management team. Conversely, other associations such as CEFIC have reorganised their various communications capabilities under a single leader who has a direct line into the Director General and frequent exposure to the Board. If European industries are serious about explaining their issues and improving their reputation, they clearly need to invest more in their association communication capabilities and elevate the importance of this role.

Communications - Key Success Factor 3

Integrated communications

Communications in a European association should not only promote the reputation of the industry, but also support and complement the industry's public affairs activities. In the view of many interviewees, European association communications tend to be poor, and behind their corporate or national association members. With so many business interests competing for attention in Brussels it is important that an association has a clear identity and message. Those associations that have recently rebranded stand out from the crowd. For example, when UNICE rebranded to BUSINESSEUROPE, it was no longer confused with a UN body and portrayed a clear business-like message and image. The media responded immediately and positively, and some national association members such as BUSINESSHUNGARY even rebranded themselves.

Digital communications and social media

According to the 2010 European Association of Communication Directors survey, the biggest communications challenge for any organisation is "coping with the digital evolution and the social web". With a few notable exceptions, European associations are generally lagging behind their members and stakeholders in their digital communications capability. In the words of one interviewee: "Associations need to be in sync with the digital media space. Quite a few associations have first-generation websites that are really out-dated with very limited integrated social media tools. In 2011, for an industry to show its public face in that way will not help its reputation and credibility".

There seems to be a significant group of associations who are adopting a wait-and-see strategy with social media, or are even philosophically opposed to it. In one association manager's words, "We don't use Facebook, Twitter or blogs. We use channels that work for our audiences".

Irina Michalowitz, EU representative for Telekom Austria Group, told us: "Trade associations have not grasped it yet; they see how it is used but don't have resources to use it themselves. There are also generational differences: under-25s use it, 28-35s understand it, over-35s don't actively use it".

Despite a cautious approach to social media, many associations are upgrading their websites and using online tools such as webinars. For instance, AmCham EU recently revamped its website to enable more interactive online communication with members and stakeholders. Notably, it decided to produce its business manifesto online as a fluidbook, enabling wide electronic distribution, the embedding of videos, and easy updating. The MD also uses the website to broadcast a "Monthly video message from Susan Danger".

Communications - Key Success Factor 3

Traditional media relations

Due to the crisis of the traditional media and the growth of the internet, the number of journalists in Brussels has almost halved in the last five years. Nevertheless, Brussels continues to be an important hub for news. Associations have generally improved their media relations capability, but the problem of finding consensus on public positions means they are quoted less than might be expected. In the words of Daniela Vincenti, Managing Editor of EurActiv: “Unfortunately associations are often not the best sources for quotes and stories as they take too long to agree a press statement, and by the time they have the story has often moved on, particularly for online media”.

Key Success Factors	Selected interviewee quotes
1. An integrated communications infrastructure	<p>“All the leaders of an association need to be good communicators, and the communications function needs to be at the heart of everything.”</p> <p>“MEPs are affected by the reputation of an industry just like members of the public.”</p>
2. Mastery of digital communications	<p>“Our website is far behind the innovation message we are trying to deliver about our industry.”</p> <p>“We all know social media is important, but there seem more risks than opportunities for us to engage in it right now.”</p>
3. Rapid response media relations capability	<p>“We need to have relationships with European trade media and key correspondents in Brussels so that they call us first for a comment.”</p> <p>“We have consciously decided to send fewer but better press releases and produce more letters and opinion editorials.”</p>
4. Engagement with stakeholders	<p>“Associations need to move from communication with individuals in the institutions to targeted mass communications.”</p> <p>“Associations should at least debate whether to focus on stakeholders beyond the institutions, such as important NGOs.”</p>
5. Timely and appropriate internal communications	<p>“Finding the right balance between too much and too little internal communication is difficult, but too much is the preferable option.”</p> <p>“We are overloaded with information so we expect more sophisticated filtering by our association.”</p>
6. Well-managed events	<p>“Long after they have ended we remember the best events.”</p> <p>“Two journalists turning up at a press conference is embarrassing for all concerned.”</p>
7. Visually-appealing materials	<p>“There are so many associations using blue backgrounds and yellow stars it is hard to tell them apart.”</p> <p>“A modern look and feel communicates that an association, and even an industry, is going places.”</p>

