

**Draft minutes**  
**Feaco General Assembly**  
**Athens, 21 October 2004**

**Present:**

Rémi Redley	Germany	President BDU + FEACO Chairman
Janko Arah	Slovenia	President AMCOS
Laura Arsenis	Greece	Board Member SESMA
Peter Barrett	Hong Kong	Managing Director MCAHK
Antoine Beuve-Mery	Belgium	Board Member ASCOBEL
L.-Eduardo Cachudo Nunes	Portugal	Vice President APPC
Gerd Prechtl	Austria	Chairman INCITE
Majda Dobravc	Slovenia	Secretary General AMCOS
Gil Gidron	Spain	President AEC
Else Groen		FEACO Manager
Athanassions Mavros	Greece	President SESMA
Susanne Nielsen	Denmark	President DMR
Trond Parelius Johnsen	Norway	President NBF
Jean Luc Placet	France	President SYNTEC
Jozsef Poor	Hungary	Board Member VTMSZ
Mihai Svasta	Romania	Vice President AMCOR
K.K. Yeung	Hong Kong	President AMCHK

**Invitee:**

Edin Alic	Bosnia-Herzegovina	Director LespNet
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**Excused:**

Chzech Rep., Finland, Sweden (represented by Susanne Nielsen), Switzerland (represented by Rémi Redley), UK

**FORMAL MATTERS**

**1. Welcome**

The Chairman welcomes all, in particular the new Vice Presidents of the Portuguese association, Mr. Luis Eduardo Cachudo Nunes and the representatives of the Hong Kong association, Mr K.K. Yeung and Mr. Peter Barrett. The Chairman extends his gratitude to the Greek participants for organising the Conference.

**2. Open meeting - Approval of agenda**

The meeting is opened, the agenda is approved with one addition.  
The total number of votes is established at 16.

As Susanne Nielsen cannot attend the whole of the meeting it is agreed that item II.1, Business Ethics survey, is treated first, after approval of the minutes.

**3. Approval of the Minutes**

The minutes of the meeting of 08 June in Prague, Czech Republic are approved.

**4. Reconciled accounts until 14 October and year end estimate**

Else Groen presents the accounts. The financial situation is tight, but sound.  
Major divergences between the agreed expenditure and estimated expenditure by year end are explained as follows:

- Hire/purchase of equipment: It was decided to invest in a laptop for Else
- Documentation/photocopying: subscriptions were taken to EIS, European Voice and FT online
- Temporary services: expenditure was lower than expected due to end contract website maintenance
- Extraordinary expenses: Preparation and promotion FT article on FEACO survey
- Other charges/general expenses: purchase of website maintenance software.

Disregarding the contingency, the estimated expenditure amounts to the agreed expenditure.

Result: it is expected that about 2000 € may need to come out of the feaco reserves for the income and expenditures to break even.

## **5. Future programme/2005 Budget/Chairmanship**

Jean Luc Placet reports on progress made on the future strategy for FEACO. The ExCo is aiming for an ambitious programme that would make FEACO a stronger association.

For the future chairmanship, the ExCo has found a candidate in Antoine Beuve-Mery, Partner of IBM Business Consulting Services Belgium and ExCo representative for ASCOBEL, the Belgian association, to take over from Remi Redley. The ExCo unanimously supports his candidacy.

Antoine Beuve-Mery gives a short career description.

Jean Luc Placet reports that the ExCo has decided to develop the new strategy of FEACO around 6 priorities:

1. the survey
2. the multinational group
3. a new vision: what should FEACO do?
4. the conference
5. press coverage
6. Links with national associations

ExCo members will decide on how these objectives will need to be reached and individual ExCo members will be made responsible for the implementation.

This new strategy will require a strengthening of the FEACO governance and the ExCo informs the assembly that it has elected Gil Gidron and Jean Luc Placet as Vice Chairmen, as of 20 October 2004, to support the Chairman in his task.

The ExCo has also decided that the statutes will be analysed and renovated to allow for a possibility to expand the ExCo, for instance with another Central/Eastern European member.

Athanassios Mavros of the Greek association proposes that SESMA be more involved in the execution of the FEACO programme. For instance, SESMA would be willing to undertake the development of the market survey. This idea of taking over the development of the survey is welcomed and SESMA is asked to submit a proposal for the execution to Else Groen.

Pending progress on the new programme and agreement on the strategy, it is proposed to vote the budget for 2005, without taking account of the effects the new strategy, in particular the establishment of a Multinationals Group, could have on the budget, i.e. a

continuation of the current running programme. Gil Gidron points out that the Multinationals group should become self-supporting.

Else Groen presents the draft budget for 2005 (attached).  
The budget is agreed unanimously.

## **II. FEACO working groups/task forces**

### **Business Ethics Task Force**

Susanne Nielsen presents the interim results of the survey on business ethics. The results appear to indicate that there is an interest in business ethics and that FEACO should play a role in this. However, due to the low level of response the results cannot be considered representative.

Else Groen should send out a reminder to all associations who did not respond. **EG**

### **ECIC activities**

Antoine Beuve-Mery gives a presentation of recent ECIC activities (attached)

It is pointed out that the activities of the ECIC are not necessarily restricted to Regional development and External assistance, but that for reason of effectiveness it was decided to focus on these areas.

L. Eduardo Cachudo Nunes points out that consultants in Portugal have a problem of unfair competition with universities. The association is therefore establishing a statute for management consultants.

