

# key success factors for European associations

A report based on in-depth research including interviews with leaders of EU-focused business associations and their expert advisers

2013 updated edition

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**Brussels-based associations are at the heart of EU political and regulatory debates. Since the start of the financial and economic crisis, their influence and importance has increased enormously. This inevitably puts association leaders and their members under greater pressure and throws up new challenges.**

Our report is based on detailed research and surveys across the Brussels policy community. As the leading headhunters in this area, our daily conversations with business and association leaders means we are privy to many insights, concerns, observations and fears that those leaders may not otherwise be able to share.

In addition to this, our London office earlier this year published *Directing the Collective Voice*, in which 60 UK trade association leaders describe the challenges they face. Taken together, this work enables us to identify common patterns of experience in what makes an association successful.

We first published *Key Success Factors for European Associations* in 2011. Building upon this work we have now identified seven key success factors, summarised on page 8 and developed in detail throughout this document.

There is, of course, another factor that is crucial in ensuring that trade associations deliver what their members want. This is guaranteeing that when the need arises, the very best individuals are recruited into the organisation's strategic posts. In Brussels and London we are the recruitment firm that specialises in these appointments.

There are many people who have made this report possible. My thanks go to those who completed our surveys and gave up their time to be interviewed. I would also like to acknowledge the input given by the distinguished experts listed on page 7. My colleague Rachel Barlow, who is now close to completing her PhD on the accountability of business associations, has made a huge contribution.

Finally I would like to thank Mark Dober, author of this report, if *Key Success Factors for European Associations* is received well by you, he must take the lion's share of the credit.

Yours,

*Gavin Ellwood*

Gavin Ellwood



**EU-focused associations are big business. There are currently 2,265 associations based in and around Brussels, which have a total estimated annual income of €2.9 billion, and employ 13,400 people\*. These include professional associations representing specific professions; important Non-Governmental Organisations; and some 1,600 European trade associations representing business sectors.**



Business 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 decisions and policymaking. Their composition, vocation and outreach vary considerably due to their particular histories and the growing breadth and depth of EU competencies. Most European associations are registered as international not-for-profit associations under Belgian law. Approximately 60% are traditionally pure federations, composed of national associations; 25% are composed of national associations and companies; and around 15% have exclusive direct company membership. Their budgets and staff size often depend on the nature of the business sector that they represent, the degree to which their industries are regulated, and who is in charge. Whether large or small, there is a growing sense of community and common purpose.

This report represents the latest phase of our research into the challenges facing European associations today, and how these can best be met. We base our findings on over 100 face-to-face interviews and two online polls of over 300 experts, combined with our own insights and experience. Four different types of organisation were interviewed: trade associations and federations; corporate businesses; public affairs and communication consultancies; and association management experts and consultancies. We have also reviewed the literature in this field, and have discussed our findings with acknowledged academic and professional experts. We thank the many hundreds of people that have contributed to the analysis and findings in this report, particularly those quoted, who have given special insights into the inner workings of associations: notably, our finance partners at KPMG; legal partners at Claeys & Engels, Field Fisher Waterhouse and Wilmer Hale; and association management experts at Kellen, MCI and Interel.

Our research has been presented at the European Society of Association Executives (ESAE), Kellen's annual EUROCONFERENCE and the Federation of European and International Associations established in Belgium (FAIB). Through the insights and engagement presented here, we hope to contribute to the pool of knowledge that helps association leaders run high-performing organisations and pursue rewarding careers.

We hope you enjoy this report, and welcome your feedback: [mark@ellwoodatfield.com](mailto:mark@ellwoodatfield.com)

Best wishes,

*Mark Dober*

Mark Dober

\* Source: a 2013 survey by the Federation of European and International Associations established in Belgium (FAIB).

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## Ellwood Atfield Brussels team



**Mark Dober**  
Senior Director

Mark Dober is the Senior Director in Brussels and advises clients on securing the best talent in the EU. He has consulted on key communications and public affairs issues with over 30 European association leaders. He has been twice voted 'European Consultant of the Year' in a career spanning almost 25 years. He was previously Managing Director at APCO Worldwide and set up their presence in Europe. He has a Masters in Political Science and speaks English, French, Spanish and Portuguese.



**Rachel Barlow**  
Associate Director

Rachel Barlow is an Associate Director consulting with clients on recruiting the expert public affairs and communications professionals in Europe. She has over 15 years' experience with business associations as VP of Kellen Europe and Senior Manager at Ernst & Young Association Management. She is a board member of the European Society of Association Executives and a leading authority on governance. She has an LLM in International Legal Cooperation (VUB) and is fluent in English, French and Italian.



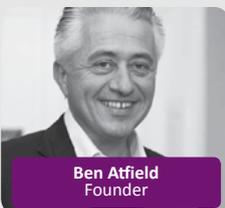
**Gavin Ellwood**  
Founder

Gavin Ellwood is Founding Partner of Ellwood Atfield. He has recruited numerous senior public affairs, communications and association leaders during a 18 year career in executive search. He is a Court member of the PR Guild, chairman of its Communications Committee and a Freeman of the City of London.



**Helen Seward**  
Research Associate

Helen Seward is European Research Associate at Ellwood Atfield in Brussels and London. She works on pan-European and international assignments providing market intelligence and candidate identification. Earlier in her search career Helen worked at an international search firm where she focused on Board level Executive and Non-Executive assignments predominately for FTSE 350 companies. Helen speaks English, French and Italian.



**Ben Atfield**  
Founder

Ben Atfield is Founding Partner of Ellwood Atfield. He started his recruitment career at Michael Page International. In 1998 he joined Parliamentary Communications and became the first director of the groundbreaking political information portal epolitix.com. Ben studied Japanese History and Politics at the School of Oriental and African Studies (SOAS), University of London.



**Svenja Karkossa**  
Intern

Svenja Karkossa is studying for a Bachelor's degree in Psychology with a Business Minor at the University of Segovia. Svenja has completed several internships with the Brussels office, and contributions to this report include a detailed analysis of the top 50 European associations by revenue.

# Acknowledgements

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We wish to thank the many experts that contributed their time and knowledge to this report with particular thanks to its guest contributors.



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**There are over 1,600 European business associations geared towards achieving EU policy successes and improving their sector's reputation. An association's outreach can have an enormous impact on the prospects, and the employees, of the industry that it represents.**

As the leading recruitment firm in this area we are concerned with the factors at play that lead to success or failure. What needs to be changed for an underperforming association to become "successful"?

Our research indicates that successful associations stand out from their peers and add a great deal of value to their members. Nearly all corporate and national association members say that good leadership is the single most important success factor. Typically, the best associations have excellent people within the leadership teams of their secretariats, at the level of Director General, Director of Communications, and Head of Regulatory or Public Affairs. Working together they communicate effectively internally and externally, and deliver favourable EU policy outcomes for their members.

Behind every great leadership team is a high-performing secretariat, supported by a solid back office delivering smooth financial administration. Successful associations know how to navigate legal risks in complex areas such as anti-trust compliance and Belgian employment law, as well as providing insight into regulatory developments affecting their members.

On the basis of our extensive research and analysis, we believe there are seven key success factors for European business associations:

**1. DEMONSTRABLE ADDED VALUE** for membership according to clear criteria. A successful association delivers added value to members through a clear vision, focus, and top quality people. It also: has EU influence; promotes the industry and its reputation; networks with other industry representatives; holds industry information and intelligence; adds Brussels expertise and intelligence; develops standards; and provides conferences and training.

**2. ROBUST LEADERSHIP** from the Director General and the Board. Strong association leaders set strategy, and find consensus both between members who compete with each other for market share, and between national associations with very different cultures. A successful Director General is: a strategic leader; a persuasive diplomat; an excellent communicator; politically savvy; a competent manager; an energetic networker; an industry expert.

**3. HIGH-PERFORMING SECRETARIAT** supporting an association's leadership and its members. Secretariats that engage in open debate address critical issues, find solutions to problems, and develop innovative ideas. A high-performing secretariat can be created through: participative leadership; mutual trust; aligned strategy; shared responsibility; individual accountability; open communications; proactivity and responsiveness.

**4. PROACTIVE PUBLIC AFFAIRS** with members and secretariat working together as a team. Most European associations are set up so that they lead on EU issues, but are restricted to lobbying the EU institutions in Brussels, Strasbourg, and Luxembourg, rather than contacting policymakers in Member States. Our research identifies the importance of: keeping ahead of regulation; making timely decisions; conveying clear messages; teamwork between members and secretariat; building coalitions; targeting the right audience; behaving ethically and transparently.

**5. INTEGRATED COMMUNICATIONS** led by a Director of Communications who is part of the management team. Industries that are serious about explaining their issues and improving their reputation must elevate the importance of the communications role. For this they require: an integrated communications infrastructure; mastery of digital communications; rapid response media relations capability; engagement with stakeholders; timely and appropriate internal communications; well-managed events; visually appealing and well-written materials.

**6. LEGAL INSIGHT AND COMPLIANCE** in critical areas of EU and Belgian law. Great care is necessary to avoid collusive behaviour between members, as this carries enormous reputational risks and significant penalties. Also, governance choices for associations lie beyond legal compliance and denote agreed preferences of best practice. Key areas of focus should be: regulatory support; legal incorporation; EU competition compliance; association governance; trade law; Belgian employment law.

**7. SMOOTH FINANCIAL ADMINISTRATION** to support income streams, cost control and tax management. Association leaders have many metrics to measure success, such as public policy objectives – but they still need to break even to survive. Our research identified these key attributes: integrated financial function with a strategy; well-rounded financial leaders; building sustainable revenue; income management; accounting management; cash flow; tax and VAT management.

## Demonstrable added value

A successful association delivers added value to members through a clear vision, focus, and top quality people. It also: has EU influence; promotes the industry and its reputation; networks with other industry representatives; holds industry information and intelligence; adds Brussels expertise and intelligence; develops standards; and provides conferences and training.

### Demonstrating value

European associations must add real value to the industries they represent or face the consequences. With reduced budgets, corporate members will pick a limited number of association memberships. Associations claiming to stand for a specific issue increasingly have to compete for important corporate mandates.

Corporate members increasingly analyse the return on investment of all their association memberships: European, national, and global.

They are assessing their cash expenditure but also the time spent 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 participating in association activities, and some indicated that they had cut non-essential memberships and renegotiated fees with others.

While European associations have generally weathered the recent storms of the financial crisis, many national associations have suffered from loss of revenue through mergers, bankruptcies, and companies simply leaving through lack of financial and human resources.

Successful lobbying in the corridors of Brussels may add real value to a whole industry. But it is quite a different challenge to demonstrate value at the AGM, where members want to see exactly what they are getting for their money.

### Insulation of EU lobbying budgets

Recent budget pressures may have encouraged some EU business associations to lobby on fewer issues.

But in general, it seems that allocated lobbying activities and budgets have been protected, and if anything have become more focused. One interviewee told us: *“Associations have been forced to demonstrate more clearly their added value and what contributions planned activities will have in terms of outcomes in order to justify their funding”*. Another stated: *“In some cases the crisis has helped clarify the role and mission of associations and they have now more resources than before”*.

If there is an urgent lobbying need, obtaining “additional project” budget is not a problem. The financial crisis has triggered a wave of regulation in specific sectors, not least the financial sector, which has significantly scaled up its Brussels representation.



“It is said that the success combination in business is ‘Do what you do better, and do more of what you do’. Brussels-based associations are better placed to lobby the EU for their industry than any other organisation, however, their ability to add value in Member States is often hampered by turf battles. The most successful associations have figured out how to harness the combined potential of companies working with European and national associations together in harmony.”



Brian Ager, Secretary General of the European Roundtable of Industrialists (ERT)

### Evaluation criteria

Beyond the effectiveness of their lobbying, associations need to assess many other areas of activity. Some have sophisticated methods to measure their performance and feedback from members. Catherine Piana, Director General of the European Vending Association (EVA), told us: *“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.”*

“Companies are losing their patience with their associations. CEOs want KPIs from the organisations representing them, not just their businesses. Our needs are also increasingly political rather than technical.”



Marta Baffigo, Former Director of Global Public and Regulatory Affairs, Kellogg's

In the absence of standard metrics, each company or national association evaluates its European association under different criteria. One company evaluates its European 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?

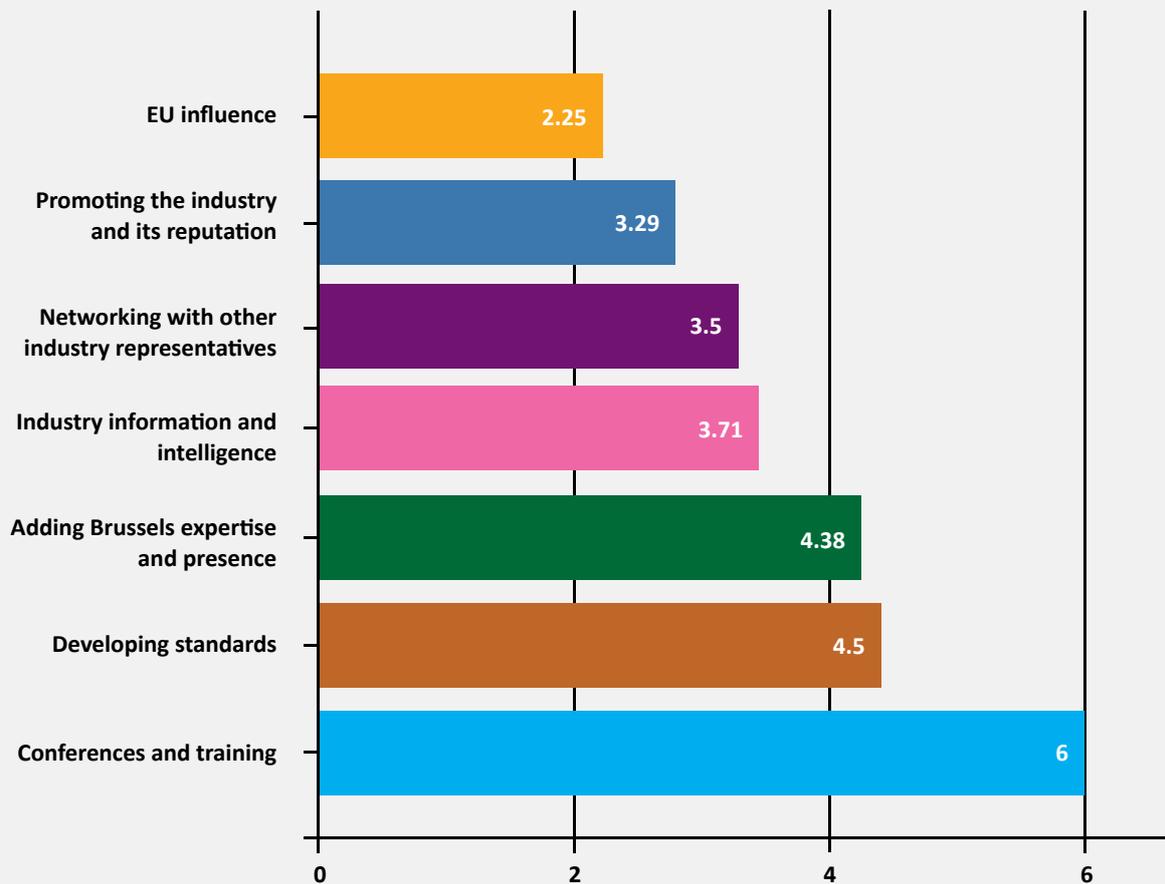
An evaluation, both by the association and its members, should take place at least once a year. There are wide discrepancies in how often associations communicate with members and obtain feedback on their needs. A recent survey by MCI Group found that around 30% of European associations never conduct 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 for all concerned. Susan Danger, Executive 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:

- 1) advocacy and influence;
- 2) relations and networking;
- 3) corporate branding; and
- 4) information and intelligence.