Added Value For Members - Key Success Factor 4

Companies want to be able to appraise associations' work. CEOs are establishing KPIs for the organisations representing them, not just their businesses. Our needs are also increasingly political rather than technical." *Marta Baffigo, Director, Global Public and Regulatory Affairs, Kellogg Company*

More and more individuals and companies are scrutinising the value of their memberships in professional and trade associations. Individuals look for the essential information and professional development they cannot find elsewhere and companies seek competitive advantage and an impact on their business and bottom line. As a consequence associations must operate with more of a business mindset and continually reassess, rethink and reinvent their value proposition to the professions and industries they represent." *Nikki Walker, VP Global Association Management & Consulting, MCI Group*

The most important feedback happens in informal conversations. However, we have also developed a bi-annual satisfaction survey, a Membership Care Programme, and adapted Customer Relationship Management software to make sure we are delivering value for our members." *Catherine Piana, Director General, European Vending Association*

Time and money

It is difficult to find a European association that has not been under financial pressure since 2008: however, many of those that we interviewed have not suffered a major drop in revenue. Most associations, it seems, have been asked to deliver more for the same money or slightly less. As one interviewee put it, the "Brussels bubble" did not burst because "there was so much important regulation coming out of Brussels on everything from financial services to climate change. Business simply could not afford to cut back its European representation". National associations bore the brunt of cutbacks and job losses. Consultancies who housed or advised associations have also faced budget cutbacks in the last few years. According to one interviewee: "A good association delivers the same services and value as consultancies, at a lower cost. Trade association people also have more legitimacy in routine contacts with the EU institution than consultants".

There has always been competition for resources by European associations. According to one interviewee, "national associations hardly ever want to increase dues to European associations as they have to protect their own backyard and are effectively competing for stretched corporate funding". Hence, in the wake of the financial crisis, national associations and companies are taking an even harder look at their expenditure on European associations.

Added Value For Members - Key Success Factor 4

Association membership is one of the few major areas of corporate spending that has not yet undergone the scrutiny of the procurement department. There is a trend, nevertheless, for corporate members increasingly to analyse the return on investment of all their association memberships, whether European, national or global. Often they are assessing not only their cash expenditure but also the time staff spend participating in Board meetings, technical committees and task forces. We found some mid-sized companies were sending upwards of 80 people to technical committee meetings of one European association alone. Several companies highlighted reductions in staff who would normally participate in trade associations, and some indicated that they had cut non-essential memberships and re-negotiated fees with others.

Evaluation criteria

In the absence of standard metrics, each member evaluates its association under different criteria. For instance, one company evaluates its trade association membership every year according to the following questions:

- Does the association do work the company cannot do? Or do it better?
- Does the association represent the industry voice?
- Does the association offer an alternative or parallel way of achieving the same aim?
- Does it share the same broad objectives?
- Does the association offer expertise the company cannot?

It is important that an evaluation, both by the association and its members, takes place at least annually. There are wide discrepancies in how often associations communicate with members and obtain feedback on their needs. According to a recent survey by MCI Group, around 30% of European associations never conduct surveys with their members or annual needs assessments. Associations could also do more to benchmark themselves in a structured way against other organisations inside and outside their sector.

Simplifying the internal evaluation to a limited number of clear criteria is helpful to all concerned. For example, Susan Danger, Managing Director of the American Chamber of Commerce to the EU, described how its recent strategic review conducted a 'health check' to test the alignment of policy-setting processes against resources. Structure, staffing, policy processes and products were assessed against four basic value propositions : (i) Advocacy and influence; (ii) Relations and networking; (iii) Corporate branding; and (iv) Information and intelligence.