A solution to this problem, is to join forces with universities to carry out projects jointly.

Jozsef Poor reports that there appears to be some kind of EU consulting certificate, which authorizes consultants to work for the government. It is a kind of recognition, for which all consultants can apply, which is handed out by the Government and allows companies to work on projects financed by the cohesion fund. **EG** to follow up.

Mihai Svasta would like to offer ideas for the ECIC programme for 2005. **EG**

All associations should better promote the FEACO guidelines with their members and members with their clients.

## **III. MARKET DISCUSSION**

### **5. Presentations on market situation in member countries.**

#### **GERMANY**

No clear trend towards a consolidation of the market. Some of the consulting companies are better off - others - even large multi national companies – are still in a rather bad shape. But this is a typical characteristic of a free market at any time during a business cycle. According to BDU studies, the German market will stagnate at the level of the previous year (EUR 12.2 bill.) This prognosis does not include the sector of managed services, which is assumed to grow by small two-digit growth rates in relation to 2003 and in the forthcoming years. The IT-Consulting sector will again decrease in 2004. Demand for consulting services will grow from the IT companies, the machinery and pharmaceutical industry and from foreign companies in the banking sector. As for the year 2005, BDU expects an average market growth rate of zero to three per cent at the maximum.

#### **PORTUGAL**

Apart from all the difficulties that the country is still facing: the economic recession, the political crisis and, most the serious, lack of confidence, the Portuguese market is now showing some slight signs of recovery. Uncertainty still prevails, and Management Consultancy is not yet seen as “the right hand” of the economy in Portugal. Management consultants are often seen as dispensable. APPC is making a big effort to invert that situation. The main concerns are: the meagre increase in the demand, the more often delayed payments from clients and unfair competition from universities and technological centres.

### **Situation of IT, Strategy Consulting, Business Consulting**

The economic recession and the political crisis are still having their effect on the development of these business areas, but fortunately some investment decisions are now taking place. The trend that management consultants are “dispensable” during difficult times is fortunately being surpassed, be it very slowly. Consequently, the level of activity of the consultancy areas mentioned above still low but this can only get better when the economy starts effectively to recover and the level of confidence gets higher.

### **Market in next 6 months**

The uncertainties still remain. The oil crisis, the economic recession and the political instability are the main ingredients of the overall Portuguese instability, delaying the recovery of the economy in the next months. Private investment remains very cautious, and consumer confidence still quite low. In terms of foreign demand we can notice that the Spanish are by large our major investors, sometimes taking by assault their own investment intentions. There is no reason to be optimistic about that, rather even more cautious.

### **UK**

As previously reported MCA members generated 13% growth in fee income [£5.81bn] when 2003 and 2002 are compared. This headline growth has continued in 2004. On a like for like basis MCA members report growth in income of 10% [second quarter 2004 over same quarter 2003]. Including new MCA members, growth comparing the same 2 quarters climbed to 15.9%.

However most of the continued improvement can be attributed to high levels of growth in outsourcing related consulting. There was a small decline of 2.4% in the 2nd quarter of 2004 over the first quarter 2004 in this particular activity, which we believe is no more than a blip. Public sector spending remained high but other more traditional areas - management consulting and IT-related consulting showed only very modest growth.

MCA members account for rather more than 60% of the total UK market. The MCA now has 52 members up 12 from the start of this year.

### **GREECE**

### **SPAIN**

### **BELGIUM**

The Belgian market is now worth about 640 mln €.

Demand from the public sector was ok at the beginning of the year, but the June elections caused a slowdown. Quarter 3 of 2004 was overall slightly better.

Demand for outsourcing, offshoring and nearshoring services is still increasing.

## FRANCE

At the end of 2003, total French Management Consultancy market had decreased by 10%, after a decrease of 5% in 2002. Total sales amounted to 3.850 Meuros. Total employment had also decreased to 23.600 professionals.

IT consulting and Major firms recorded the largest downfalls (-17% and -11%) when strategy consulting and specialists recorded positive evolutions (+4% and +16%).

The breakdown of the market per sectors showed that Industry remained flat at 24%, when Banking & Insurance declined to 22%. Telecom, Utilities and Retail reached 10% individually, when the Administration was now the third largest sector at 12%.

As far as 2004 is concerned, French firms had forecasted a wide range of growth rates : IT firms expected only 2%, when Strategy consultants and specialists expected a 9% growth rate.

In october 2004, a survey among Syntec member firms has showed that this forecast remains accurate by large with a wider discrepancy than expected. Some member firms should reach a 20% increase at year end, when some other ones should remain flat. Considering the weight of IT firms, the average growth rate of the French market should be around 5%.

AUSTRIA

HUNGARY

SLOVENIA

ROMANIA

## IV. AOB

### Call for suggestions

Jean Luc Placet launches a call to all FEACO Member associations and Presidents for ideas and suggestions for reinforcing the attractiveness of the MC Business to be able to attract the best people again. Another question he would like to have answers to is: is it possible to have an international career in MC? Any reactions are welcome and can be sent to Else at: [feaco@feaco.org](mailto:feaco@feaco.org)

Attachments:

1. Approved minutes meeting 08 June 2004
2. FEACO budget 2005 as approved
3. Note on ECIC activities
4. Slides of presentation by Edin Alic of the association of Bosnia-Herzegovina