Ultimately, as one interviewee told us: *“Being successful in the association business boils down to delivering tangible added value to members. To achieve that, the organisation needs a clear vision, focus, and top quality people.”*

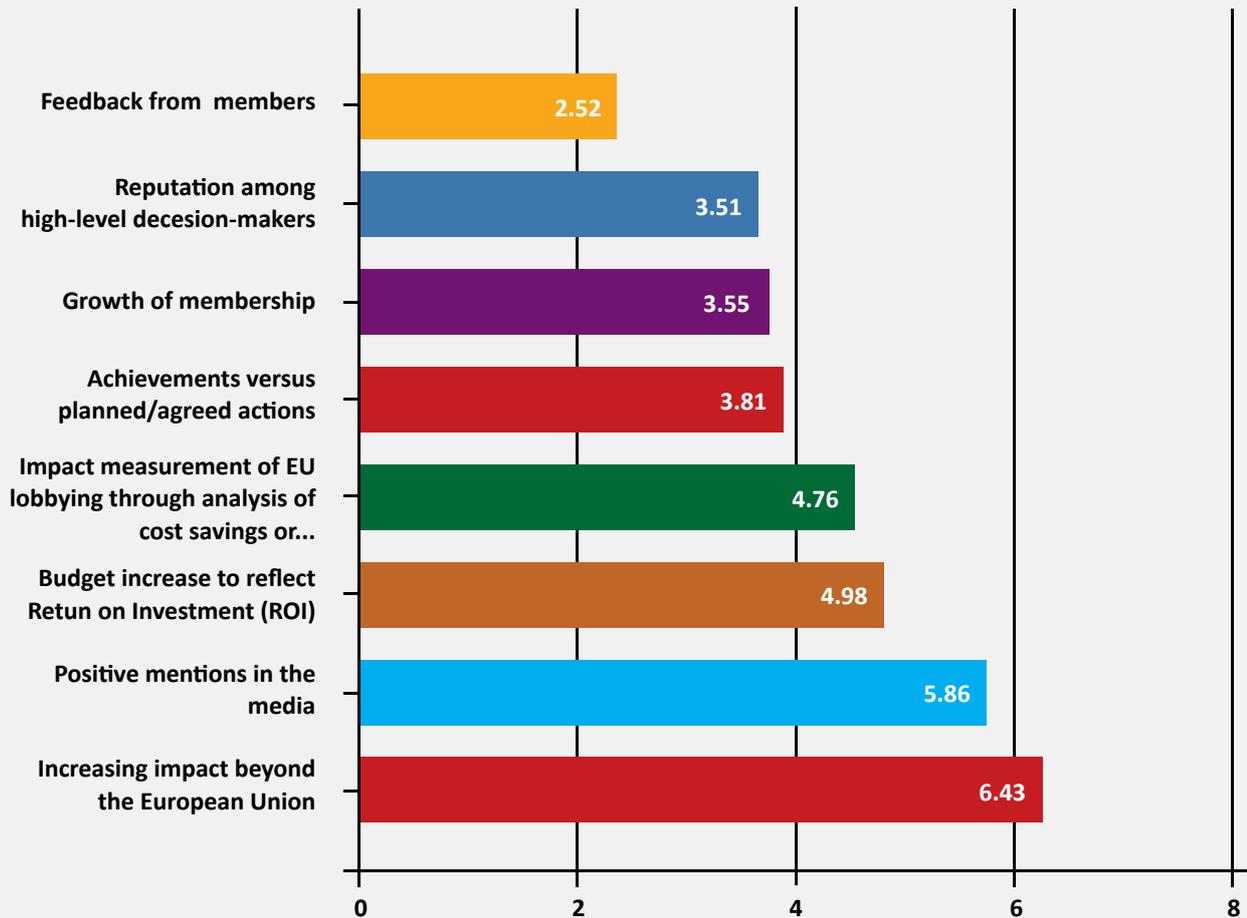
How would you prioritise the following added values of your European association to your national association? (1 being most important and 7 being least important)



According to Ellwood Atfield's 2012 survey, EU influence and industry reputation are the most important expectations of members for their European associations. Hence the effectiveness of the governance structure as well as the lobbying and communication capabilities of the leadership are of paramount importance.

*2012 survey, Ellwood Atfield*

How do you measure the success of your organisation? Please rank in order of importance, 1 being most important and 8 being least important



Internally, informal and formal feedback from members on the performance of the association and its secretariat are the most important measures of success overall.

Externally, improving the reputation of an industry and its association is the critical long-term measure of success. Interestingly, few associations carry out reputation surveys among their external audiences to analyse their performance and messaging.

*2012 survey, Ellwood Atfield*

“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, Vice-President, Global Association Management & Consulting, MCI Group*

## Key attributes

## Selected interviewee quotes

### 1. EU influence

“Senior business minds are focused on direct business harm or benefit.”  
“First and foremost we need our association to protect our licence to operate, and manage regulatory threats and opportunities.”

### 2. Promoting the industry and its reputation

“We expect our association to be the public face of our industry, and explain what we do to the media.”  
“Some associations’ main raison d’être is to promote their advantages over another industry or technology.”

### 3. Networking with other industry representatives

“Our members really value the relationships and conversations they can have with their colleagues from other companies at association meetings.”  
“There are very few people in my corporate function so it is refreshing to share experiences and discuss issues with peers in other companies.”

### 4. Industry information and intelligence

“Our association is one of the main sources of data on our industry.”  
“An association is an interesting venue to gain insight into what our competitors are up to and how they think.”

### 5. Adding Brussels expertise and presence

“We have a stretched corporate public affairs function. Our association adds expertise and a presence in Brussels that we cannot afford in-house.”  
“With so many laws coming out of Brussels from social affairs to the environment, we cannot keep on top of everything without our association.”

### 6. Developing standards

“The association provides access to best practice, industry guidelines, professional standards and a seal of credibility among business partners and investors.”  
“It is not all about the EU institutions, we have to liaise with CEN and ISO as well.”

### 7. Conferences and training

“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.”  
“The Annual General Meeting is the major event for our industry.”

## Robust leadership

Strong association leaders set strategy, and find consensus both between members who compete with each other for market share, and between national associations with very different cultures. A successful Director General is: a strategic leader; a persuasive diplomat; an excellent communicator; politically savvy; a competent manager; an energetic networker; an industry expert.

### Association leadership and governance

Our research confirms that what distinguishes a good association from an underperforming one is its leadership. Simply put, this means the qualities of the Director General in charge on a daily basis. Associations need strong leaders to set strategy and help find consensus between corporate members who compete with each other for market share, and national associations with very different cultures.

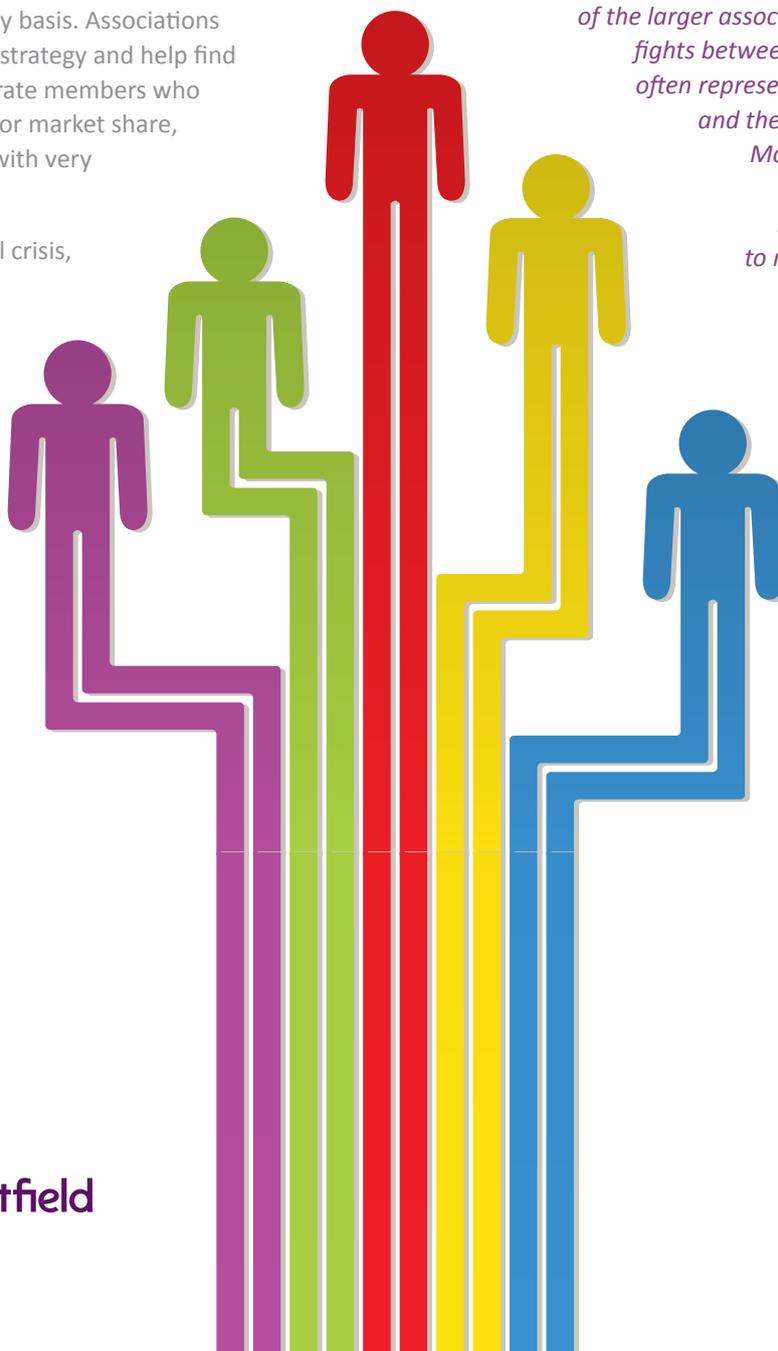
In the wake of the financial crisis, members expect stronger association leadership. Traditional Secretaries-General are increasingly being replaced by Directors-General who are strategists, industry experts and EU players.

Leading European associations represent a diverse group of people and interests, who need to be led to achieve a common goal. For example, FoodDrinkEurope represents national federations from 22 countries, as well as 25 European sector associations, ranging from the Brewers of Europe to the European Ice Cream Association; 18 multinationals, from Barilla to Unilever; and thousands of small and medium-sized enterprises from around Europe.

One of the biggest challenges for both national federations and corporates lies in balancing members' differing interests. 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."*

Irrespective of size, the key leadership body of any association is the Board. As one Director General put it: *"my boss is the Board not the President"*.



“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 of Kellen Europe

A well-designed decision-making process, with clear remit allocation and embedded accountability mechanisms aligned with the Key Performance Indicators (KPIs) of the business strategy, are the most important hallmarks of a strong Board.

There is a general feeling that European associations could do more to modernise their governance structures. One corporate interviewee stated: *“I hear constant problems about inappropriate governance structures and how hard it is to change them. This impacts the tolerance of our senior management for trade associations and therefore our overall support. We need decision-making structures that are flexible and transparent.”*

To ensure input in the EU legislative process at the right time, speed of decision-making can be critical: particularly in an era of online consultations and strictly-timetabled political processes. If the association does not make its voice heard, organisations with opposing views might impose greater influence. Decision-making sclerosis most afflicts associations of associations. A number of interviewees pointed out that those associations involving only corporate members, or a mixture of associations and corporations, tend to be quicker, more adaptable and hence more effective.

The association leadership needs to guard against the effects of dominant personalities and have an eye to significant risks, such as 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’”.

### The Director General

The title “Secretary General” is on the decline while “Director General” is becoming more prevalent. This represents more than just a change of words. The Secretary General was originally the person who took the minutes of an association’s meetings; members now expect the day-to-day leader to direct, as well as represent, the association, and the title is evolving accordingly. The Secretary General (SG) of BUSINESSEUROPE became the Director General (DG); the European Medical Devices Association has a Chief Executive Officer (CEO); and European Biopharmaceutical Enterprises has an Executive Director.

