

SENSE

“The way in which you as the CEO support an Interim Director is extremely important.”

Luc Sterckx
CEO SPE



CASES ▼

Markant Office Furniture - SPE - TI Automotive

ESSENSYS
Management Expertise
Worth your trust



Finger on the pulse

Essensys considers it important to know what is happening in large companies. In the press we constantly read reports about the economic recession. However, how do CEO's view the current economic situation and what are their challenges for 2009?

Essensys commissioned an independent study among CEO's of large companies in order to gauge how they are arming themselves against the economic downturn. This research demonstrates that CEO's are realistic, pragmatic and driven. They do not allow themselves to become discouraged by the downturn, and instead they are forward-looking and aim to maintain their long-term strategy. So a healthy attitude therefore. The detailed results from this research can be found in this new issue of Sense.

In addition, Sense brings you three interesting customer cases. The temporary HR Director at SPE who was responsible for outlining a consistent HR policy following the merger. TI Automotive who were on the lookout for a Plant Manager ad interim for the Deeside plant (United Kingdom). And for Markant Office Furniture, Essensys also performed a successful search to find the new Country Manager for Belgium.

I wish you much reading pleasure and inspiration.

Michel Van Hemele

Michel Van Hemele,
Managing Partner Essensys

Management expertise worth your trust

Essensys stands for high-quality, innovative and result-driven services. We are active in Belgium, France and the Netherlands. Here is an overview of our most important services.

1 Executive interim management

Essensys aims to provide high-quality services. In order to achieve this, we work with highly competent people who have the necessary experience, professional skills as well as ethical and moral values.

Our experienced interim managers are active in the following domains: general management – change management – finance, controlling and administration – sales and marketing – human resources – logistics and supply chain – production management – ICT.

For each one of these domains, Essensys offers the following services:

- ▶ Guarantee of continuity
- ▶ Experts' opinions
- ▶ Programme and project management
- ▶ Change and improvement management
- ▶ Corporate (re)development

2 Executive search

At the request of a large number of our clients, Essensys is also active in the area of executive search: looking for and recruiting permanent executive managers. Here again, Essensys' unique approach is aiming high-quality results in providing the best candidates for upper-level management positions. Recent examples include the recruitment of Chief Executive Officers, Chief Financial Officers, Chief Operating Officers and Finance Directors.

3 Management coaching

Based on many years of management expertise, Essensys also offers management coaching. Our coaching method guarantees that a period of transition within your organisation leads to lasting results. Essensys management coaching is aimed at permanent middle and upper-level managers and is tailored to your business needs.

Essensys considers it important to keep a finger on the pulse of top companies. This is why the research agency Ipsos was commissioned to carry out an independent survey. At the end of last year, 151 top managers were interviewed. What is their vision of doing successful business in 2009? And what are their experiences of interim management?

Managers with an opinion

The 151 CEO's and HR managers were given several current issues to respond to. How do they view the competition? How do they go in search of qualified staff? Can they still find investment capital in times of crisis? And do they still care about the environment? The top managers held outspoken and sometimes surprising views. In any case, they came across as realistic, pragmatic and driven: they do not allow themselves to be side-tracked by the credit crunch and do not lose sight of their long-term objectives in terms of equality, sustainability and environmental protection.

Advocating a free market

75% of managers consider that competition must continue unabated: they advocate a free market economy. However, 25% do believe that consumers must be persuaded to buy more locally produced products. They are for intervention in a free market. A local, protectionist approach in a globalised world economy: this idea is very much alive among a number of top managers. 84% find that labour costs are the biggest handicap to competition. Interviewed managers consider controlling energy and fuel prices

to be less important: only 16% are in favour. Labour costs can naturally be determined at national level, whereas oil prices are mainly set internationally.

