

Minutes of the FEST Extra-ordinary General Meeting held in Frankfurt on 6th December, 2018

Present

Beatrix Ostermann (President), Johan Stevens (Vice President), Sue Knight (Director General), Caroline Van Marcke, Benedikt Mahr, Hans Henning, Achim Laubenthal, Ron Kompeer, Kim Holst, Magnus Sirén, Mats Rosman, Raphaël Flipo, Jonathan Hooley, Corrado Oppizzi, Tomasz Boruc, José de Matos, Carlos Rosa, David Juan Navarrete, Robert Just, Frauke D'Hondt.

Apologies

Sven Machielsen, Terje Røising, Koos Geresteyn, Franz-Xaver Brücker.

Compliance Guidelines

SK circulated a copy of the FEST Compliance Guidelines and reminded everyone that these were the rules governing the meeting.

1) Welcome and Opening Statement

Beatrix Ostermann welcomed everyone and expressed her delight at the high level of attendance. She also thanked the Nordic members for prior circulation of a paper clarifying their thinking on the matters to be discussed in more detail at this meeting.

In reference to this paper, BO began by outlining the strategic approach being adopted by the FEST Board to the various issues facing the Federation. JS presented a SWOT analysis undertaken to help prioritise the Board's focus on where future action was required. Members were invited to comment on the particular areas of opportunity and threat in light of their own experience of FEST's current position.

JN stated that he would like more direct communication from FEST rather than just receiving meeting minutes. It was agreed that FEST should consider a variety of methods to improve future communication, including social media, a monthly or quarterly electronic/hard copy newsletter or messaging via LinkedIn.

(Action: FEST Board)

One other topic raised by the Nordic members was the lack of clarity regarding the involvement of Associate Members (Supplier members) in FEST's activities. The Nordics felt there was no clear strategy about the situation and were nervous as to where this might lead the Federation in the future.

2) FEST's future collaboration with EUEW

SK explained the background to the initial discussions held in Vienna between the FEST Board and the Secretary General and President of the EUEW (European Federation of Electrical Wholesalers). These preliminary talks had led to each party agreeing to take the matter back to their respective members and discuss a number of ways in which a closer collaboration might work.

As outlined in SK's written summary, the EUEW reported that having debated the matter further, their Board were happy to share the cost of a Lobbyist and could negotiate to provide support services to FEST through their Secretary General's own Brussels based company. However, due to the changing nature to the way in which their annual Convention was now hosted, they were not yet in a position to share venues and other costs for such an event.

JN voiced concern at what was meant by the word "collaboration" since the BMF has no close ties with the Electrical wholesalers in the UK. CO seconded this view as Angaisa's members see some Electrical wholesaler companies as real challengers to their own businesses. Both felt that it was premature to discuss what felt, in the longer term, more like a potential "merger" than a working relationship. Other country associations, such as Germany, Poland and The Netherlands, are already closely tied to the Electrical wholesaler trade bodies, with member companies heavily involved in the distribution of electrical goods. Others were ambivalent about such an arrangement, mindful of the need to share support costs and recognising the value of exchanging information on mutual topics of interest, such as the Antitrust story coming from EUEW.

BO confirmed that there was no ambition to seek a "merger" of the two trade bodies and all agreed to move slowly towards a closer relationship as opposed to any stronger ties.

This led on to a discussion regarding a shared, particularly one who could keep FEST informed of the EU's agenda and then help us react. Naturally, FEST should be prepared to act independently of the EUEW, should the need arise, but a shared Lobbyist would allow us a greater voice within the EU and the ability to learn from each other. In reality, there were shared frustrations on both sides of the previous relationship and the €10,000 budget was unlikely to provide the level of commitment and engagement to satisfy either party.

It was agreed to write a Position Paper highlighting the core issues for which a Lobbyist would be engaged, expanding on the elements included in the earlier 2015 presentation originally drawn up before the appointment of Tim Krögel. This would also include a full job description for the role, the implementation and reporting processes and anticipated costs of shared engagement with the EUEW. **(Action SK/BO/JS)**

In addition, the following individuals agreed to take ownership and responsibility for the key topics the Lobbyist would be involved with, as listed:

Kim Holst - Product Standardisation (Technical aspects)

Ron Kompeer - Logistics

John Newcomb - Trading

Mats Rosman - Sustainability

Hans Henning - Antitrust

3) **Strategy for Master Data and Data Guidelines**

MS updated members on the progress that had been made so far with the development of a common data standard and the realisable benefits to wholesalers and manufacturers. Considering the additional support required to help draft the data guideline, **MS requested members to nominate technical experts to join a workshop planned for 31st January, 2019 (Venue to be decided)**. The aim of the workshop would be to draft out and circulate an EU Data Guideline 1.0 for final approval at the FEST GA in March. BM agreed to send someone from GC Group **(Action BM)**.