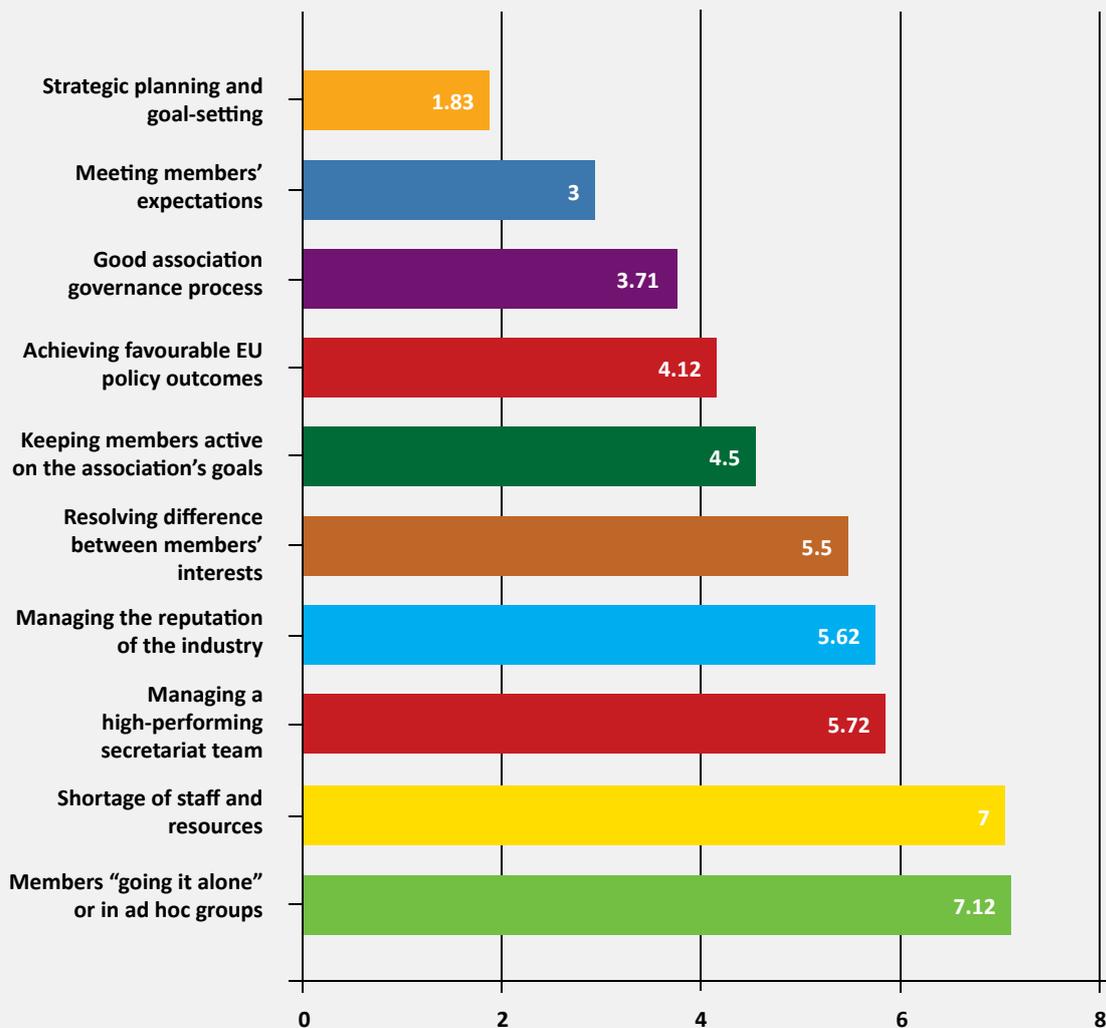
“Today’s Director General needs to have a portfolio of skills, and although knowledge of an industry sector can be useful, it is rarely a necessity.”



Alisdair Gray, Director of EU Affairs, European DIY Retail Association (EDRA) & Managing Director of MHP.

In the same way that shareholders, managers and employees expect exceptional qualities in their CEOs, members and secretariats of associations expect their DGs to be outstanding in all aspects of association leadership. But unlike CEOs, 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.

How would you rank in importance the following leadership challenges your European association is facing? (1 being most important and 10 being least important)



Meeting members' expectations, strategic planning and goal-setting are by far the greatest challenges for association leaders.

Governance structures must also allow for participatory democracy, legal compliance and enforcement of operational rules. We found that around two thirds of associations change their Board between every 1 and 3 years.

2012 survey, Ellwood Atfield

“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*

Many of our interviewees talked about the importance of “balance” for a DG: balancing strategic planning with attention to detail, or balancing the competing interests of association members. The multicultural nature of Brussels also means that language skills are a distinct advantage: Directors General are expected to express themselves in English and French at least, and sometimes German or Italian as well.

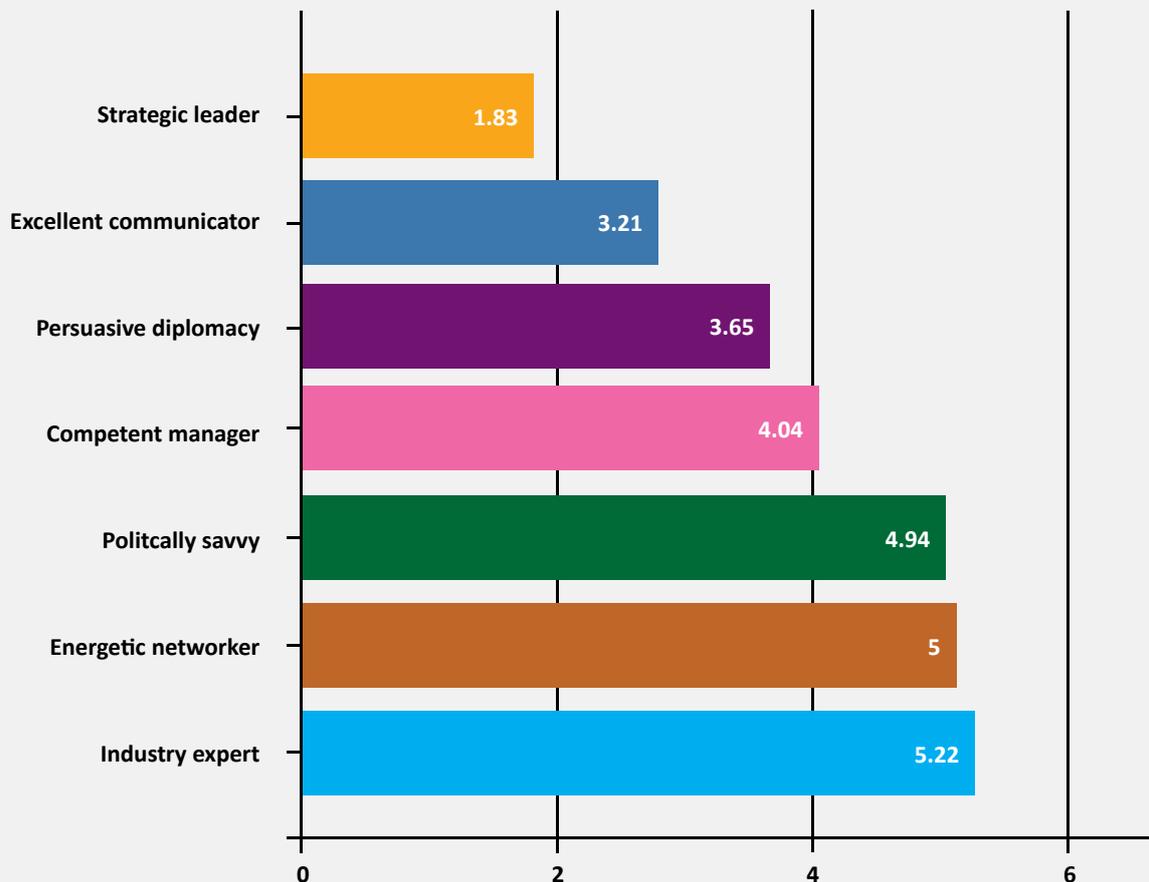
Size does matter for associations. In smaller associations a Director General has to engage intensively in the everyday detail of running the association, from delivering the adopted lobbying message to deciding HR policies for the secretariat. Larger associations usually have dedicated administrators, as well as regulatory and communications specialists, to spread the workload. It is seen as important that the Director General can articulate and promote a vision for the association – indeed, for the industry.

There are diverging views on whether it is more important to be an EU insider or industry expert, but many excellent DGs have developed both attributes. At the same time, the DG needs to have the ability to manage people and a budget, as well as operating within the prescribed legal parameters.

When is the right moment to replace the DG? We note that many incoming Presidents of Boards of European associations start with a desire to “shake things up” and replace the longstanding DG, only to find that firing the incumbent destabilises the staff and makes a hole in the annual budget. Many of our interviewees note a tendency for DGs to stay too long, and it is interesting to note parallels with corporate leadership. Research by Booz Allen Hamilton found that all CEOs, and especially those who stay longer than 10 years, display a dramatically negative difference in performance between the first and second halves of their tenure. According to our research, the majority of corporate and association members believe 10 years is too long for a DG to stay in position.

Choosing a DG can have highly negative consequences for an association if undertaken for the wrong reasons and with poorly developed processes, and it is essential to gain buy-in from the remaining leadership for the new appointment. There are, however, huge benefits if a new “Super DG” is appointed with full organisational support, complementing the existing skill sets within the secretariat. Specialist recruitment firms are uniquely positioned to guide the Board through agreeing the selection process, optimising the governance structures and defining the key skills required in order to appoint the best person for the job from an outstanding shortlist of qualified candidates.

How would you rank in importance the following attributes of successful leaders of a European association? (1 being most important and 7 being least important)



Associations will give different weighting to these seven attributes depending on their culture, history and other specificities. However, we were interested to find there is surprising commonality across industry sectors on what is expected of the DG. Therefore, we went deeper in our 2012 Association Leadership Survey to find out how relatively important these attributes are to members. The results summarised above reflect our own experience that Boards tend to look first for strategic thinkers, then for first-class communicators and managers who can set strategy rather than industry experts, because such knowledge can be acquired on the job and already exists in the secretariat and membership.

*2012 survey, Ellwood Atfield*

### Key attributes

### Selected interviewee quotes

#### 1. Strategic leader

"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."

#### 2. Persuasive diplomat

"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."

#### 3. Excellent communicator

"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. Politically savvy

"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

"A well-run association requires attention to detail, financial acumen, smooth processes and a human touch."

"Successful Directors General are good people managers with a clear vision aligned with the interests of the membership."

#### 6. Energetic networker

"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."

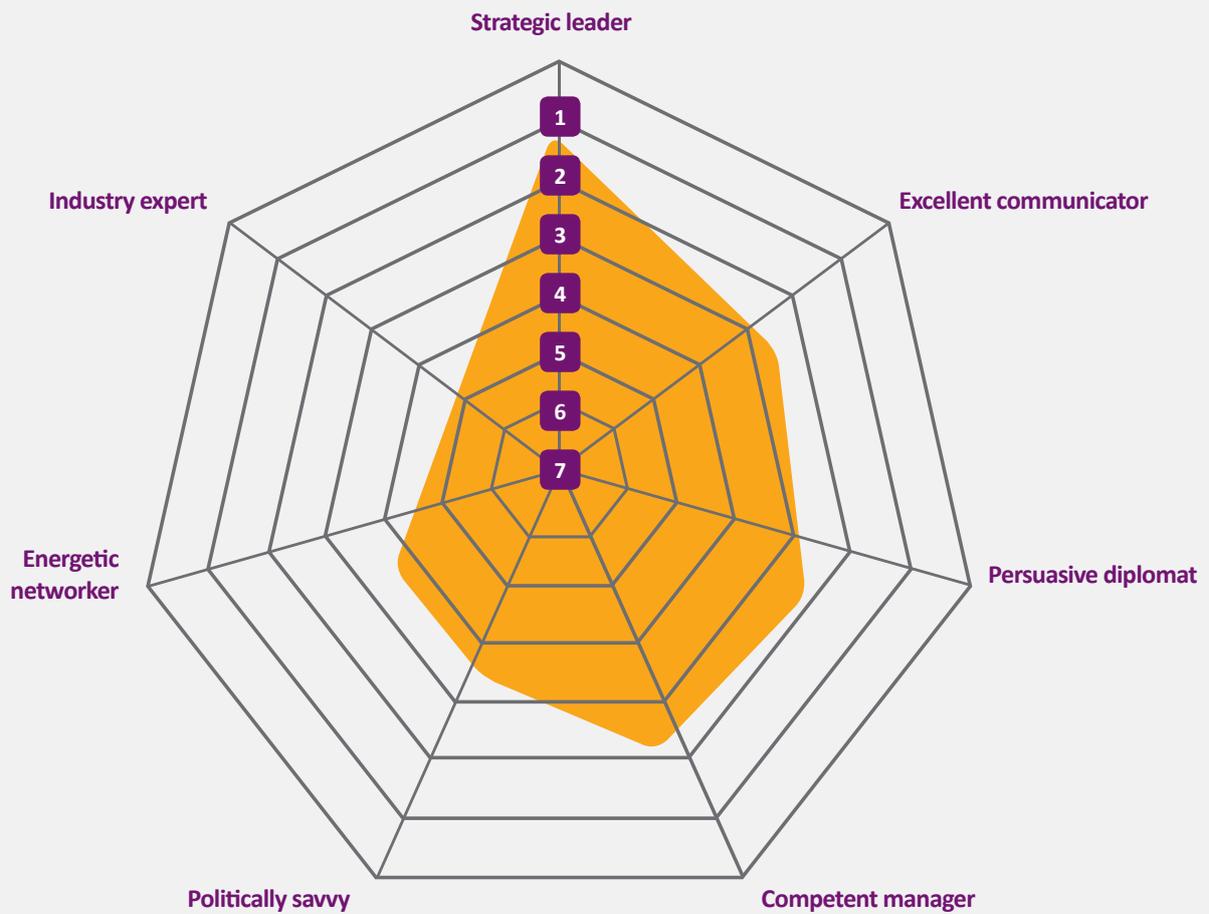
"A good DG has to have a lot of stamina."

#### 7. Industry expert

"The sector can be learned, but ideally DGs should have a track record within the industry or at least on the key issues."

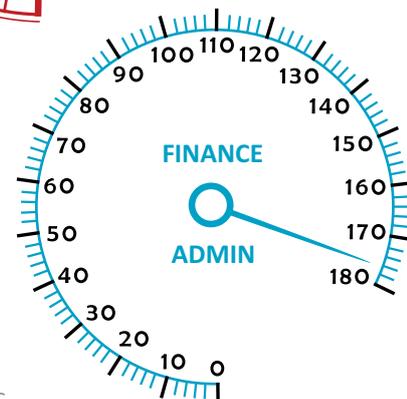
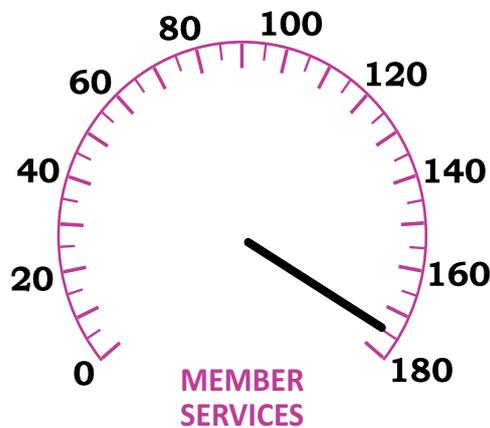
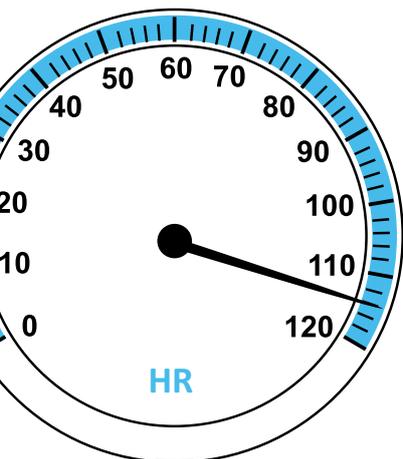
"They should be empathetic to their members' interests and have a certain pride in their sector which they can reflect externally in Brussels."

