



# EuroConference

*Taking your association to the next level*

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SOFITEL BRUSSELS EUROPE 28 February 2007

The 7<sup>th</sup> Annual EuroConference  
is organised by





# **GOVERNANCE : BEST PRACTICES**

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**EUROCONFERENCE**

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# GOOD GOVERNANCE

- Analysis of key elements
  - Transparency
  - Democracy
  - Roles & responsibilities
  - Budget allocation
  - Anti-trust law
- ACEA as a case study



# TRANSPARENCY & DEMOCRACY

- Ensure consultation, buy-in and feedback at all levels
  - CEOs
  - Senior management
  - Brussels offices
  - National associations
  - Experts
- Establish clear & effective decision-making rules
  - Combining democracy with speed & efficiency



# Case study: ACEA (1)

*ACEA represents the whole European auto industry*

- 13 companies, as direct members
- 24 National Associations as associate members
- 17 million vehicles produced per year
- 1.9 million direct jobs
- 19 billion € in R&D investment
- 33.5 billion € of net trade contribution
- 340 billion € of tax revenues

**BMW Group**

**DAF**

DAIMLERCHRYSLER

**FIAT**



PSA PEUGEOT CITROËN



**VOLVO**

**VOLKSWAGEN AG**



## Case study: ACEA (2)

- 57 thematic working groups and task forces for specific areas (emissions, safety, recycling, CO2, transport, technical affairs, legal, trade, research, statistics, etc)
  - Chaired by ACEA Directors
  - Contacts with automotive and other industry associations if and when appropriate
- Regular meetings with companies' Brussels representatives
  - One person responsible within ACEA Secretariat
- Regular meetings with national associations
  - One person responsible within ACEA Secretariat
- Regular reporting from offices in China and Japan



## Case study: ACEA (3)

- Systematic review & approval by senior management committee
  - Main company interface with ACEA Secretariat
  - Prepares BOD meetings
  - Makes all non-strategic decisions
- Key decisions made by Board of Directors (BOD)
  - Members = CEOs
  - 4 meetings per year
  - Guarantees top-level involvement & endorsement



## Case study: ACEA (4)

- Decision-making by consensus is the rule
- One member, one vote
  - Only direct members (companies)
- Majority vote possible in BOD
  - After all reasonable efforts have been made to reach consensus
  - $\frac{3}{4}$  majority of members voting
  - Separate voting possible for passenger cars and commercial vehicles respectively



# BUDGET (1)

- Rule n°1 : It is always the companies' money
- Possible allocation keys:
  - Turnover
  - Market share
  - Equal amounts
- Fairness v. stability



## BUDGET (2)

- ACEA example
  - One rate for passenger car manufacturers
  - Another rate for commercial vehicle manufacturers
- How to treat variable expenses (studies, consultancy, PR support, legal opinions)
  - Line-by-line approval
  - Contingency
  - “Envelope” system + subsequent case-by-case approval



# ANTI-TRUST

- Establish & maintain awareness of anti-trust rules
- Have legal adviser present at important and/or sensitive meetings
- Do not discuss competitive issues such as prices & costs
  - If needed, do it anonymously or via third party
- Make sure statistics do not create unacceptable market transparency
  - Stick to aggregate data & historical series



# CONCLUSIONS

Good governance requires:

- Transparent organisation & procedures
  - At all levels
  - With a clear definition of responsibilities
- Democratic decision-making
  - Combined with speed & efficiency
- Predictable & flexible budget allocation
- Awareness & respect of anti-trust law



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