



## Press release

### *European leadership in globalization*

## *“The speed of change is accelerating – Are you still at the steering wheel?”*

**Brussels, September 17 2008**

**European Commissioner for Competition Neelie Kroes addressed 20 international board women of Europe's largest companies on the key issues facing Europe's competitive position in the world.** This 2nd edition of the EuropeanPWN Board Room Round Tables was hosted by **Egon Zehnder International**.

#### **Improve the entrepreneurial spirit**

In order for the EU to remain competitive it is imperative we take measures to increase entrepreneurialism. More flexible labor markets and introducing flexible working arrangements while making use of all talent available have become a necessity in global competition. “We need more people in the labor process and we need them longer,” explained Commissioner Neelie Kroes. “We also need to choose and use the potential of women at the highest levels as this leads to better decision-making and better returns to shareholders.”

#### **Reinforce competition policies**

In addition, we should continue to improve the openness of markets and prevent protectionism to take over. “The single market is responsible for much of our growth in living standards. It is built on a robust competition policy and that makes competition the best insurance policy for our competitive position,” said the Commissioner in response to questions about protective tendencies observed with the current influx of large amounts of capital from outside Europe. “We should not respond emotionally but continue to apply our European rules of transparency to these investors, including the sovereign wealth funds and other state funds”.

#### **Higher priority for R&D and Innovation**

Citing the Finnish Centers of Excellence as good examples, the Commissioner advised companies' boards to place the topic of Research & Development and Innovation higher on the agenda. “EU State aid levels have come down significantly since the 1980's and are now spent on increasing entrepreneurialism, protection of the environment and boosting innovation. We should do more to cultivate an innovation culture in the way we work and live. An example of this is that the European Commission is shifting all its state aid efforts towards horizontal objectives like innovation.”



## Top Three issues on the Board's agenda

Following the discussion with the Commissioner, participants debated which topics should get priority on their board's agenda in the future.

### 1. Long-term thinking

Market pressures and shareholders demands lead to increased attention to short term results. Top of the agenda for the future should be sustainable development of the business and resource planning, both in terms of financial and human capital. "As the speed of change is increasing, companies need to attract and develop the leadership that is able to do scenario planning and take quick decisions that do not only create short term but also long term value for the company," says Marion Mestrom, Vice President HR Philips Lighting.

### 2. Team composition is key

"Having the right team at the steering wheel and an atmosphere in which all questions can be asked is crucial for top quality decision-making" says Colette Lewiner, Executive Vice President and Global Sector Leader Energy, Utilities and Chemicals of Capgemini. The question was addressed if the current leadership of companies that have created this crisis is the right leadership to take us out of the crisis? Diversity in teams is especially important in crises where differences in background lead to a wider variety of options to debate and solutions to choose from. "Only real diverse teams allow to think out of the box and today most of the boards are not real teams and not enough diverse", comments Marie-Claude Peyrache, former board member France Telecom. "It is not about diversity as such, it is about leadership. Leadership needs to be able to deal with differences in opinions and backgrounds and not be fearful of it. Diversity is not an HR issue but a business issue", commented Mirella Visser, president of the European Professional Women's Network and supervisory board member. "We seldom re-question what has been approved. To stop and think and re-question can be very useful, especially in hectic market circumstances", added Colette Lewiner. "When crisis occur, companies try to avoid risks and they trust the old networks; women need to get better organised and committed", adds H el ene Ratte, Human Resources Partner Deloitte. Si an Herbert-Jones, Group Chief Financial Officer of Sodexo concluded: "People development should be priority for Boards; how to fill jobs will be one of the most important challenges for companies in the coming years."

### 3. Pro-active reputation management

The third topic on the agenda refers to your personal reputation, as board member, and the reputation of the company you serve, as they are linked. "The impact of your reputation on your clients and employees cannot be overestimated", said Annalisa Gigante, Adecco's Chief Business Development & Marketing Officer. "Good reputation comes from delivering on your commitments, genuinely, as a person and as a company. If it is just 'image' you are after, it will backfire and you can only loose a good reputation once."