Our research highlighted seven key attributes of a successful association leader:



Through this research, Ellwood Atfield has developed a methodology to assess Director General candidates for European associations based on the seven attributes.

# High-performing secretariat

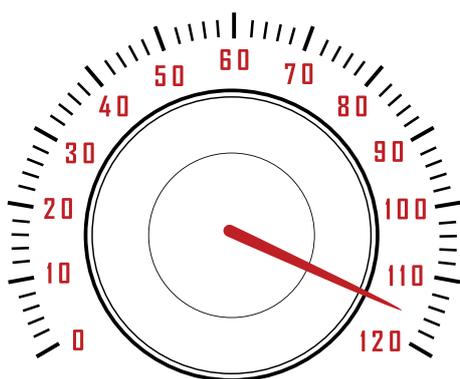
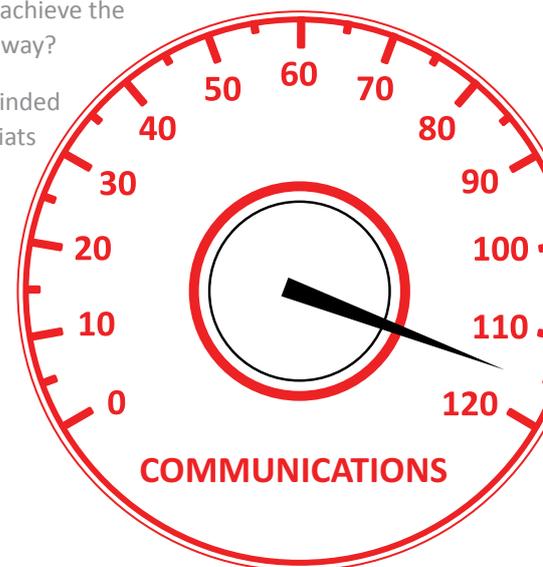


Secretariats that engage in open debate address critical issues, find solutions to problems, and develop innovative ideas. A high-performing secretariat can be created through: participative leadership; mutual trust; aligned strategy; shared responsibility; individual accountability; open communications; proactivity and responsiveness.

## The high-performance team

A high-performance team is defined by management textbooks as a group of people with specific roles and complementary talents and skills, aligned with and committed to a common purpose, who consistently show high levels of collaboration and innovation, and which produces superior results. Team members are so devoted to their purpose that they will surmount any barrier to achieve the team's goals. How many secretariats of European associations can be described in this way?

Our research found many high-performing secretariats, typically led by participative-minded Director Generals, where results and open communications are valued. Those secretariats that engage in open debate are more likely to address critical issues, find solutions to problems, and develop innovative ideas. However, we also came across some associations where mistrust, criticism and poor results prevailed, typically led by authoritarian Directors General who stifled debate.



recruiting the people who talk for you

“A high-performance association depends first and foremost on two factors: a competent motivated team and a leadership which has a vision for the association. I believe it is essential to empower one’s staff to manage the issues entrusted to them and their team. We also always require the highest quality of work and ethics. We work in a world where trust – that of our members and of the institutions – is crucial to our success and therefore we must nurture our brand and our clients as would any major company.”



*Adrian Harris, Director General, European Engineering Industries Association (ORGALIME)*

Patrick Lencioni’s *The Five Dysfunctions of a Team* notes that a key aspect of a high-performing team is creating an environment where each team member trusts one another. This enables them to engage in unfiltered conflict around ideas; commit to decisions and plans of actions; hold one another accountable for delivering against those plans; and focus on the achievement of collective results. Where there is an absence of trust, secretariat members conceal their weaknesses and mistakes from one another; hesitate to ask for help or offer help outside their own areas of responsibility; and even hold grudges and find reasons to avoid spending time together.

To support team effectiveness within high-performance teams, an understanding of individual working styles is important. Many associations use indicators such as DISC assessment, the Myers-Briggs Type Indicator and the Herrmann Brain Dominance Instrument to understand behaviour, personalities and thinking styles of team members, and help them become more appreciative of other preferred styles of communication and patterns of behaviour.

### Recruiting first-class people

Forbes has recently pegged the cost of a single bad hire in a company at between €20,000 to €40,000: but the cost for an association can be much greater.

Our research uncovered stories of rogue DGs and bad association lobbyists who incurred the wrath of European Commissioners and Members of European Parliament, which ended up costing their industry tens of millions of euros through inappropriate new proposals or amended legislation.

When hiring association leaders, it is important to validate their reputation in the Brussels village. Associations, often lacking in HR departments, sometimes struggle to carry out adequate background checks for key recruits. (A cautionary tale is provided by the infamous case of the Brussels industry association that hired a lobbyist whose previous conviction for violent crimes was not uncovered during recruitment: he subsequently murdered his partner.) Hiring a specialist recruitment firm ensures that first-class candidates are identified and validated through a thorough search.

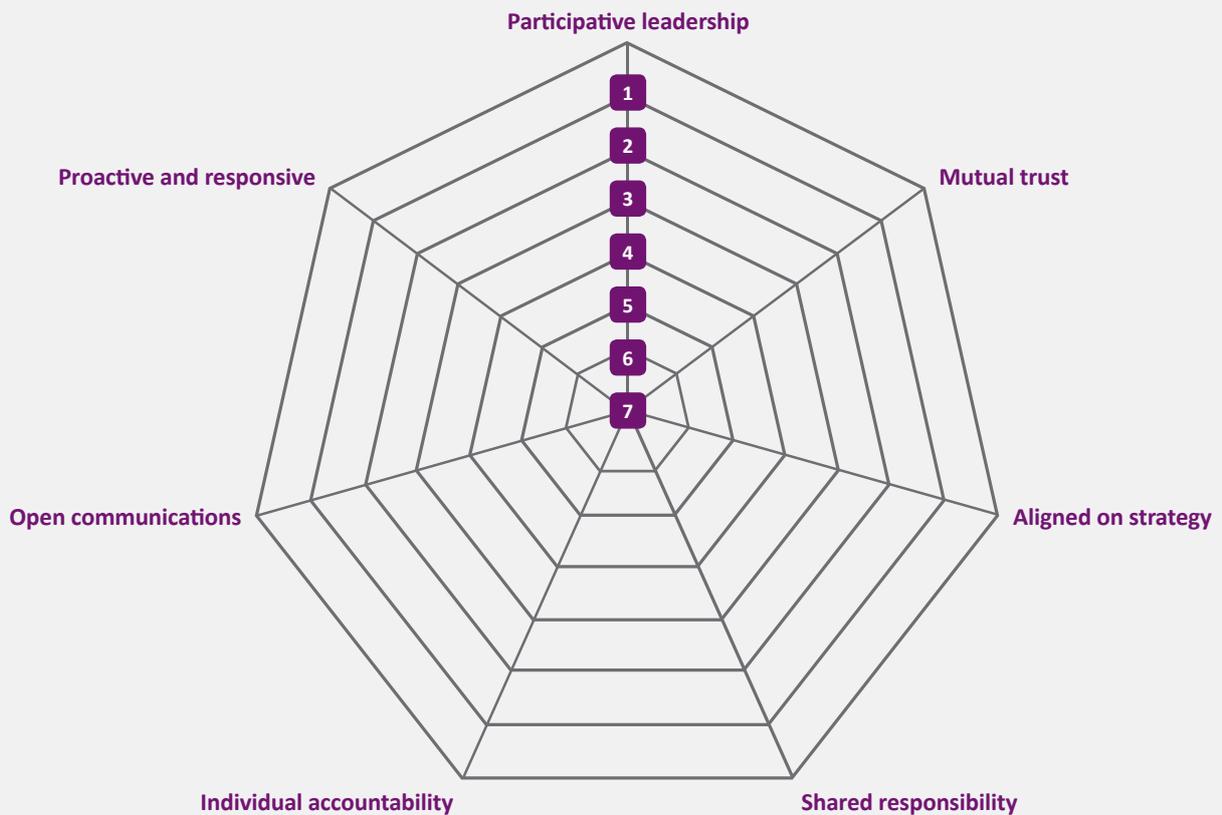
For business associations in particular, where the members themselves are direct market competitors, the appointment of an association leader presents a delicate political challenge. The procedure needs to be agreed in advance with clear milestones, such as drawing up and presenting the shortlist. The actors (such as selection panel members) or decision makers (such as Board members) should be mandated by the general assembly, and the procedure must be transparent whilst necessarily protecting the confidentiality required for candidates. The process of easing in and presenting the new appointee must be planned from both an internal and external perspective. As an experienced neutral third party, recruitment firms are best placed to advise on and participate in these steps.

“A high-performing secretariat needs to be a flat organisation, working as a team and composed of a diverse group of individuals which shares some core values: proactive, driven, service-minded, competent and accountable.”



*Stephan Loerke, Managing Director at World Federation of Advertisers (WFA)*

## Key attributes of a high-performing secretariat



According to Ellwood Atfield research the key attributes of a high-performing secretariat in this radar chart can be used to analyse and measure the team's performance. However, to create a high-performing team it is vital that the secretariat recruits first-class people and has the policies and procedures in place to retain and develop the best people.

## Rewarding staff

Every association needs a strategic reward system for its staff, which addresses four key areas: compensation, benefits, recognition and appreciation. Many associations are missing one or more of these elements (usually recognition and/or appreciation), and the room for manoeuvre for financial reward is limited in a not-for-profit setting and a Belgium tax regime that, with the exception of the new Belgian group bonus scheme, almost penalises bonuses.

There are significant differences in the remuneration of association leaders depending on their financial, industry and membership base. We have encountered some DGs of small associations earning little under €100,000, but the norm is €160,000 - €250,000, and we have recruited for positions above this figure. Indeed, a number of exceptional DGs have a total compensation package in excess of €700,000. There are three major reasons for the variation in pay: 1) a senior executive seconded from a major commercial sector may have carried over a salary level from the previous employer; 2) the size of association they represent, as determined by the numbers of members, the number of staff employed in Brussels office or by the “wealth” of the sector they represent; 3) the tax arrangements under which the DG is employed, usually as an independent or salaried employee.

There can also be a substantial gap between the remuneration of a Director General of an association and their first line management. Typical and unusual outlier salaries are given below:

Title	Typical salary range for most positions	Outlier top salaries existing in Brussels	Typical benefits
Manager	€60,000 - €90,000	€120,000	Pension, healthcare
Director of Regulatory or Public Affairs	€70,000 - €140,000	€240,000	Car, pension, healthcare Pension, healthcare
Director General	€160,000 - €250,000	€700,000	Car, pension, healthcare & incentive plan

“The art of the good executive search firm is not only to know all the potential candidates but, more importantly, to know their motivations, what sort of position might attract them, and to be able to assess if the fit is right’... Headhunters generally know a broad range of people, and if a search is being conducted discreetly... a third party such as a headhunter is essential.”

The Economist

*Headhunters and How to Use Them, by Nancy Garrison Jenn.  
Published by The Economist*

## Retaining the best people

Retention of an association’s best staff is critical to its long-term health and success, and the DG has a crucial role here. Retaining the best employees ensures member satisfaction, stable membership income, happy secretariat staff, deeply imbedded organisational knowledge and learning, maintaining reputation with key stakeholders and even more positive EU policy outcomes. Clearly, for employees to make a long-term commitment to an association, the leadership will need to give them good reasons to stay.

Management thinkers agree that a satisfied employee knows clearly what is expected from him or her every day at work. Changing expectations keep people on edge and create unhealthy stress. The quality of supervision is critical: the primary reason people leave organisations is a disagreement in values between employer and employee. Top talent leave an association when they are badly managed, confused or uninspired. Frequent employee complaints cited at exit interviews centre on these areas:

- Failure to provide a framework within which employees feel they can succeed;
- Lack of clarity about expectations;
- Lack of clarity about earning potential;
- Lack of feedback about performance;
- Failure to hold scheduled review meetings.

Good employees crave autonomy. They want to be trusted to get on with things and to have the opportunity to do things their way. As Theodore Roosevelt said, “The best executive is the one who has sense enough to pick good people to do what he wants done, and self-restraint enough to keep from meddling with them while they do it”.

“High-performance teams create a learning environment and emphasise the development of the team, learning through successes, but particularly through mistakes. A team with a culture of continuous improvement and where members are motivated to develop their skills and knowledge are high-performing teams.”

*Ronald E. Riggio, Professor of Organizational Psychology and Author of Transformational Leadership*

“In order to retain your best staff show you trust them by giving them responsibilities that allow them to grow. Encourage them to gain new skills. Provide ample continuing education opportunities. The rewards you give your employees should speak to their emotional needs and should go beyond their monetary compensation.”



*Harvard Business Review*

## Key attributes

## Selected interviewee quotes

**1. Participative leadership**

"Our association encourages lively discussion in our Monday staff meetings and we get to know what everybody is up to."

"The previous DG instilled a very unhappy internal culture which resulted in staff leaving continuously. He even managed to upset a Commissioner so much that our whole industry suffered politically and ultimately financially."

**2. Mutual trust**

"We have engendered a 'One Team' philosophy that supersedes internal competition."

"Although our corporate members would probably eat each other for breakfast, we have to trust our colleagues in the secretariat – our issues are too big to fail."

**3. Aligned on strategy**

"We are only six people but seek the whole team's input into the annual strategy – we buy into it and go for it together."

**4. Shared responsibility**

"Even our receptionist could recite our association's mission to you."

**5. Individual accountability**

"We used to have a very hierarchical DG who barely let the staff engage with the outside world but our new leader has given everybody a sense of responsibility and power over the success of the association."