Staff seek higher quality of life

CEO's and HR managers note that their staff long for a higher quality of life and are increasingly looking for a work-life balance. 69% of respondents are of the opinion that companies have to adjust to that trend. The other (31%) consider that they can demand greater availability and more flexibility from their staff. Despite the economic downturn, the panel are not resorting en masse to 'former' HR instruments. More than three in ten managers consider sustainable personnel policy to be an 'established value'.

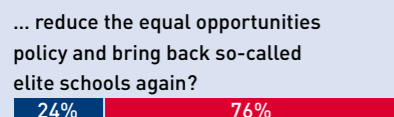
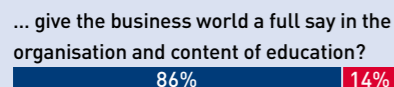
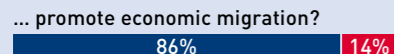
Difficult to find staff

69% of CEO's and HR managers do not think that local management should purely execute that which is imposed by foreign headquarters. They therefore also consider it important to surround themselves with excellent staff. This search for talent is often difficult (diagram 1). 86% of CEO's and HR managers would therefore like to promote

WHICH MANAGERS WERE INTERVIEWED?

- ▼ Industrial sector: 29.5%
- ▼ Public sector and social services: 25.5%
- ▼ Financial and consultancy sector: 21.5%
- ▼ Commerce (FMCG & B2B): 15.5%
- ▼ Other sectors: 8%

To tackle the labour shortage, one has to...



■ Agree ■ Disagree

economic immigration. 86% also want a say in the organisation and content of education. A minority (24%) believe that new elite schools should be brought in again, averse to the equal opportunities policy that is currently being conducted. The shortage of labour has according to those managers interviewed (69 %) resulted in trade unions gaining increased power in salary negotiations.

Sustainable enterprise a must

Almost all CEO's and HR managers (98 %) believe that we have to implement sustainable enterprise to the maximum (diagram 2). 86% consider that companies have to continue to play a leading role. Managers believe that it is a meaningful and efficient long-term investment which can improve

“We see that the managers have a nuanced picture of the credit crunch and economic downturn: not optimistic or pessimistic, but pragmatic.”

Michel Van Hemele, Managing Partner Essensys

one's competitive edge. That does not mean that managers do not have an eye for the daily reality: 43% of them believe that in the economic and financial crisis there are currently other priorities. So the managers

are not lacking in a certain degree of pragmatism. However, they also do dare to look at themselves: they are convinced that the credit crunch is not only due to the banks (88%). One in three managers fears that in the future it will be more difficult to obtain finance (37%).

Interim management is fully integrated

What experience do top managers have with regard to interim management? 62% of respondent CEO's and HR managers are already resorting to interim management: 26% have been doing so for more than four years; 39% have used it for two-four years. Interim management is therefore firmly integrated. Why do they make use of interim managers? To ensure continuity (57%),

to achieve specific projects (51%), to buy in specific knowledge or expertise (37%) or to steer change management (31%). Eight in ten CEO's expect to use interim management in the future, even though only six in ten

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Michel Van Hemele, Managing Partner Essensys

HR managers are of that opinion. Moreover, HR managers seem to be generally less familiar with interim management and with its applications within their company.

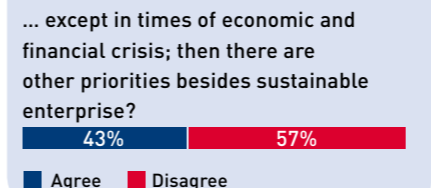
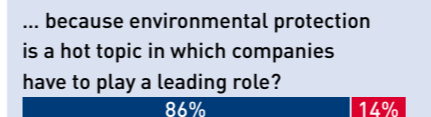
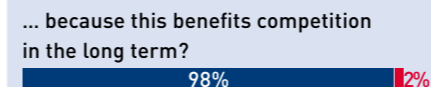
Nuanced picture

Michel Van Hemele of Essensys believes the results of the study are proof of realism and future-centredness. “We see that the managers have a nuanced picture of the credit crunch and economic downturn: not

optimistic or pessimistic, but pragmatic. He states: “Their opportunism certainly does not stand in the way of a sustainable future. For Essensys it is important to have a clear idea of the long-term vision of our clients with regard to interim management assignments which CEO's entrust to us. That is certainly the case for restructuring and other major projects of change which we perform for them.”