### 4. Transparency in communication

Boards should give more attention to the way they communicate with clients and employees. "Being able to translate company decisions into understandable language, while respecting differences in culture, has a high priority on my



board", explained Béatrice Guillaume-Grabisch, Germany Business Unit President of Coca-Cola. "We need to focus on our clients and their needs by putting ourselves in their shoes more often", adds Siobhan Martin-Wells, Worldwide Partner at Mercer.

### 5. Innovation needs a boost

"At the European level we see successful cooperation in research projects in certain industries, like telecoms; standardization of mobile services has fostered the strong growth of the sector " said Anne Bouverot, Executive Vice President, International Business Development at Orange. "When looking at Europe's competitiveness as a whole we observe that big companies are spending lower amounts on innovation because of the focus on short term results", comments Bridget van Kralingen, General Manager IBM Global Business Services. "By incorporating SME's with innovative power large companies make up for the loss in direct expenditure in R&D".

### Concluding: "CFO, where is our money?"

If not asked yet, this should be the first question at tomorrow's board meeting. "Let's realize that this crisis is not a hurricane, but a man-made event," comments Mieke Damen, Vice President Operations Mexx Europe. "Our first priority now is to verify if proper risk management is in place". Alexandra Cook-Schaapveld, Head of GBM Western Europe at Royal Bank of Scotland, adds that it starts with a board asking the right questions about complex financial products in which they invest: "If a manager cannot explain to me, a banker, what the risk profile of a financial product is, no one is in control of the risk. This is part of the crisis we are seeing now". "In our current economic environment where low levels of liquidity and high inflation prevail, you may wonder if the current leadership is equipped to effectively deal with the problems", said Marguerite Soeteman-Reijnen, Chief Broking Officer EMEA Aon Risk Services. "When the speed of change is accelerating, you need diverse teams to deal with the issues at hand", she adds.

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### About the EuropeanPWN Board Room Round Tables

The EuropeanPWN Board Room Round Tables are the **first international platform for board women in Europe** to connect and network. This activity is part of EuropeanPWN's mission to promote professional progress of women in Europe. Participating board women have come from **ABNAMRO, Achmea, Adecco, AON, Capgemini, Coca-Cola, Deloitte, IBM, Mercer, Mexx, Orange, Pfizer, Philips, RBS, Sainsbury and Sodexo.**

Nationalities represented include Italian, Dutch, French, Australian, Canadian, American, British and German. For a summary of the key points of the first edition: [http://www.europeanpwn.net/index.php?article\\_id=478](http://www.europeanpwn.net/index.php?article_id=478)

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### Key facts EuropeanPWN:

- connecting 3500 international business women from more than 90 nationalities
- in 17 major European cities: Amsterdam, Barcelona, Berlin, Brussels, Copenhagen, Düsseldorf, Frankfurt, Geneva, London, Lyon, Madrid, Milan, Nice, Oslo, Paris, Stockholm and Vienna
- Over 500 leadership events organized a year
- State-of-the-art internet platform with Think-tank Communities



## European Professional Women's Network

- Publication of 9 books in the Women Work series
  - Flagship project EuropeanPWN BoardWomen Monitor (bi-annual)
  - Non-profit organization, volunteer-run, founded in 2003.
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### **Key facts Egon Zehnder International:**

Egon Zehnder International is the world's largest privately held search firm with more than 350 consultants located in 62 wholly owned offices in 37 countries. The firm specializes in senior level executive search, board consulting and director search, management appraisals, and talent management.

Egon Zehnder International specializes in assessing and recruiting business leaders with outstanding track records who will create competitive advantage and sustainable value. The worldwide success of our firm has been built on our insights into the people dynamics of corporations and their leadership requirements at the highest levels. For more information, please visit our website: <http://www.egonzehnder.com>

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