**6. Open communications**

"I like to say to there are no bad ideas or stupid questions...which is (mostly) true!"

"It is important to enable internal debate and discussion but there also need to be some parameters, I really didn't like what our communications people were blogging on our website."

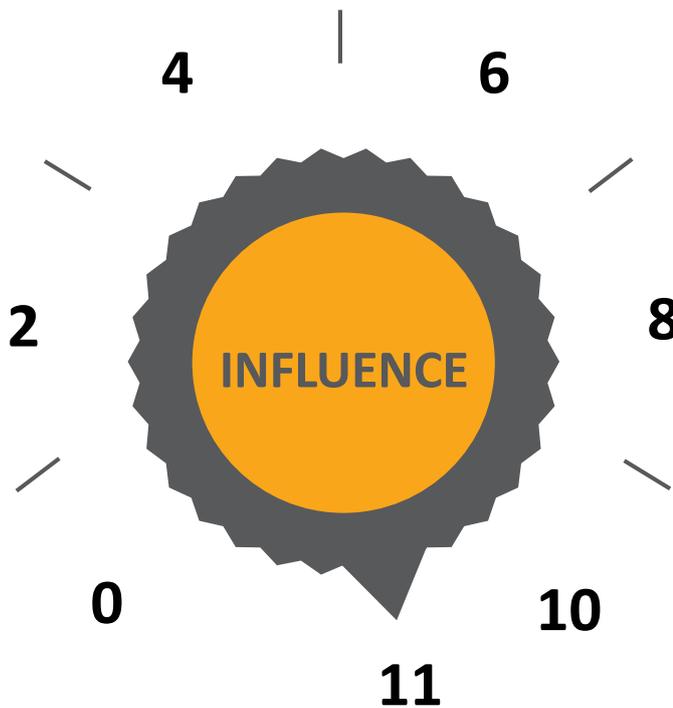
**7. Proactive and responsive**

"You cannot be a good lobbyist or communicator if you are only reactive. Success comes down to quick thinking and engagement."

"Our customers are our members and we have to be responsive to their requests."

# Proactive public affairs

Most European associations are set up so that they lead on EU issues, but are restricted to lobbying the EU institutions in Brussels, Strasbourg, and Luxembourg, rather than contacting policymakers in Member States. Our research identifies the importance of: keeping ahead of regulation; making timely decisions; conveying clear messages; teamwork between members and secretariat; building coalitions; targeting the right audience; behaving ethically and transparently.



## EU regulation and policy development influencing an industry and its association

In 1988 Jacques Delors, the then Commission President, predicted that within ten years 80% of legislation would come from the EU. Since this statement, the amount and impact of EU law has been the subject of considerable, often passionate, debate, linked to issues such as the loss of national sovereignty and decision-making powers, the

regulatory burden for business and industry, administrative mechanisms for agriculture and fisheries, and the effect on national culture and identity.

Estimates of the proportion of national laws based on EU laws in other EU Member States vary widely. For instance, the British Government estimates that around 50% of UK legislation with a significant economic impact originates from the EU, while a study by the German Ministry of Justice estimated that 84% of legislation in Germany stemmed from “unelected EU institutions in Brussels”. Sectoral studies suggest that agriculture forms the highest area of EU influence and defence the lowest.

The degree of regulation in a particular sector influences the scale of its respective European association – the pharmaceutical, food and chemical sectors have relatively large scale representation, compared to the clothing or paper industries. But this is not the whole story.

Ellwood Atfield’s research investigated whether there is a relationship between the size of the secretariat and the size of the industry it represents, and found that there were many other factors at play. EUCOMED, representing the medical technology sector, employs almost 30 people in its secretariat, while in another regulated sector, the European Telecommunications Network Operators’ Association (ETNO) employs only 10. EUCOMED is a much smaller industry, employing over 575,000 people in a market of €100 billion; ETNO members employ one million people throughout Europe and turn over €208 billion. However, ETNO corporate members have a significant Brussels presence, with both Deutsche Telekom and France Telecom employing six lobbyists each, while EUCOMED’s corporate members are mid-sized companies with little or no Brussels presence, and therefore need to rely on the association to a much greater degree.

These examples indicate the range of factors that make each industry and its respective association unique: in particular, the willingness to spend in Brussels, the existence of a lobbying culture within a particular industry, and the interplay between large players and SMEs.

### 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 retained their role and, in some cases, increased their influence. Secretariat staff and their corporate members generally agree that a European association's biggest value is policy influence via lobbying.

Companies still see advantages in lobbying through associations, and through "multiple channels", 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 that want to drive issues forward – but they can benefit from alliances 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, business associations are highly valued, as they provide a source of technical expertise often lacking in their own services. The fact that European associations help build consensus makes the lives of EU institution officials easier, to the extent that the European Commission has said that it "tends to favour European (con) federations over representatives of individual or national organisations".

"Understanding the complexity of stakeholder interests on any given issue is key to successful public affairs.

Decision-makers want to see that the questions have been well thought out, dealing comprehensively with the topic.

Trade associations offer their members the opportunity to discuss internally the broader impacts of policies and to input effectively at the earliest possible moment.

Before reaching out to the EU Institutions with set positions, it is important to 'stop and think' – to reflect beyond the immediate interest on the parallels across sectors and stakeholder views."



Maria Laptev, Director of the European Centre for Public Affairs

A further study launched by Ellwood Atfield on the lobbying effectiveness of European business associations, following a survey of 150 experts in April 2013, indicates that achieving favourable EU policy outcomes is the primary expectation of European business association members, even ahead of promoting an industry and its reputation.

The Ellwood Atfield survey found that timing is critical. Ensuring effective process to make timely decisions is the most important success factor for associations' lobbying efforts. Business cannot afford to wait for governments to come up with a legislative proposal – associations have to put down what they want ahead of time. We also found that one quarter of respondents (24%) believe lobbying should be more tightly regulated, while only 13% believe the fault lies with politicians in lobbying scandals.

The research indicates that associations should measure their public affairs activities by being consulted on policies before they are drafted, and measuring real achievements against a strategic plan, rather than on cost savings or additional revenues for the industry.

The three top internal obstacles to associations' lobbying efforts were given as:

- 1) failure to unify forces and harness potential of membership support;
- 2) lack of EU level expertise or awareness of key issues amongst association decision makers; and
- 3) restrictive governance structure, impeding swift and efficient decision-making.

"An effective association goes beyond traditional lobbying tactics such as amending Commission proposals and engages in game-changer strategies. When EU policies are going in the wrong direction, associations need to change the name of the game by defining the ideal policy and convincing decision makers to think about a policy in a totally different way. This requires a lot of heavy lifting but the opportunities will be huge."



*Adrian van den Hoven, Director General of the European Generic Medicines Association (EGA)*

Associations need to convey clearer messages and avoid lowest common denominator positions. Building coalitions with other affected industry groups and stakeholders, beyond an association's narrow interest, are increasingly important, while integrating digital elements and social media are relatively unimportant.

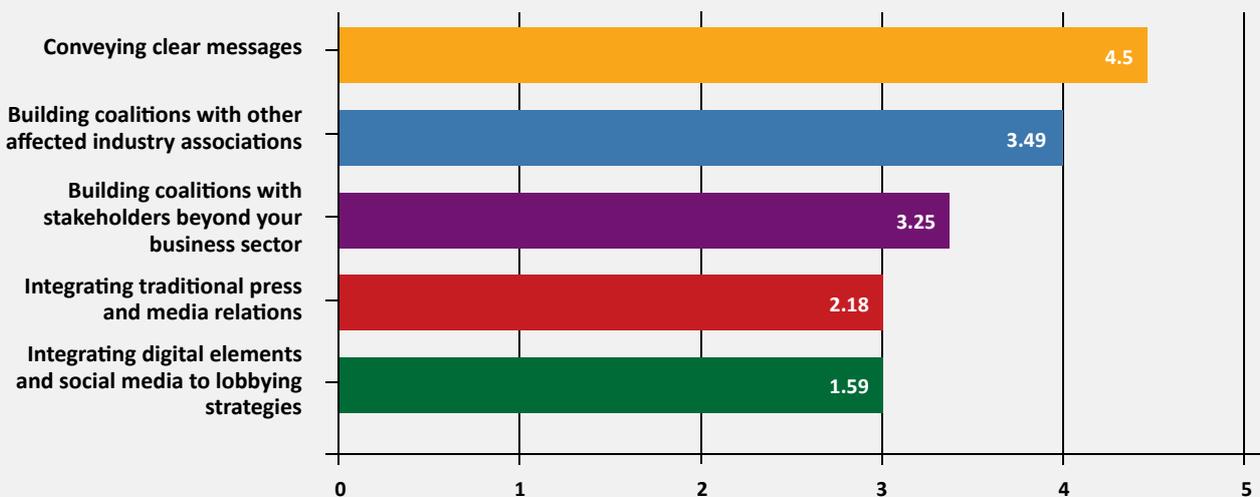
### Conveying clear messages

Defining an association's key messages is critical before initiating any communications activity, whether preparing materials or talking to policymakers. So why do so many associations struggle with solid messaging? It often seems to be due to a lack of communications training by technical experts, and being too close to the detail to grasp the priorities. We found one extensive association briefing paper aimed at Members of the European Parliament with 13 'key' messages: research shows that the magic number for messages is three.

"Messages are most memorable if they are short and deep. Abstract language and ideas don't leave sensory impressions; concrete images do. Case studies supporting key messages that involve people also move people. We are wired to feel things for people, not abstractions. When messages are abstract and therefore not impactful, it's frequently because a leader is suffering from the 'curse of knowledge.' Psychologists and behavioural economists have shown that when we know a lot about a field it becomes really tough for us to imagine what it's like not to know what we know – that's the curse of knowledge."

*Chip Heath, Stanford Professor of organisational behaviour*

### When considering key 'external' success factors for an association to lobby effectively, how would you rank the following? (5 being most important and 1 being least important)



Conveying clear messages is by far the most important 'external' success factor to effective lobbying. Associations and their members often express divergent views to the same EU audiences, creating confusion and mistrust.

Coalition-building, within and outside the industry sector, is also seen as increasingly important to success in convincing policymakers.

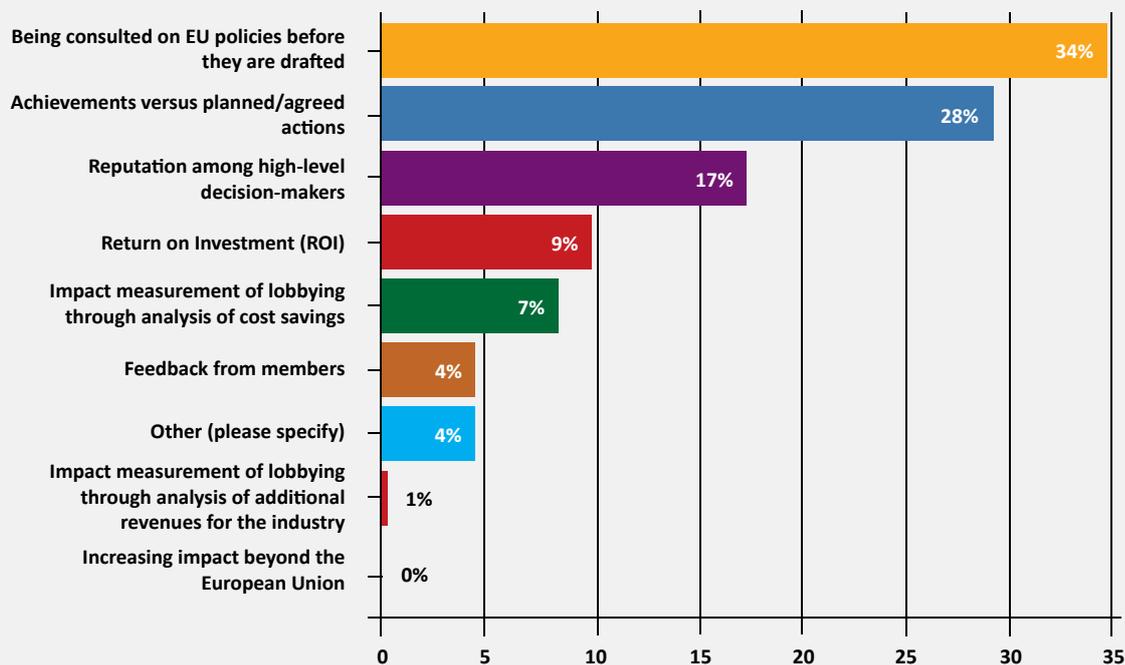
*2013 survey, Ellwood Atfield*

## Measuring the success or failure of an association’s lobbying activities

Measurement is said to be the first step to improvement. If you can’t measure something, you can’t understand it; if you can’t understand it, you can’t control it; if you can’t control it, you can’t improve it. European associations have traditionally tended to define their value by their primary lobbying function, and how many millions of euros they saved or gained their industries through influencing EU legislation one way or another. However, given the glacial pace at which EU legislation can move, it is often difficult for an association to put a specific euro value on any given year.

Moreover, many factors and stakeholders outside an association will influence the final shape of legislation. Einstein once said, “Not everything that counts can be counted, and not everything that can be counted counts”. But everybody agrees that in terms of influencing final legislation, “getting in there early” is vital. As one interviewee put it: *“Being consulted before legislation is even drafted is the greatest measure of successful public affairs”*. Indeed, EU legislation is much easier to influence when it is an idea in the head of a Commission official, than when the European Parliament and Council of Ministers are debating a written proposal.

## Which would you consider as the most effective way for an association to measure its public policy activities and objectives?



Being consulted on EU policies before they are drafted is the most important measurement of successful EU public affairs, far ahead of traditional attempts to measure cost savings or revenue gains.

Implementing a strategic plan with clear milestones and near-term achievable goals is also considered critical.

2013 survey, Ellwood Atfield

### 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.

One corporate interviewee told us: *“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.”*

### Pan-European role versus Brussels village

Bryan Dumont, President of APCO Insight and the author of new research on association effectiveness, states: *“The ability to mobilise members in support of policy objectives, having an impact beyond Brussels and working across all member states, and taking an active role in protecting and enhancing the industry’s overall reputation are all absolutely critical for trade associations to be seen as effective in the minds of EU policymakers.”*

This highlights a tension between the role of a European association who wishes to influence member states, and national associations who view their national policymakers as their ‘turf’. There is also a tension between the expectations of large corporate members, who want to influence pan-European issues with the European association in the lead, and national associations, SMEs and corporates with a strong local base. Most European associations are set up so that they lead on EU issues but are restricted to lobbying the “Brussels village” and the EU institutions in Strasbourg and Luxembourg, rather than contacting policymakers in Member States.