Please visit the Essensys website to read the full results of the research. www.essensys.eu.

Companies must focus on sustainable enterprise...



FOUR IMPORTANT CONCLUSIONS FROM THE RESEARCH

1. 75% of the managers consider that the **free market** has to be able to operate **without protectionism**.
2. 84% view **labour costs** as the **biggest stumbling block** to competition.
3. In the **search for talent, economic immigration (86%)** and a **clear say in education is seen as a solution (86%)**.
4. The managers **support sustainable enterprise (98%)** and even think that **companies play a leading role (86%)**. In times of **crisis priorities** may well **shift**.



Luc Sterckx
president K.E.M.P. nv,
CEO SPE

COMPANY PROFILE

- ▼ Energy sector
- ▼ Second largest player on the Belgian energy market with a turnover of approximately 2.4 billion euros
- ▼ Shareholders are Centrica (51%) and historical shareholders, such as the public utility boards ALG and Publiblum
- ▼ Belongs among the top 30 largest Belgian companies
- ▼ SPE generates power at 21 power stations in Flanders and Wallonia. 12% of the capacity consists of renewable energy
- ▼ SPE Luminus markets electricity and gas under the brand of Luminus and serves more than 1.6 million private individuals and business customers
- ▼ Approximately 1.000 employees

Interim manager is a quick starter

The merger of the energy companies SPE and Luminus led to the requirement of an HR Director who could outline a consistent policy, starting from different company cultures and traditions. CEO Luc Sterckx explains how they went in search for an interim HR Director who could take those first steps in the right direction.

In the autumn of 2007, SPE recruited a temporary HR Director. Why?

Luc Sterckx: As a result of the merger of SPE, Luminus and a few other smaller energy companies, we had effectively created a completely new company. Those were five companies, each with their own company culture and history. Developing a consistent HR policy in a new company employing a 1.000-strong workforce requires many years' work. We did not immediately find the right applicant to get such a policy on track, partly due to this increase in scale. A company merger is equivalent to integrating people. This is of course primarily the duty of the CEO. However, the CEO requires a right-hand person, the HR Director. That is why we wanted to attract someone who could start from day one, even if on a temporary basis.

How did you find Essensys?

Luc Sterckx: We had never worked with Essensys before, but I did know Marc Crombez

and Michel Van Hemele, the Managing Partners van Essensys. I knew that they could find us someone matching the profile of our choice. I got in touch with Marc Crombez and we very quickly agreed on the manager selected by Essensys as temporary HR Director of the new company SPE.

What was his actual duty?

Luc Sterckx: We really saw the interim HR Director as someone who had to look after the transition. He made those first necessary steps towards good HR policy. At first, I myself had taken on the role of HR Director. Together with people from SPE Noord, SPE Sud and the former company Luminus we formed an HR Committee of four. This lasted a few months, but this was not tenable in the long term. We were well aware of that. I like to look to the future and much more needed to be done to keep the shop running. You also have to take account of the fact that the SPE workforce is spread over several different plants.

“The way in which you as the CEO support an interim Director is extremely important.”

Luc Sterckx, president K.E.M.P. nv, CEO SPE

The interim HR Director worked here for 3 quarters of the year. How was the follow-up by Essensys?

