



EuroConference

Taking your association to the next level

SOFITEL BRUSSELS EUROPE

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Effectiveness of Trade Associations: A corporate view

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Presentation outline

- Kraft's trade association membership
- The value of trade associations
- Direct corporate engagement vs. using a trade association as the primary vehicle for representation
- What makes an effective, value-added association ?



My Background

- 19 years in Brussels
- National government official pre-1988
- Work experience :
 - European Commission secondment
 - Trade association delegate
 - Public Affairs Consultancy
 - Trade association Director General
 - 2 corporate jobs (Head of Brussels Public Affairs Offices)

Kraft Foods



- 2nd biggest food company in the world
- 2005 net revenues \$ 34 billion
- 94,000 employees in 70 countries
- 175 manufacturing & processing facilities
- Hundreds of employees involved in trade association activities in Europe
- Significant Euros paid in association dues



Some of the issues Kraft manages

- Food safety
- Nutrition and health
- Trade
- Agriculture
- Consumer policy
- Brands
- Commodity supply
- Packaging/labelling
- Social responsibility
- Advertising/marketing
- Industrial policy
- Environmental policy
- Transport
- Energy
- R&D/Innovation
- Sustainability

Kraft's Trade Association membership

Approx 20 EU level
associations



European Coffee Federation



+/- 200 national
associations

Personal involvement in 5

The Value of Associations

- EU institutions often involve only EU level associations e.g. EU Platform on Diet, Physical Activity and Health
- An association lobby *may* (not always) carry more weight than a corporate view
- Networking and contacts with peers. A Forum for discussion of non-competitive, industry-wide issues
- Technical expertise of association staff
- Monitoring service for relevant developments



Use of associations vs. direct corporate action

- Both are used in most cases
- Trade association for the industry line, supplemented by particular corporate concerns and specific examples
- Companies will be able to assess impact of any policy/measure and will have to implement it : need to be engaged at all levels
- Where trade associations struggle to reach a view, ad-hoc coalitions or corporate representation may be used

What makes an effective value-added association ?

- Reasonable fees
- Expert staff
- Provision of a useful monitoring service
- Responsive not bureaucratic
- Fully aware of and implements anti-trust rules (preferably with a clear competition policy statement)
- Ethical, appropriate behaviour - e.g. signatories to the SEAP Code of Conduct
- Working with other associations (particularly those of which we are members)

What makes an effective value-added association ?

- An international dimension/awareness : we are a global company
- Good relationships with all relevant stakeholders
- Good national level structure
- Long term engagement on the key issues
- Consensus-driven : seeking to build a common view among members



CONCLUSIONS

- THE TIME SPENT IN TRADE ASSOCIATION ACTIVITY BY CORPORATE MEMBERS HAS TO BE IN SUPPORT OF CORPORATE OBJECTIVES. KNOW YOUR MEMBERS' OBJECTIVES.
- ULTIMATELY COMPANIES NEED TO JUSTIFY TIME AND MONEY SPENT ON TRADE ASSOCIATIONS AND WILL ONLY SUPPORT THOSE THAT DELIVER VALUE
- WE ACKNOWLEDGE, HOWEVER, THAT AN ASSOCIATION IS ONLY AS GOOD AS ITS MEMBERS!



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