Associations are generally improving their lobbying processes and networks across Europe, and some have found innovative approaches to finding a more joined-up approach. The European Copper Institute (ECI) is one of the few top-down funded European associations with a central operating budget of €15 million that is used for managing 11 national associations.

### Managing global issues

Companies see the increasing globalisation of public affairs issues as placing new pressures on European associations. Increasing influence from global bodies, particularly those based in Geneva such as the WHO and WTO, are placing new demands on associations in Brussels. 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 and the Register

Many of those whom we interviewed commented on the impact of the European Transparency Initiative. While most said that this had not impacted upon 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, which helped to clarify interests and publicly reinforce transparency. However, some corporate members expressed concern over “grey areas”, such as having lunch with EU officials. Interviewees also noted that the EU’s Register of Interests has aroused the Belgian tax authorities’ interest in trade association finances.

Incentives to join the Register include: the possibility to exclude non-registered organisations from selective consultation meetings, where there are other consultation opportunities (such as public consultations) in place; instructions to Commission staff to issue invitations to register in meetings; 12-month accreditation for a one-day access pass to the EP; naming and shaming of nonregistered organisations by activist groups; and the option in the Register to sign up to consultation alerts for nominated policy fields.

The Alliance for Lobbying Transparency and Ethics Regulation (ALTER-EU) is a coalition of about 200 civil society groups, trade unions, and academics claiming concern about the influence exerted by corporate lobbyists on the political agenda in Europe. Since the establishment of the Register, leading members of ALTER-EU have taken a self-appointed active role in monitoring registers, presenting complaints against some of the most prominent business organisations active at EU level. Where its complaints have been upheld, the reputational damage has contributed to a general improvement in the quality of data about these organisations. Thus, the lobby spending declarations for two subjects of complaints, the European Chemicals Industry Association (CEFIC) and BUSINESSEUROPE, increased from €50,000 for each in the original entry, to €6 million and €4 million respectively in the current Register.

### Key attributes

### Selected interviewee quotes

#### 1. Keeping ahead of regulation

"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."

"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."

#### 2. Making timely decisions

"The decision-making processes of trade associations can be frustratingly slow. Members want their associations to be faster at reaching consensus and better at influencing policy."

"Early preparation is essential for success. We are already working on a lobbying strategy for revision of a key Directive two years away. You cannot wait for the Commission to come up with a proposal; you have to put down what your association wants ahead of time to have the most impact."

#### 3. Conveying clear messages (simplifying complexity)

"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."

"Secretariats need to make the EU more understandable for their members. They should interpret, and not expect businesses to interpret Brussels jargon."

#### 4. Teamwork between members and secretariat

"Creating effective teams within an association membership and secretariat with a clear mandate is often the best way to tackle important issues."

"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."

#### 5. Building coalitions

"Broadening the debate horizontally with other affected interest groups has become more important."

"Elevating the debate and debating more macro issues have found us new allies."

#### 6. Targeting the right audience (at the right time)

"European associations tend to be most effective with the European Commission who take a pan-European interest, rather than the European Parliament, where MEPs take a national interest."

"The decay of national presidencies, a move towards pre-legislative agreements, agreement at First Reading, and the avoidance of Conciliation, are impacting upon the activity of trade associations."

#### 7. Behaving ethically and transparently

"Effective public affairs is often invisible. How do you reconcile that with transparency?"

"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."

## Integrated communications

Industries serious about explaining their issues and improving their reputation must elevate the importance of the communications role. For this they require: an integrated communications infrastructure; mastery of digital communications; rapid response media relations capability; engagement with stakeholders; timely and appropriate internal communications; well-managed events; visually-appealing and well-written materials.

### 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 policymaking process means that harnessing members to respond to consultations, draft position papers, and launch lobbying campaigns requires highly-organised communication.

However, it is a delicate balance between too much and too little information and hard choices need to be made about the right channels for dissemination. As one senior association communicator says: *“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.”*

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.



“Trade associations have to make a giant leap forward in terms of communications, both internal and external. While most of us still churn out long reports and position papers, we have EU Commissioners tweeting, and MEPs and journalists alike getting lots of their information from blogs and other interactive platforms. The order of the day is short, impactful, snappy, and quick: we have to adapt our structures and our mindsets to this new reality.”



*Françoise Humbert, Executive Director of Communications, CEFIC (European Chemical Industry Council)*

## Integrated communications

Communications in a European association should not only promote the reputation of the industry, but also complement the industry’s public affairs activities. Many interviewees perceived European association communications as poor, lagging behind their corporate or national association members. With so many business interests competing for attention in Brussels, an association must have a clear identity and message. Those associations that have recently rebranded stand out from the crowd. When UNICE rebranded as BUSINESSEUROPE, it was no longer confused with a United Nations body and portrayed a clear business-like message and image. The media responded immediately and positively. Others have followed suit: CEPS became SPIRITS EUROPE, and CIAA became FOOD DRINK EUROPE.

## Social and digital media

According to a recent survey by the European Association of Communication Directors, 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. One interviewee said: *“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. For an industry to show its public face today in that way will not help its reputation and credibility.”*

A significant number of associations are adopting a wait-and-see strategy with social media, or are even philosophically opposed to it. One association manager stated: *“We don’t use Facebook, Twitter or blogs. We use channels that work for our audiences.”*

Of the social media channels that Kellen tested, organisations most frequently post new content or respond to communications on Facebook (69%) or Twitter (66%). Facebook is most likely to be perceived as the platform with the greatest potential for negative impact, and Twitter as having the greatest potential for positive influence.

“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.”

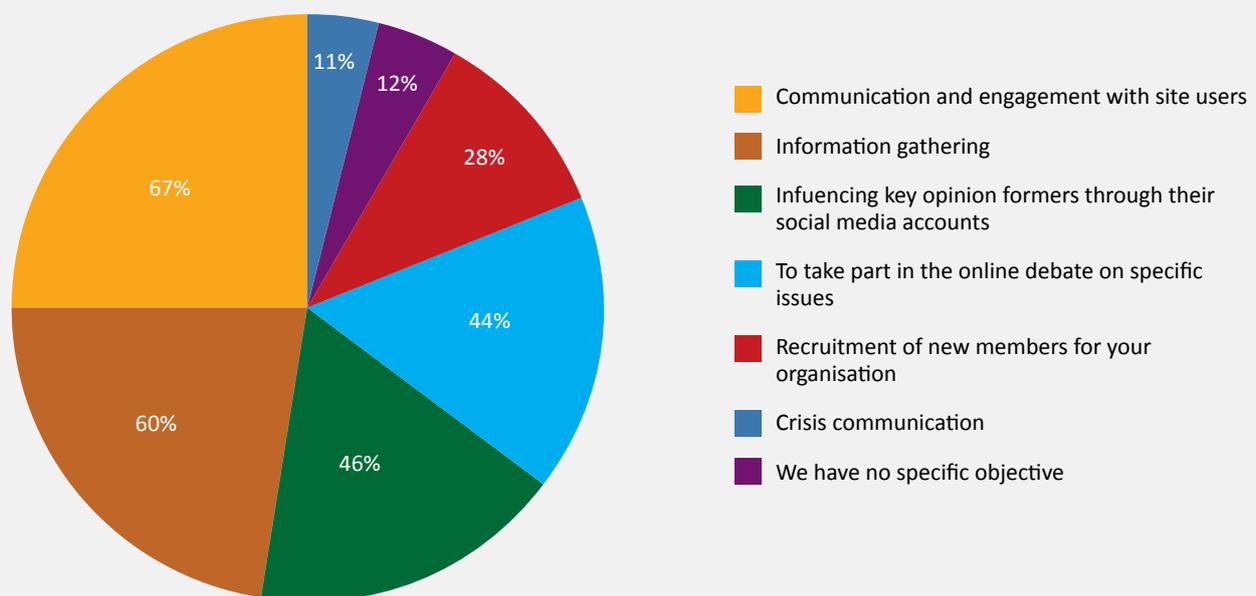


*Ingmar de Gooijer, Director of Communications, MedTechEurope*

### Reasons to use social media

Respondents say that their organisation is most likely to use social media to communicate and engage with site users (67%), or to gather information (60%).

Few respondents (11%) say that their organisation uses social media for crisis communications, while a similar proportion (12%) say that their organisation's social media activities have no specific objective.



“Some association executives question the effectiveness of using social media for their organisation, by saying that social media is ‘just something for young people’, or is not relevant for their membership. But the fact that the fastest growing demographics on Facebook and other social networking sites are individuals over the age of 50 clearly demonstrates that this is a false assumption. Today, social media is part of everyday life and associations cannot afford to shy away and miss this trend by assuming it does not apply to them.”

*Kellen Social Media for Associations - Status Report 2013.*

Overall, associations are very active on Twitter because that is the platform where the debate is going on “live” and where key discussions take place. For many associations, Twitter also serves as both an excellent “early warning system” about issues of concern, and a valuable data stream: If you follow the right people and ask questions, you will get answers from experts in the field and be directed to other relevant channels with more relevant information.

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 DG also uses the website to broadcast a “Monthly video message from Susan Danger”.

“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”



*Daniela Vincenti, Managing Editor of EurActiv*

“People remember stories more than message points. An association must tell its industry’s stories to connect with its audiences’ hearts and minds.”



*Natalia Kurop, Board Member, European Association of Communication Directors (EACD)*

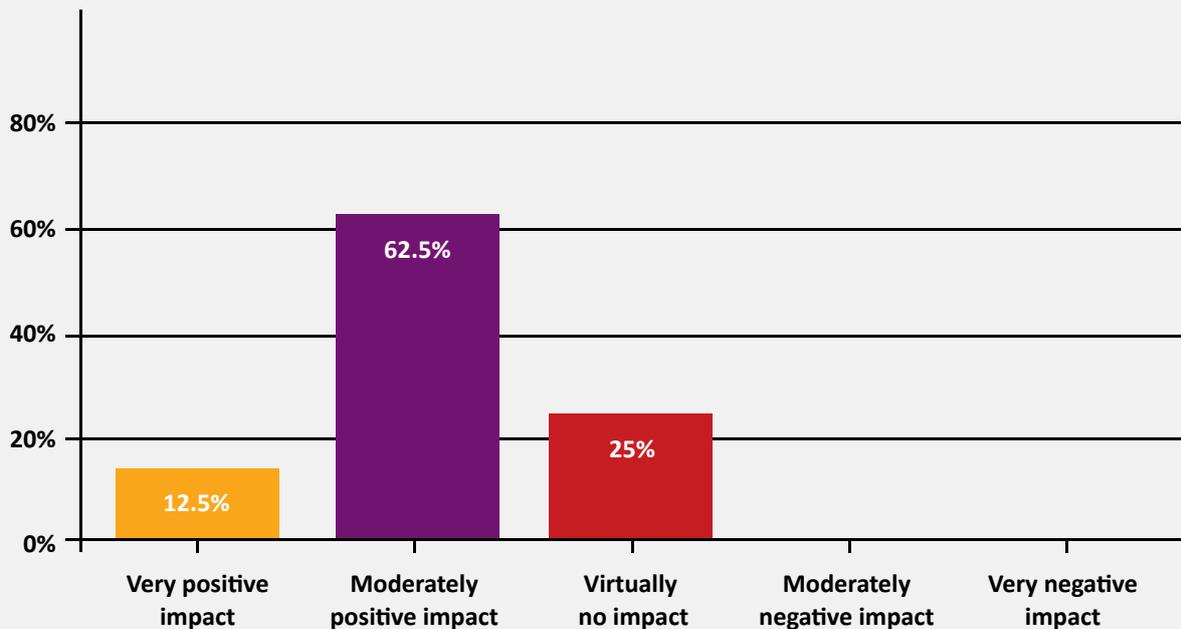
### Traditional media relations

Due to the crisis of the traditional media and the growth of the internet, the number of journalists in Brussels has declined slightly in recent years. Nevertheless, Brussels continues to be an important hub for news and there are almost 1,100 journalists accredited to the EU Press Corps. Some national media are very well represented in Brussels: a 2012 study showed there were 112 German journalists in Brussels reporting for three broad types of media: digital (including radio and TV), press agencies, and print publications.

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.

European associations seem to struggle even with the traditional press release: our research found that most associations issue press releases between once a month and once a year, and one in six associations almost never issue them.

Among your key stakeholders what influence does your European association have on the reputation of your industry?



Although members seem generally quite happy with the ability of European associations to deliver favourable EU policy outcomes, they seem less happy about their communications capabilities.

There are high expectations and big disappointments around what associations can do to improve industry reputation. Our survey showed that better and more regular communication with the media would be one easy win in this regard.

*2012 survey, Ellwood Atfield*

## Key attributes

## Selected interviewee quotes

<b>1. An integrated communications infrastructure</b>	<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>
<b>2. Mastery of digital communications</b>	<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>
<b>3. Rapid response media relations capability</b>	<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>
<b>4. Engagement with stakeholders</b>	<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>
<b>5. Timely and appropriate internal communications</b>	<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>
<b>6. Well-managed events</b>	<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>
<b>7. Visually-appealing and well-written materials</b>	<p>"There are so many associations using old-style blue backgrounds and yellow stars it is hard to tell them apart. A modern look and feel communicates that an association, and even an industry, is going places."</p> <p>"Our association needs well-written concise statements in English, so we outsource to freelance writers and develop our team's writing skills."</p>

# Legal insight and compliance

Great care is necessary to avoid collusive behaviour between members, as this carries enormous reputational risks and significant penalties. Governance choices for associations lie beyond legal compliance and denote agreed preferences of best practice. Key areas of focus should be: regulatory support; legal incorporation; EU competition compliance; association governance; trade law; Belgian employment law.

## Regulatory support

It often takes a lawyer to give a proper interpretation of a specific wording in a legislative proposal or amendment. The European Commission sums up a familiar tension:

“EU regulations contribute to business competitiveness by underpinning the single market, eliminating the costly fragmentation of the internal market because of different national rules. At the same time, given that we depend on businesses, in particular small and medium enterprises, to get us back on the path to sustainable growth, we must limit burdens for them to what is strictly necessary, and allow them to work and compete effectively.”