Luc Sterckx: It was good. We had follow-up meetings with Marc Crombez and those were very useful. You could feel they care about the service they offer to their clients. That represents real added value. We were also happy with the temporary manager provided by Essensys. Whether such a collaboration succeeds will depend on various factors. Firstly: is it the right person? Secondly: does the company have sufficient confidence in the person? The staff know that he is there temporarily, and one must avoid any negative impact on the work of the interim Director. As CEO you have to give such a person your full backing. Fortunately, he quickly gained the support of his colleagues. Three: if things go wrong in certain areas, one has to make adjustments – or replace the person – and you have to learn lessons from that. The latter was not necessary, everything went fairly smoothly. Essensys did their work well. The company has an eye for and lends an ear to the client. This type of added value is perhaps not necessary for every company or for every position. For more executive roles this is probably not such a major requirement.

Then it was the turn of a permanent HR Director. Was the interim Director involved in this selection?

Luc Sterckx: No. This had nothing to do with him, but we run a system of fixed procedures for this purpose which we followed step by step. The ultimate responsibility for filling the top positions resides with the Board of Directors; we have a tradition and also standard processes for recruiting managers. Anyhow, this is handled by an external agency. This puts everyone at ease and we did not want to deviate from our usual system.

To you, what makes a good interim manager or Director?

Luc Sterckx: Well, you have to be aware that this involves another profile compared to someone you recruit on a permanent basis. There really is a big difference. An interim manager is a quick starter, whereas somebody permanent will work in the medium-long term and will work in depth. And this means: working strategically with a clear vision. Naturally, this does not mean by definition that an interim manager cannot do that, but his focus will be elsewhere. This must not be underestimated. You need many skills and experience to be a good interim manager. You have to be able to see very quickly what is expected from you. You have to ensure quick results. You have to be flexible and be able to adjust quickly. Diplomatic qualities are always a bonus, because as an interim manager you will have to work from conviction. You have to have an authority that sells itself. As an interim manager you simply turn up somewhere, don't you? Naturally, the way in which you as the CEO support this person is extremely important.

SOLUTIONS BY ESSENSYS

1. Appointing an **experienced HR Director at short notice**
2. Making the first steps towards a **consistent HR policy**
3. Taking into account **company cultures and traditions** of five companies which **merged to form one new entity**



Hans Dieltjens
Managing Director Fuel Tank
Systems Europe, TI Automotive

Wanted: Fast Introduction of Experience

TI Automotive operates world-wide and supplies fuel systems to virtually all major car manufacturers in Europe. Hans Dieltjens, Managing Director of Fuel Tank Systems Europe, explains how Essensys helped TI Automotive to solve operational problems at the Deeside plant (United Kingdom).

What was the problem at the TI Automotive plant in Deeside?

Hans Dieltjens: The site experienced a number of disturbing operational problems. Deeside supplies fuel systems to Toyota, Honda, Land Rover and Jaguar assembly plants. The aim was to tackle those problems as a whole. We had to work on labour planning, scrap reduction (reducing the error margin), and generally on improving quality... In summary: operational performance had to be driven up a notch. Naturally, this operational performance also impacts on the plant's financial performance. Furthermore, there were a few new production lines that required some attention, but that was not our main concern.

You were looking for someone to tackle these operational problems at short notice?

Hans Dieltjens: Absolutely. We needed someone who was actually immediately available. That was a first condition. Some experience in the automotive sector and in giving leadership was naturally required in order to be able to bring such a delicate

assignment to a successful conclusion. That was condition number two. At the Deeside plant we actually needed a fast introduction of experience. Internally, within the group, there are people who could have taken on this task, but this would only have shifted the problem. That was no good to us. We would then have created a gap elsewhere which we still had to fill. We therefore decided to look for someone externally to send to Deeside.

So how did you find Essensys?

Hans Dieltjens: I personally had never worked with Essensys before, but our former HR Manager did know them. In our search for a suitable candidate we did make contact with a number of agencies, not just with Essensys. We also interviewed several applicants. This was not so easy. I had already stated that we needed to recruit someone at short notice. It had to be someone with experience and know-how, who also did not mind working abroad for a while. Essensys sent us a few high calibre applicants. It was noticeable that their applicants immediately matched the right profile. They actually offered the most suitable people and we made our selection from among them.

