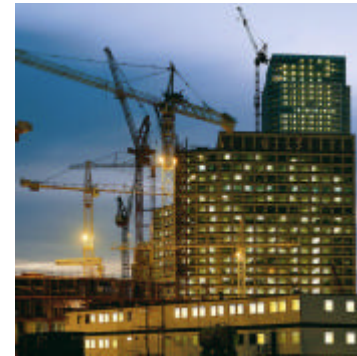
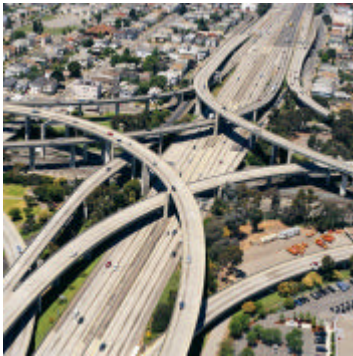


FIDIC ANNUAL CONFERENCE 2004

“INTERNATIONAL NETWORKING”



September 2004, Copenhagen (DK)

Luis Moreno, TYP SA (E)

NETWORKING – *A question of size?*



- The European engineering market is a combination of not-so-big markets > The EU does not yet represent a common market for national engineering firms.
- Engineering firms work mainly in their own country, and rarely find room in other EU countries > We dare to say that there are no “European” firms but national firms from the EU.
- Large engineering firms need large markets to grow in. Engineering firms in the US have grown because the US is already a large market in itself.

NETWORKING – *A question of size?*



- Some European engineering firms are moving towards growth, as competitiveness demands “size”.
- The consultancy industry is a question of trust > A first step towards trust is networking.
- Networking facilitates growth in common fields by jointly developing integrated capabilities.
- Geographic diversification allows companies to absorb the highs and lows of domestic markets.



1. EUROPENGINEERS – *Who are we ?*

- **Legal form:** EEIG / GEIE / EWIV
- **Headquarters:** Brussels (B), close to EU institutions
- **10 members :**

GEOCONSULT	Austria
ELLYPS	Belgium
SETEC	France
BUNG/TOP	Germany
DENCO	Greece
ARONSOHN	Netherlands
CONSULGAL	Portugal
TYPSA	Spain
BASLER & HOFMANN	Switzerland
BURO HAPPOLD	UK
- **Projects in:** 45 countries
- **Staff size:** ~ 5,000
- **Activities:**
 - Commercialisation of joint services
 - Acquisition and tendering support
 - Exchange and development of know-how (clusters)
- **Foundation:**
 - 1964: non-profit making network of FIDIC members
 - 1999: transition from network to European commercial entity



1. EUROPENGINEERS - *What are our capabilities*

Buildings

Cultural
Civic and institutional
Educational
Hospitals, health & medical facilities
Hotel
Housing
Industrial
Leisure facilities
Office
Retail
Sport & performance venues
Transport
Research and Scientific

Traffic and mobility

Multimodal information systems
Transport master plans
Transport modelling

Environment

Contaminated land & remediation management
Environmental impact assessment
Environmental planning and management
Environmental policy
Waste Management
Regeneration and Urban Planning

Water Engineering

Water supply and treatment
Sewage and sanitary engineering
Hydraulic Engineering

Infrastructure

Airports and interchanges
Bridges
Viaducts
Harbour
Maritime & river works
Highways
Roads & road transport
Railways & rail transport
Tunnels & subways

Other Consulting Services

International Development Consultancy
Institutional Strengthening - Capacity building
Rural and social development



1. EUROPENGINEERS – *What do we offer ?*

Capabilities for integrating multidisciplinary teams, supported by a true culture of consolidated relationships and shared principles and procedures:

- A unique platform to meet “colleagues”, not competitors
- A true culture of long-term relationships
- A context to exchange on strategic issues
- A cluster – based approach to new services and markets
- An occasion to brainstorm about best practices, procedures, principles
- A possibility to exchange human resources
- A pool of potential project partners
- A tool to foster individual capabilities
- A possibility to shape a dedicated and unique grouping



1. EUROPENGINEERS – *Why an eeig ?*

A **EUROPEAN ECONOMIC INTEREST GROUPING (EEIG)** is an instrument for transnational cooperation. The EEIG has a number of advantages compared to other forms of cooperation, including:



- **Transnationality** The EEIG is the first legal form of co-operation under European business law. Only 2 members from 2 different countries are enough to form an eeig.

The headquarters can be set up and moved within the entire EU.

- **Capitalisation** No starting capital is needed. Members can decide how to run their eeig. EE members opted to set up a Coordination Office staffed with 1 permanent Coordinator.
- **Contracting** Members can decide if entire eeig acts as one contractual entity or if legal responsibility lies with individual members or groups of members.
- **Autonomy** The aim of the members is to add to the group whilst gaining from it. Meaning: members stay totally independent, eeig is only an optional and complementary platform to their activities.