## Legal incorporation of associations

The need for legal support comes at the conception and birth of a new organisation. Under Belgian law, associations can take one of four forms: a “de facto” association, a “European Economic Interest Grouping”, an “association sans but lucratif” (ASBL – a “not for profit” association); or an “association internationale sans but lucratif” (or AISBL – an international not for profit association, or INPA). The latter form is proving to be the most popular.

Incorporation of an INPA begins with the drawing up of bylaws between agreed parties, which form the basis of the organisation’s statutes. These statutes need to be legally checked for compliance with Belgian law and translated into French or Dutch. The “founding members” of the association must submit identity documents for registration and be formally invited to a constitutive meeting, at which:

- The statutes are approved;
- The Board of Directors is elected by the founding members;
- The Act of Incorporation (composed of the details of the founding members, the statutes and the composition of the Board of Directors) is signed by the founding members, in the presence of a public notary.

The notary will then send the file to the Ministry of Justice for approval through a Royal Decree. The association is granted legal personality upon publication of the Royal Decree in the Belgian Official Journal, the Moniteur Belge.



Several more steps requiring legal support follow. The association needs to be established with a registered address, a bank account to be opened in the name of the organisation, and an analysis of the VAT situation to be carried out. Last but not least, the nascent association requires rules of procedure or operating guidelines to complement and interpret the statutes with the goal of sound governance. This will cover daily practice as well as the responsibilities, rights and obligations of the officers of the association.

### EU competition compliance

Trade associations need to be very careful not to facilitate collusive behaviour between their members, as this carries enormous reputational risks and penalties of up to 10% of annual worldwide turnover. Since 1990, the EU has imposed more than €19 billion in cartel fines (and billions more in fines for abuse of a dominant position and anti-competitive distribution agreements).

“The following shall be prohibited as incompatible with the internal market: all agreements between undertakings, decisions by associations of undertakings and concerted practices which may affect trade between Member States and which have as their object or effect the prevention, restriction or distortion of competition within the internal market.”

*Article 101 of the Treaty on the Functioning of the European Union*

The European Commission knows that historically some association and intercompany meetings have crossed the line into “improper discussions”. Since cartels are illegal, they are generally highly secretive and evidence of their existence is not easy to find. The “leniency policy”, or “whistle blowing”, encourages companies to hand over inside evidence of cartels to the European Commission; the first company in any cartel to do so will not have to pay a fine. The European Commission also successfully continues to carry out its own investigations to detect cartels. In 2012, it imposed a record fine of €1.47 billion on seven producers of TV and computer monitor tubes; here, informal top management level meetings were often followed by a golf game.

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 DG of a business association in particular needs to understand and take account of anti-competitive behaviour and review agendas accordingly. There are cases where DGs have unknowingly led their members into an anti-trust investigation through lack of knowledge, or where an overly aggressive President of the Board has pushed the DG and the association into the same situation.

### Association governance

Governance choices for associations lie beyond legal compliance and denote agreed preferences of best practice. They should ensure structural and political usages that sustain compliance and allow enough flexibility for the association to adapt to new regulatory and business challenges. Most importantly, in an arena where organisations vie for the coveted ground of the “greater cause”, good internal governance contributes to a legitimisation of output.

“In the war they said ‘loose talk costs ships’; in associations loose talk can cost billions of euros in anti-trust fines.”



*Frédéric Louis, Competition Partner, Wilmer Hale*

Governance rules will set out how decisions are taken throughout the association, be it with regard to the appointment of staff or how members proceed to developing a common lobby message. They encompass the spirit of the statutes as well as the operating rules, but also demonstrate trustworthiness and reliability in setting up crucial lobby alliance partnerships.

“Trade issues are an area where trade associations need to be particularly alert and politically nimble in order to be of most use to their members: many trade matters do not pose obvious threats or opportunities, and the more ‘obvious’ threats or opportunities can be highly sensitive politically and complex technically, making them treacherous to navigate as an association.”



Laurent Ruessmann, Trade Partner, Field Fisher Waterhouse

Two key principles should be observed: transparency and accountability. Transparency refers to the identity of actors, their reporting lines, responsibilities and remits in the overall context of the association. Although most Brussels based-associations publish an organigramme on their websites, they might not refer to their own upstream reporting lines to a global organisation based in London or Washington DC; or downstream for federations, to powerful national association members.

Financial transparency, not limited to the Register’s definition of lobbying activities, also makes for good governance. This might cover detail of membership fees, public grants and alternative revenue streams such workshops, events and publications. Finally, transparency also encompasses descriptions of decision-making procedures, voting rights and weighting, and the use to which the decisions made will be put. Transparency should not be synonymous with breach of confidentiality, which might affect business; it should mean a deliberate intention to not hide or obfuscate, which should lead to a quicker gaining of trust on the part of members, partners and decision-makers.

While transparency allows for a public window into the workings of an association, accountability allows for questions to be asked and consequences – both rewards and sanctions – to follow. The “act” of accountability is best undertaken in the form of reporting to a forum on a regular basis, coupled with the “live” answering of questions – an oral and detailed political audit.

An association Director General can be responsible for hierarchical accountability to the membership; crucially, he or she can also ensure public accountability to the wider group of stakeholders, ranging from partners to EU decision-makers. This can underpin political trust and become an effective tool to wield in a context of competing and conflicting voices.

Accountability mechanisms can yield insightful outcomes from both a learning and democratic perspective. This means that the association will learn in a constructive way from past mistakes, and will have identified clearly how and when to improve its governance. Accountability processes have emerged in the context of participatory democracy, which not only embodies the spirit of business associations where all voices must be heard, but also reflects the European Commission’s will for greater participation in EU policy and regulatory developments. An additional reward is the enhanced legitimisation of the association’s lobby message and, further down the decision-making line, the EU’s output.

### Trade law

The EU is the world’s biggest exporter of manufactured goods and services, and it is the biggest import market for over 100 countries. Thanks to the Commission’s powerful competencies in EU trade law, European associations are often involved in trade defence measures, primarily anti-dumping and anti-subsidy actions against imports from countries outside the EU. China is often at the centre of these disputes and this poses a challenge for associations with a broad member base. For example, the European Photovoltaic Industry Association (EPIA) has been divided in two camps, with European solar manufacturers having shown to the Commission that Chinese exporters (who are also members of the same association) have been dumping to the extent they have taken over 84% of the EU market. Furthermore, many multinational companies do not support legitimate trade complaints against high-growth China because of its market potential, and for fear of retaliation and the potential interruption of supply chains.

While the complexity of world trade and the stakes involved have increased dramatically over the past 10 years, the rules for trade remedies themselves are essentially the same now as when they were initially negotiated at the WTO in 1995. It is critical that trade associations be aware of how the EU's rules in the area of trade remedies can be and are being adapted in practice to address present challenges, and what alternatives are available when those rules do not apply or when they do not provide all the answers.

The EU also has a broad mandate to liberalise trade in goods and services, with the Transatlantic Free Trade Agenda as the most recent and ambitious policy initiative proposal on the table. Industries and their associations wanting to liberalise (or protect) trade with countries outside the EU find that Brussels is key for contacts with officials who can move their agenda forward, and many associations have one or more key staff specialising solely in EU trade policy.

"An association might prefer certain senior staff to be independent contractors rather than salaried employees, to save social security and increase flexibility. However, associations need to be aware of new initiatives to prevent so-called 'fake self-employment', and particular care needs to be taken over the social security status of Directors General."



*Sophie Maes, Partner at Claeys & Engels, Belgium's leading employment law firm*

From careful monitoring of preferential trade negotiations, to proactive strategising and elaboration of contacts with key policymakers, including the advance preparation of proposed texts and supporting messages, there is both the need and the scope for associations to be diligent and dynamic as countries expand their networks of preferential trade arrangements.

### Navigating Belgian employment law

Most secretariat staff are considered "Salaried Employees" or "Independents", whether as directors of the organisation or self-employed (often through a Private Limited Company or SPRL). The standard salaried status is the most common and heavily taxed form of employment, although it offers employees the best social protection. Independent director and self-employed status can allow for significant social charge savings.

Unlike countries such as the UK, where there are sensitivities over "unfair dismissal", an employer may fire an employee on any grounds, so long as the grounds are not prohibited by law (for example, discrimination). This gives employers a high degree of flexibility. However, it comes at a price: staff on salaried employee status can qualify for high redundancy payments, often amounting to six months of salary even for short periods of employment.

## Smooth financial administration

Association leaders have many metrics to measure success, such as public policy objectives – but they still need to break even to survive. Our research identified these key attributes: integrated financial function with a strategy; well-rounded financial leaders; building sustainable revenue; income management; accounting management; cash flow; tax and VAT management.

### Financial success during difficult times

A number of European associations have had some success in lobbying but have been forced to close or restructure because of poor financial management.



Income stability or growth is one key measure of success for associations; others include positive cash flow, a manageable debt load, and a drive toward efficiency in holding down variable costs.

On pages 51-53 we identify the 10 largest European business associations by income.

These organisations have typically demonstrated considerable value-added to their members, and some, such as the European Venture Capital Association (EVCA), have taken an entrepreneurial approach to generating funds through activities such as training and conferences.

“European associations need to be very careful over recent tax revisions, especially VAT regulation which has changed dramatically. Associations are advised to take proper financial guidance who really understand the complex rules covering VAT for the not-for-profit sector. Some associations have made serious and costly VAT errors with their fee invoices for instance.”



Danièle Vranken, Secretary General of the Federation of European & International Associations established in Belgium (FAIB)

There has always been competition for funding sources between EU level and national 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”. In the wake of the financial crisis, national associations and companies are taking an even harder look at their expenditure on European associations. However, most that we interviewed have not suffered a major drop in revenue: rather, they 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 that 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 institutions than consultants”.

A consultancy or specialist association management company such as Kellen, MCI or Interel can provide a dedicated expert team with access to deeper resources and networks than might be available to a small secretariat. Bob Lewis, Group Head of Association Management at Interel, says: “Impact is the number one priority for any association leader today. Members want more for less, yet the stakeholder environment is increasingly complex. Leaders who succeed are those who structure their organisations to use their skills and talents in the most efficient way. Association leaders are experts in their field and should direct their efforts where they can have most impact. In our experience, the most agile outsource support functions like events and membership management. That frees up precious time and resources to put policy and communication centre stage, making sure that members get maximum bang for their buck.”

## Building sustainable revenue and managing costs

Sustainable funding is based on the idea that organisations are most at risk if too much of their funding is concentrated from too few sources. This can be a challenge for associations with solely corporate, rather than national association, membership. Associations such as the European Wind Energy Association stand out for their exceptional efforts to diversify their funding sources to safeguard their financial future without sacrificing their independence or mission.

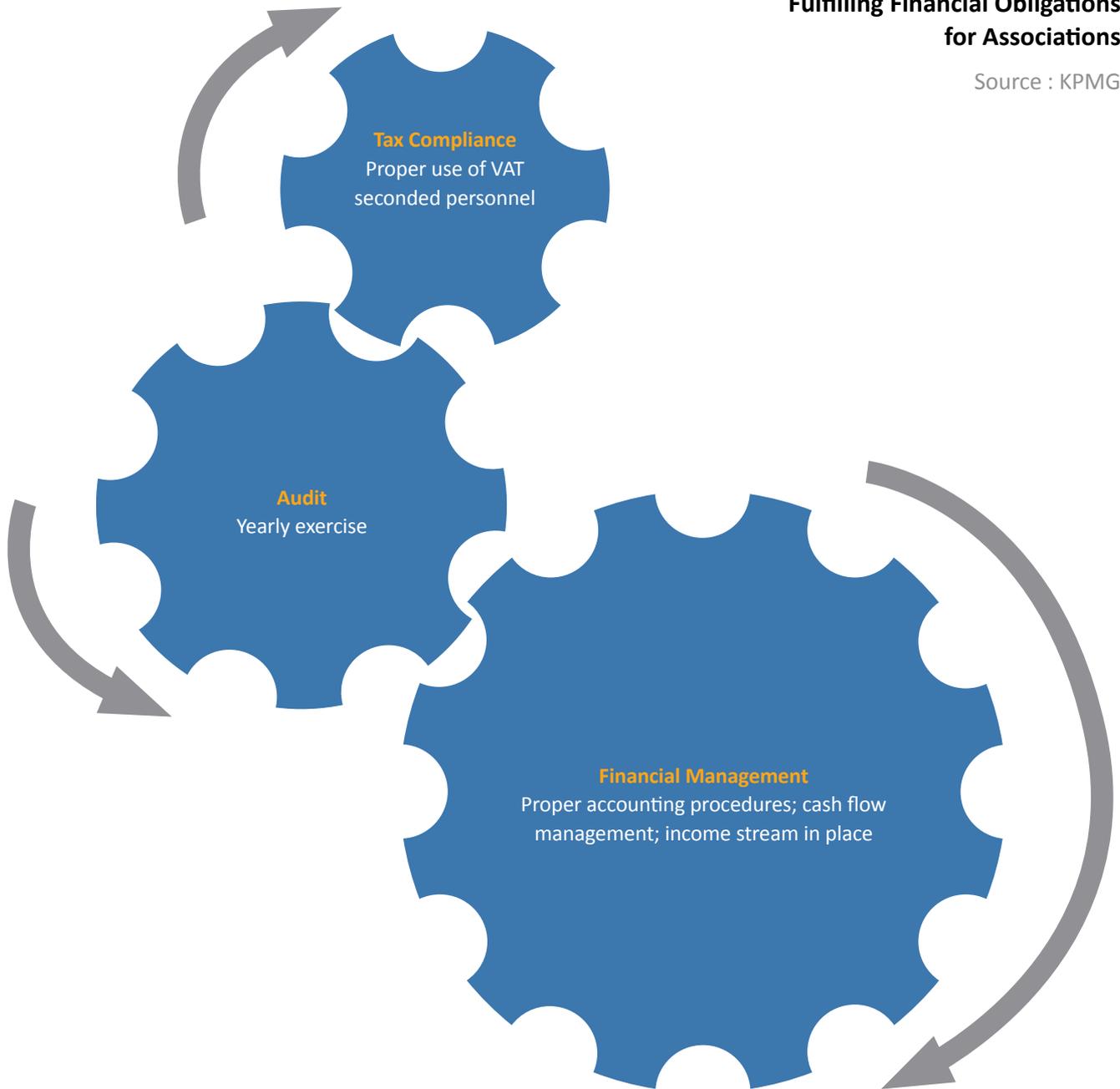
“We can no longer dissociate the good work of an association and its good management: both are sides of the same coin and even though the drive, reputation and the exposure of some associations might be very visible, financial management will always be the foundation which will allow your association to take root in the long run.”