All agreed the subject of data transfer was an area to be worked on in parallel, however the Guideline represented the first step and would help to link together the national data banks already existing in some countries. ETIM International are expected to assist in the process of defining data transfer although they are concentrating primarily on the technical aspects.

RF gave a brief insight into FABDIS, the existing standard originating from the Electrical sector in France. He explained that it was a format also being adopted by other construction product sectors and was available free of charge, currently between wholesalers and suppliers. This was similar to the common standard with common denominators operating in Finland, hence why space for country specific data would be retained in the Guideline.

Referring to the draft Strategy for Master Data, MS said FEST should act at the strategic level and be the catalyst to make the common data model happen across its member countries without interfering in the work being done by the member associations. As ever, the challenge with a common model is to try to find the common denominators that make data transfer more accurate and speedier. Whilst ETIM classification is established for technical data, commercial data is more difficult. He suggested a third party is best owning the model and carrying out the maintenance. Importantly, each member association should separately oversee its implementation. **All agreed and approved the draft document**, thanking MS for his efforts in putting it together.

Subsequently, a brief discussion relating to ETIM took place, with one or two countries finding that Electrical wholesalers appeared to have negotiated sole licences. In cases where co-operation was lacking, ETIM should be approached by the member associations to resolve the matter, noting it is often beneficial to share the costs of ETIM amongst several trade bodies.

4) **Update on Machine Learning Project**

MS explained the current machine learning project being jointly funded by FEST and ETIM International using Squadra, a third-party software tool developer. Such a model allows products to be classified without the need for tedious data mapping, thereby making it far easier for suppliers to convert existing unclassified

data. Overcoming the risk of handing over product data was an issue, but Geberit had agreed to participate and Grundfos would be approached to do likewise.

Word is already spreading that FEST is behind the project. Vitally, all agreed we should take clear ownership of the work being undertaken by Squadra and check our contract cover to prevent any future entitlement by a third party to sell the tool to others (**Action SK**).

Looking ahead, there is a small ongoing cost for tool maintenance but its future utilisation can be determined once we understand the scalability. BO agreed to work with MS to determine how this would be implemented in future. (**Action BO/MS**)

5) Proposal to appoint a Data Architect/Project Coordinator

SK explained that this suggestion had come from the Board and had been intended to monitor and facilitate the roll out of Master Data across the various member countries. However, MS felt that the need for such an individual was unnecessary if FEST were to continue purely at the strategic level, as agreed. Others expressed concern at the high cost and FEST's financial capacity to fund the additional resource.

CVM reminded the members that, to date, only a relatively small group of individuals were contributing to FEST's general workload and it was clearly unsatisfactory to continue in this way. Likewise, areas such as increased communication and Market Statistics would also put pressure on resources, each requiring more commitment and support from the wider membership.

Both CO of Angaisa and JN of BMF said they had no surplus resources to offer FEST as priorities lay elsewhere within their own organisations. Nonetheless, it was agreed to return to the debate once we have established what is required, **CVM stating we clearly needed broader wholesaler participation**.

6) Proposal for an Advisory Council

BO explained how the FEST Board had briefly discussed the possible formation of an Advisory Council to help bring new topics of interest to the attention of the members and provide a forum for manufacturers and some younger wholesalers to participate in the activities of the Federation.

The thinking behind such a gathering was very much in its infancy, with the initial concept giving rise to wider discussion about the overall involvement of manufacturers in FEST, and the further possibility of establishing a broader group of young wholesalers who might meet periodically in much the same way as they do in both the UK and Germany.

As with everything else, the FEST's financial resources would dictate future activities, however without the monetary support of the suppliers, FEST ran the risk of having insufficient funds to pursue any of its ambitions. Importantly, FEST would remain focused on continuing as a wholesaler trade body ever mindful of the invaluable financial backing of the industry suppliers.

7) Results of the Vienna Congress Survey

Despite the disappointingly low number of survey results, those tabled were in the main very positive about the organisation of the event, as well as the business and social content. Everyone congratulated Beatrix on its success.

8) FEST Field Trip - 9th-11th October, 2019

SK announced that the next Field Trip would take place in the UK on the above dates and that a comprehensive programme would be circulated in due course to allow members to enrol on a first come, first serve basis (**Action:SK**).

Action List

- 1) Future methods of communication (FEST Board)
- 2) Lobbyist Job Description and reporting methods (BO, JS, SK)
- 3) GC representative to attend master data workshop on 31st January, 2019 (BM)
- 4) Check contract with Squadra to safeguard ownership of ML tool (SK)
- 5) Future Master Data tool implementation plans (BO/MS)
- 6) Field Trip programme (SK)