Added Value For Members - Key Success Factor 4

The added value of a European association for members

Added value	Selected interviewee quotes
1. EU influence	<p>"Senior business minds are focused on direct business harm or benefit."</p> <p>"First and foremost we need our association to protect our licence to operate, and manage regulatory threats and opportunities."</p>
2. Adding Brussels expertise and presence	<p>"We have a stretched corporate public affairs function. Our association adds expertise and a presence in Brussels that we cannot afford in-house."</p> <p>"With so many laws coming out of Brussels from social affairs to the environment, we cannot keep on top of everything without our association."</p>
3. Networking with other industry representatives	<p>"Our members really value the relationships and conversations they can have with their colleagues from other companies at association meetings."</p> <p>"There are very few people in my corporate function so it is refreshing to share experiences and discuss issues with peers in other companies."</p>
4. Industry information and intelligence	<p>"Our association is one of the main sources of data on our industry."</p> <p>"An association is an interesting venue to gain insight into what our competitors are up to and how they think."</p>
5. Promoting the industry and its reputation	<p>"We expect our association to be the public face of our industry, and explain what we do to the media."</p> <p>"Some associations' main <i>raison d'être</i> is to promote their advantages over another industry or technology."</p>
6. Developing standards	<p>"The association provides access to best practice, industry guidelines, professional standards and a seal of credibility among business partners and investors."</p> <p>"It is not all about the EU institutions, we have to liaise with CEN and ISO as well."</p>
7. Conferences and training	<p>"Conferences and training generate a third of our association's income. We even have a training academy that offers bespoke tuition and well attended courses across a range of disciplines."</p> <p>"The Annual General Meeting is the major event for our industry."</p>

Appendix

Brussels trade associations: History and developmental milestones

EU associations have been active in contributing to the European policy agenda since the 1960s, and have risen to legal and economic challenges with varying speed, according to the adaptability of the sector they represent and the quality and responsiveness of their own leadership. An Anglo-American style of public affairs came into play in the 1970s, with the accession of the UK to the EEC, and continued with the influx of US-based companies in the 1980s, prompted by the announcement of the Single European Market and concerns about “Fortress Europe”. Specialised association management companies emerged, offering flexible technical, secretarial and accounting solutions to complement the organisations’ public affairs activities.

The representation of association interests in Brussels was further professionalised in the 1990s, due to the complexities involved in successfully navigating the labyrinthine corridors of EU power. The greater number of players - including institutions, Member States and interest groups - has reduced the lobbying remit of traditional trade associations, and specialisation has resulted in a narrower and more targeted representation of business interests to a more varied audience.

Some milestones in the development of Brussels trade associations

Impetus	Trends	Relevant associations (dates of foundation)
Creation of European Economic Community (1957)	Influx of agricultural and general business organisations	<ul style="list-style-type: none"> • Business Europe 1958 • COPA-COGECA 1958 • Brewers of Europe 1958 • CEFIC 1959
Preparation for and promulgation of Single European Act (1985)	Specialisation of trade associations per business sector Creation of association management consultancies	<ul style="list-style-type: none"> • European Services Forum 1989 • International Federation of Exhibition and Event Services 1984 • European Plastics Converters 1989
Preparation for and promulgation of Treaty on European Union (1992)	EU’s wider focus on democratic participation in policy chain Greater influence of groups’ social, health and environmental context	<ul style="list-style-type: none"> • European Association of Service Providers for Persons with Disabilities 1996 • European Heart Network 1992 • European Federation of Waste Management and Environmental Services 1989
Preparation for and promulgation of Lisbon Treaty (2009)	White Paper on Governance (2001) and creation of the European Transparency Register (2008) Further specialisation of industry sector representation	<ul style="list-style-type: none"> • European Low Fares Airlines Association 2006 • European Software Association 2005 • European Public Affairs Consultancies’ Association 2005

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