Mercedes Sanchez Varela, Partner, KPMG EU Office

## Fulfilling Financial Obligations for Associations

Source : KPMG



“The audit is rarely the problem but when preparing the audit all the hot issues come to light, and that is when management needs the best understanding and guidance.”



*Patrick van Bourgogne, Partner, KPMG Audit*

### Building up sound financial management

Cash flow management is a hot issue for not-for-profits. Lack of cash leads to an inability to pay creditors and might harm the association’s reputation; it might also create difficulties in agreeing new credit facilities, or paying wages and retaining key staff. Good financial management is about developing an overall understanding of the financial implications of an association’s actions, and how this might be anticipated or mitigated. Some European associations benefit from European Commission funding, which has strict financial reporting requirements, and without good financial management associations can actually lose money through accounting errors. Some associations have even been victims of fraud, and proper accounting files will limit the risk of organisations and their boards of being directly liable.

### Integrated financial team with a clear strategy

Good finance leaders are always essential to the successful running of an association, and the skills and expertise required go beyond a grasp of the numbers. Finance leaders are willing to take a stand on sometimes controversial issues in an association context, and have the confidence to challenge decisions made by others on what might be a costly or risky move, as well as navigating the increasingly blurred line between accounting and information technology.

### Navigating Belgian taxes

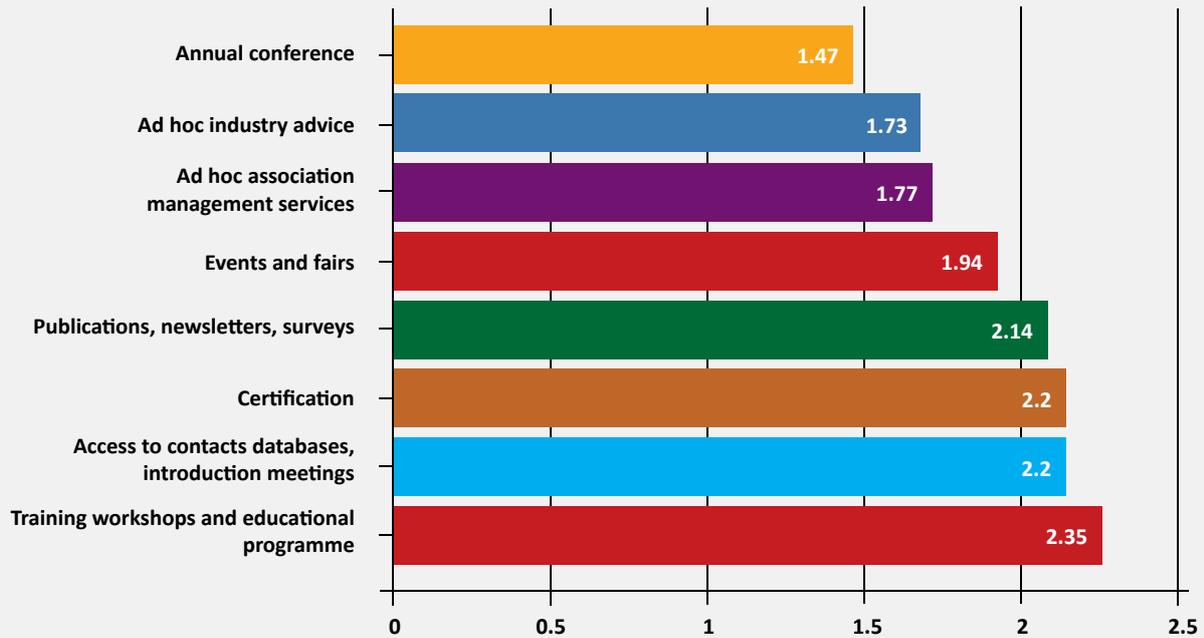
As staff costs are usually the greatest cost item on the balance sheet, income and social taxes are significant line items whether they fall on the employee or employer. Belgium has one of the highest tax burdens in Europe, amounting to 57.3% for a single earner if social security is included, compared with an average 44.5% in Europe. Tax obligations need a dedicated care, as yearly/periodic declarations need to be submitted. Timely managed declarations will avoid payment of penalties that could be quite significant; employment of seconded staff is also a common issue that needs some attention. VAT obligations need to be understood, and as a not-for-profit, an association can benefit from VAT exemptions – for example, charging membership fees without 21% VAT on top.

“A well-organised accounting process is easily achievable once associations are able to understand what the numbers really mean. There should be no room for being discredited or penalised because an association might not be complying with applicable financial or VAT obligations.”



*Diego Paziienza, Director, KPMG Accountants*

**Choose the three most important non-membership dues sources for your association and rate them in order of importance (1 being most important and 5 being least important)**



In many associations, the Annual Conference is a big money spinner. Consultancy type services are also on the rise, with some associations earning almost 50% of their income that way.

*2012 survey, Ellwood Atfield*

The European Wind Energy Association celebrated its thirtieth year anniversary in 2012. During that time wind has grown from an “alternative” to a mainstream power source, and from a small group of engineers to a major, world-leading industry. EWEA has also grown substantially, from a staff of only six in 2006 to a staff of over 60 full-time employees with an operating annual income of between €11 million and €15 million. In 2013 EWEA organised two major income-earning events: Europe’s Premier Wind Energy Event hosting over 8,500 participants, 400 exhibitors from 60 countries; and EWEA OFFSHORE, the world’s largest offshore wind energy conference and exhibition. These events, through sponsorships, exhibitors and delegate fees together, can raise significant funds, which allow considerable resources to be allocated to its public affairs and communications outreach that would put many larger European industries to shame.

At the heart of the association is a tightly-managed Finance, Administration and HR function run by Maurice Menache. According to Maurice, empowering people to perform to their potential has been instrumental in EWEA’s success, and his team ensures that EWEA’s large scale events are underpinned by solid financial processes. “We constantly review potential financial risks, such as VAT changes, and control costs carefully. No supplier invoice gets paid without a purchase order and we have clear payment terms with different categories of suppliers. We also take training and personal development seriously and invest in our people.”

### Case study: EWEA financial administration success



## Key attributes

## Selected interviewee quotes

**1. Integrated financial function with a strategy**

"Without a financial strategy reflecting the overall goals of the association we would never balance the books. Financial aspects are embedded in all operations and support our forward planning."

"Rather than being seen as a separate function just doing the books, the finance function should be integrated within, and add value to, the overall planning and management of the association."

**2. Well-rounded financial leaders**

"A good association finance head is literally worth his or her weight in gold".

"Our finance head really understands technology. He helps support staff on the move with their BlackBerries and even led development of the extranet for our members."

**3. Building sustainable revenue**

"Thanks to mergers we usually lose one corporate member every year, so we have to be continuously creative in finding new sources of funding."

"In some cases the crisis has helped clarify the role and mission of associations and they have now more resources than before."

**4. Income management**

"We have to manage many complicated revenue streams from conferences to ad hoc projects so our finance team is really stretched."

"Over 60% of our total income goes toward staff costs. Unfortunately Belgium is one of the highest tax jurisdictions globally and tax avoidance is a national sport."

**5. Accounting management**

"We have professional accounting support but we are not yet able to understand the true impact of the financial numbers to better anticipate and finally better manage our association."

"The rules change constantly, and we have to make sure we are in compliance with tax issues."

**6. Cash flow**

"Many of our members pay late and we have some unpaid membership fees outstanding from three years but expelling members does not help our cash position."

"Our cash flow management led us in the past to not be able some valuable resources; it took us a lot of energy to be able to get back on track."

**7. Tax and VAT management**

"We were lobbying on changing VAT bands and discovered that our association was not compliant and were forced to add 21% to the members' fee invoices!"

"Because of the operations we were carrying out, we were eligible to charge membership fees without VAT. This was most welcomed by our members."

### **Income stability or growth is one key measure of success for associations.**

As noted earlier, there is no strict relationship between the size of an industry and its European association. Through robust leadership, sometimes taking an entrepreneurial approach to revenue generation and demonstrating clear value to their members, some associations have grown their operating income substantially over time. We note and commend 10 of the largest Brussels-based European industry associations.



Association	2012 income and 2013 staff	Representation and membership
<b>1. CEFIC</b> <b>The European Chemical Industry Council</b>	€40 million 150 Staff	Cefic represents 29,000 large, medium and small chemical companies in Europe, which directly provide 1.2 million jobs and account for 20% of world chemical production. Cefic has 640 members falling into three distinct groups – Corporate; Federation and Business – as well as three types of affiliated partnerships.
<b>2. ENTSO-E</b> <b>The European Network of Transmission System Operators for Electricity</b>	€13.6 million 55 staff	Transmission System Operators (TSOs) are responsible for the bulk transmission of electric power on the main high voltage electric networks. TSOs provide grid access to the electricity market players (i.e. generating companies, traders, suppliers, distributors and directly connected customers), and guarantee the safe operation and maintenance of the system. In many countries, TSOs are in charge of the development of the grid infrastructure too. ENTSO-E has 41 TSO members from 34 countries.
<b>3. EUROCHAMBRES</b> <b>The Association of European Chambers of Commerce and Industry</b>	€12.3 million 29 staff	EUROCHAMBRES represents over 20 million enterprises in Europe – 93% of which are SMEs – through members in 44 countries and a European network of 2,000 regional and local Chambers. They assist in the creation of over 1.3 million businesses per year, and deliver start-up information sessions to 575,000 businesses.
<b>4. EWEA</b> <b>European Wind Energy Association</b>	€11.7 million 60 staff	EWEA has over 700 members from almost 60 countries, including wind turbine manufacturers, component suppliers, research institutes, national wind and renewables associations, developers, contractors, electricity providers, finance and insurance companies, and consultants. The industry employs over 108,000 individuals directly across Europe.
<b>5. EFPIA</b> <b>The European Federation of Pharmaceutical Industries and Associations</b>	€10 million 47 staff	EFPIA represents the pharmaceutical industry operating in Europe. Through its direct membership of 34 national associations and 40 leading pharmaceutical companies, EFPIA represents 1,900 companies. The pharmaceutical industry employs over 700,000 people in the EU and generates three to four times more jobs downstream.

Association	2012 income and 2013 staff	Representation and membership
<b>6. BUSINESSEUROPE</b>	€8.2 million 45 staff	Through its 41 member federations, BUSINESSEUROPE represents more than 20 million companies from 35 countries. Its main task is to ensure that companies' interests are represented and defended vis-à-vis the European institutions, with the principal aim of preserving and strengthening corporate competitiveness. BUSINESSEUROPE represents small, medium and large companies.
<b>7. EVCA European Private Equity and Venture Capital Association</b>	€7.9 million 26 staff	EVCA represents 650 member firms and 500 affiliate members. European private equity firms provide financing to about 5,000 companies per year, of which 83% are small and medium-sized enterprises. €37bn was invested in European companies in 2012.
<b>8. EBF European Banking Federation</b>	€6.1 million 36 staff	EBF represents National Banking Associations from 31 countries and 4,500 banks, with 2.5 million employees. The EBF represents the interests of banks, large and small, wholesale and retail, local and cross-border financial institutions. Together, these banks account for over 80% of the total assets and deposits and some 80% of all bank loans in the EU only.
<b>9. COSMETICS EUROPE</b>	Over €5 million 26 staff	Cosmetics Europe represents the interests of more than 4000 companies, ranging from major international cosmetics manufacturers to small, family-run businesses operating in niche markets. Direct and indirect employment in the European cosmetics industry is approximately 1.7 million people.
<b>10. EURELECTRIC The Union of the Electricity Industry</b>	Over €3 million 28 staff	EURELECTRIC is the sector association which represents the common interests of the electricity industry at pan-European level, plus its affiliates and associates on several other continents. EURELECTRIC currently has over 30 full members which represent the electricity industry in 32 European countries.

## 54 About Ellwood Atfield

Ellwood Atfield is Europe's leading Executive Search firm dedicated to the recruitment of association, public affairs and communication leaders.

We bring our specialist understanding to every assignment, every search, and every interview, finding exceptional candidates that fit demanding briefs.

We pride ourselves on our ability to understand the individual character of every assignment. Our end goal is always loyalty and satisfaction. We do this by honestly representing our clients in the market and ensuring that we support and continually advise our candidates during assignments. We view our responsibility towards transparency and confidentiality as paramount.

We really know the Brussels market like no other executive search firm. As reported in *The Wall Street Journal*, Ellwood Atfield is "the only specialist executive search firm focused on communications and public affairs to have a dedicated office in Brussels".

We have led recruitment for some of the most challenging association leadership positions in Europe. The Ellwood Atfield Brussels team includes acknowledged experts in the field of association leadership, governance, public affairs and communications.

At Ellwood Atfield we are concerned with what makes a European association successful. That is why we first published, in 2011, the report *Key Success Factors for European Associations*, and, in 2012, *Directing The Collective Voice*, in which 60 leaders of business associations shared their views on the challenges they face.

We continue to drive research in this area, including surveys on association leadership and lobbying effectiveness.

**Ellwood Atfield: The leading recruiter of European association leaders.**

"I was particularly impressed with the manner in which they encouraged and supported the relevant CEPS Directors through their thorough and professional approach to recruitment. Particular emphasis was given to the briefing process so that they concentrated their efforts correctly. Their appropriate communication with the client and prospective candidates during the whole process was also a really positive feature of Ellwood Atfield."

*James Cockeram, former President of SPIRITS EUROPE and CEO of Moët-Hennessy*



"I would like to thank Ellwood Atfield for finding such excellent candidate at longlist and shortlist stage for the position of DG of the EGA. It was a genuine pleasure working with their team on this recruitment."

*Gudbjorg Edda Eggertsdottir, President of the European Generic Medicines Association and Actavis*



"Ellwood Atfield ran a thorough recruitment process in identifying a new leader of our European network. They demonstrated a deep understanding of our structure as well as our cause and the briefings and arrangements were excellent. I would happily recommend Ellwood Atfield to recruit leaders of NGOs and pan-European organisations."

*Major General Peter Davies CB, President of Eurogroup for Animals*



There are many other reports published by Ellwood Atfield on communications, public affairs and business associations that are available on our website. These include:

*Key Success Factors for European Trade Associations (2011)*

*Brussels Remuneration Report (2010/11)*

*Directing the Collective Voice (2012)*

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