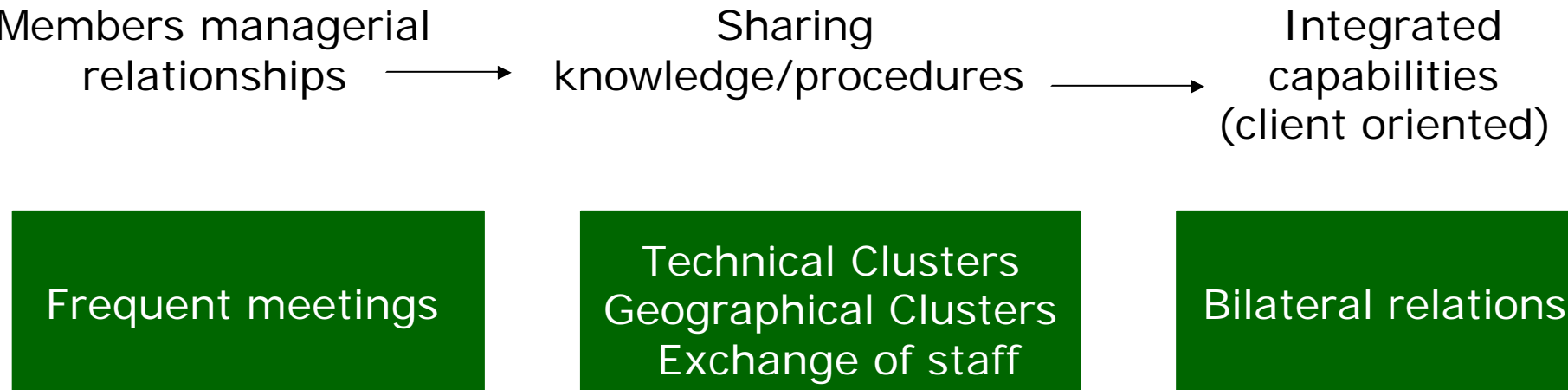
1. EUROPEENGINEERS – *Why an office in Brussels ?*

Because ...

- ... useful to lobby EU for regulation & long-term planning issues
- ... useful to lobby EU for info re Structural & Cohesion Funds
- ... certainly useful for EU Framework Contracts
- ... definitively useful for R&D contracts
- ... still useful to gather info re some EU Programmes whose implementation is yet to be decentralised
- ... also useful to share experience with other Brussels-based eeigs
- ... geographically well situated (very useful to co-ordinate meetings of firms from different EU countries)



1. EUROPENGINEERS – *How do we operate ?*





1. EUROPE ENGINEERS – *Does EE actually work?*

Some Ongoing activities:

Current joint commissions:

- Preliminary design of Lisbon high speed railway (RAVE) station: TYPESA (E) and CONSULGAL (P).
- Feasibility study of Portugal's Western region new railway system: TYPESA (E) and CONSULGAL (P).
- Hospital project in Senegal: ELLYPS (B) and TOP CONSULT KÖLN (D)
- Design and construction supervision of Lowari Tunnel in Pakistan: GEOCONSULT (A) and TYPESA (E).
- Design and construction supervision of RER tunnel under Residence Palace Brussels: ELLYPS (B) and SETEC (F).

Joint commercial activities:

- Africa: ELLYPS (B), BURO HAPPOLD (UK), SETEC (F), BUNG (D)
- Development of health consultancy: BURO HAPPOLD (UK), CONSULGAL (P), ELLYPS (B), BUNG (D)
- WORLD BANK Emergency Reconstruction Programme (health services) in El Salvador: TYPESA (E), BUNG/TOP (D)
- Market analysis of specific CEECs (RO, BU,): BASLER & HOFMANN (CH), BUNG (D), BURO HAPPOLD (UK), CONSULGAL (P), ELLYPS (B), GEOCONSULT (A)

Exchange of Human Resources: ELLYPS (B), BURO HAPPOLD (UK), TYPESA (E)



1. EUROPENGINEERS – *Any lessons learned*

What did work

- Coordination / management of network via 1 permanent Coordination Office (CO)
- Streamline some recurrent tasks to the CO
- Establish sector / service / geographical clusters
- Exchange technical know-how
- Accept 'informal' clubs and relationships
- Exchange international knowledge and market approaches
- Exchange of strategic know-how
- EE is complementary tool to individual member business
- Create common tools (e.g. EE database of freelance experts)



1. EUROPENGINEERS – *Any lessons learned*

What did not work

- Transfer ownership of network to members
- Apply single acquisition policy for all members > acquisition focussed on capabilities
- Establish partnerships with unilateral benefits (outsourcing, 'fee dumping')
- Abolish market protection behaviour
- Participation in other member's contracts (tasks sharing)
- Explain EE added value
- Overcome language obstacle



2. INTERNATIONAL NETWORKING – *Necessary ?*

Markets:

- Harmonization and recognition of diplomas
- Harmonization of norms (EUROCODES)
- Harmonization of public procurement

Clients:

- Large international projects -> transport/water/energy infrastructures
- Competition for growth -> financial strength/references/acquisition/presence/marketing/R&D
- Request for one-stop-shop -> integrated engineering
- New financial schemes (PPP, PFI, BOT) -> Concessionaires, financial stakeholders: new clients



3. CONCLUSIONS

- Macroeconomic and microeconomic constraints make long-term partnerships a strategic imperative
- Prepare yourself for reliable partnerships as clients will reward as added value
- Partnership does not mean 'conquest-ship'
- A successful partnership / network is based on trust and the inherent commitment to share 'assets' (market knowledge, management and client experience, HR, projects, references, CVs ...)
- Partnership must share minimum criteria (guidelines, ethics, objectives, ...)
- Partnership must be a bottom-up and top-down approach (management vs operational level)
- Partnership must allow positive and negative criticism



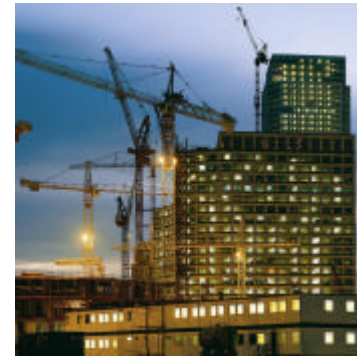
4. ...and the (very) last word: your views

1. **What kind of culture & structure best suits an international collaboration?**
2. **How do you find the best network partners?**
3. **What is the best response to the growth in multi-sector/multi-service projects?**
4. **How do you invest effectively in building an international collaboration?**

We would like to hear your views from your experience to add to the issues raised by our presentation

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