How did you know you had made the right choice?

Hans Dieltjens: We started with the idea that we needed someone to re-organise the Deeside production within a short space of time. Very soon after the Essensys interim manager started work at Deeside, it was decided to entrust the plant's general management to him. He was able to offer us good international experience, for example, as Operational Director at the automotive company Johnson Controls. It quickly became clear that his experience and knowhow, and his leadership qualities, made him the right man to lead the TI Automotive plant in Deeside.

What contact was there with Essensys during the temporary assignment of Alain Doucet? How did the follow-up take place?

Hans Dieltjens: We had entered into good agreements with Essensys and the interim manager concerning the 'deliverables', i.e. the things he had to achieve. There was good follow-up and we had a number of meetings with Marc Crombez from Essensys present. This all went very smoothly. Naturally, Marc Crombez did not attend every meeting,

as this was not always required. I myself often travelled to Deeside. My office is here at the plant in Lokeren, but I regularly visit all of our plants in Europe anyway.

The temporary 5-month assignment was extended and later became a permanent position...

Hans Dieltjens: Indeed. The original interim assignment started on 11 June 2007 and this would last five months. This period was first extended until November 2008 and the interim manager was then offered a permanent contract to continue to manage Deeside. We had already entered into good written agreements with Essensys concerning possible recruitment, and this matter was dealt with professionally and methodically.

“Essensys offered the most suitable applicants.”

Hans Dieltjens, Managing Director Fuel Tank Systems Europe

COMPANY PROFILE

- ▼ Automotive sector
- ▼ Head office in Oxford (United Kingdom)
- ▼ Two divisions: Fuel systems (in Belgium: Lokeren) and Fluid carrying systems (in Belgium: Liège and Mons)
- ▼ TI Automotive supplies fuel systems to Daimler, Ford (and Volvo), General Motors, Toyota, Nissan, Volkswagen, Audi, BMW...
- ▼ World-wide approximately 20.000 employees, in Europe approximately 1.150

SOLUTIONS BY ESSENSYS

1. Correct selection of a **production/plant manager** with experience and know-how in an international context
2. Besides the correct profile, the applicant had to be prepared to **work abroad** for some time
3. The manager had to be available at short notice to **improve operational performance**



Cees Spijker
Sales Director
Markant Office Furniture

Knowledge of cultural differences is crucial

In March 2008, Markant Office Furniture appointed a new Country Manager for Belgium, after a successful search process conducted by Essensys. Over the last 18 months, Markant Belgium had been operating under Dutch wings. Sales Director Cees Spijker informs us why the appointment of a Belgian manager was necessary to restore confidence and to effectively convert the market potential into results.

In May 2008, a new Country Manager was appointed for Belgium. What type of profile were you looking for?

Cees Spijker: In the first instance we wanted someone who could restore confidence in the Belgian market. We had come out of a difficult situation. In order to neutralise this situation we opted to entrust the management of the Belgian market to a Belgian manager. This enabled us to allow the new Country Manager to start with a completely clean slate. It was essential that our new Manager was of a personality that exuded confidence and was someone who could further develop our Belgian market position. A driven personality who could convert the potential in the Belgian market into actual results and who could bring about long-term stability.

You called upon the services of Essensys. How did the selection process proceed?

Cees Spijker: We knew Essensys as a major market player for the supply of temporary managers, but in this case we called upon them for a permanent post. Firstly, Etienne Hendrickx of Essensys conducted an extensive interview with various interested applicants. From this group Etienne Hendrickx selected the most suitable applicant: Erwin Roels. After a first screening in Antwerp, Erwin visited

the Netherlands twice. During those discussions with our General Manager Jan Beltman and myself it soon became clear that he was our candidate. Erwin not only had the competency to instil confidence, but he was also experienced in an equivalent sector. There he had already proven that his sharp commercial insight could yield impressive results.

How did you know that Erwin Roels was the man to restore confidence?

Cees Spijker: We had a good feeling. In view of his personality, his drive and insight he immediately came across as someone who knew what he was doing and also made this felt. It is not so easy to define it. It either clicks or it doesn't. And with this applicant things immediately clicked.

Did you think it was important that the role of Country Manager was filled by a Belgian?

Cees Spijker: Certainly. During the transition phase we clearly noted that our Dutch way of managing business is quite different from the Belgian way of operating. In our discussions with Essensys, it quickly became clear that our Belgian site required a Belgian Country Manager. We wanted a local manager who knew the cultural sensitivities and knew how to handle them.

What do you see as essential differences between the Dutch and Belgian way of doing business?

Cees Spijker: In Belgium personal relationships play an important part. Personal contacts are an essential factor in successful business. In the Netherlands we tend to keep our work and private life much more separate. We prefer to conduct our business relationships in business settings. A dinner with a customer is much more of an exception than the rule. What I also often notice is that Belgians often go for the happy medium and find it less difficult to compromise than we do. Giving in a little to achieve a win-win situation fits in perfectly within the Belgian context. In the Netherlands, things work quite differently. For us rules are rules. They are there to be complied with. If the customer has difficulty with that, then we will find that a pity. But we won't tend to compromise.

Erwin Roels has been in his position for ten months. Has anyone noticed any changes?

Cees Spijker: Absolutely. In those ten months he has succeeded in turning our Belgian plant into a healthy operation. The key to that success resides in his clear commercial strategy. It basically boils down to this: to restore confidence among existing customers, maximise the market potential and focus on large projects. The fact that he has managed to achieve a turnaround is clearly demonstrated by the figures. An increase in turnover of 10-12%, that is not negligible.

How has he managed to bring about this turnaround?

Cees Spijker: His experience in the sector naturally plays a major role. Within the sector he not only had good contacts but also a very sound reputation. He is known as a man of his word. This made him the ideal man to restore confidence in the market. In addition, he has a sharp insight into the market which enables him to determine the right strategy. His choice to focus on large projects is a clear winner.

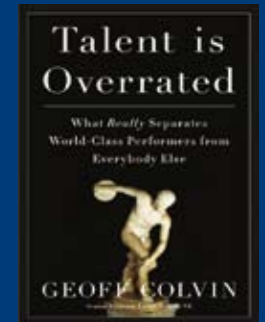
How much room for manoeuvre does your Belgian Country Manager have to achieve his local objectives?

Cees Spijker: We wanted a local manager who would remove 'the Dutchification'. This automatically means that you give your manager independence. He knows the Belgian situation and is a good decision-maker. It goes without saying that we operate in mutual agreement, and that reporting is respected. However, in principle you could say that our Country Manager sets the course and is given the resources and support to implement it.

What objectives do you have for 2010?

Cees Spijker: Belgium remains a growth market. We expect that even in these times of crisis there is sufficient reason to continue to grow.

Essensys selects for you:



Is talent overvalued?

Why are some people really good at what they do? In his book "Talent is overrated: what really separates world-class performers from everybody else" Geoff Colvin goes in search of the cause of exceptional performance. In his view this is not determined by hard work or innate talent as is often thought, nor by intelligence or by a fantastic memory. Colvin also explores the concept of "deliberate practice" (long and repeated deliberate practice) of Anders Ericsson and informs us how these principles can be applied in business. The question why quite a number of organisations are incredibly good at preventing people from achieving exceptional performance is also explored.

COMPANY PROFILE

- ▼ Produces office design
- ▼ Distributes office furniture through a network of dealers
- ▼ Active since 1948
- ▼ In the past operated under the name of 'Argo'
- ▼ Headquarters in Utrecht
- ▼ Active world-wide: United States, Belgium and Australia
- ▼ Production takes place in China and Malaysia
- ▼ 80 staff



Executive interim management

Executive search

Management coaching

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