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everis' Internationalization strategy to the Nordic Market

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Abstract

This essay is a case study on a potential internationalization by everis, an IT consultancy multinational company into the European Nordic Market. It was made an analysis about the company and the consulting industry in the Scandinavian Countries in order to perceive which strategy should be implemented to successfully enter the Nordic Market. On a close insight assessment regarding the company's core business; it is acknowledgeable that a near shore model allocation service would be cost-effective as the company would achieve a competitive advantage over national and international seeded companies resulting from a lower structure cost.

Keywords: *opportunity, internationalization, competitive advantage, and growth.*

Methodology

This case study is divided in two main parts: the presentation and the following case analysis. Aiming a realistic and truthful representation of the company's goals and expectations in this internationalization context, several meetings were held with an everis' manager, João Vaz da Silva. These meetings proved to be a valuable contribution to the produced work, as not only did they provide important information, but also have allowed a more practical insight on an internationalization process from the company's perspective. For the case analysis it was made the literature review on solid grounds of the work research. Finally, the coordination of Professor Luís Almeida Costa was an important and decisive contribution for the work accomplished.

Case

Everis' strategic goals have been to setforth towards growth and expansion. However, due to the maturation and the overexceeding capacity of the Consulting Market in Portugal, and unlike the previous years, everis has been facing some hurdles concerning its growth-market strategy. Furthermore, some potential markets weren't available by accomplishment of agreement bound with DMR Consulting. In 2010, the herein legal boundary ceased its effectiveness, rendering everis the availability of new market opportunities.

Currently, the Nordic Market has raised the interest of the Lisbon office as a potential expansion-market strategy. The company believes it might have a competitive advantage due to a significant cost-structure difference. The company would offer what already holds in expertise and recognition in Portugal, maintenance of application and transformation programs. Assuming that the company concludes there is a competitive advantage, it is important to design the "Modus operandi" implementation strategy. There are two main strategic approaches which may be considered the most interesting and cost-effective to the company:

1. The company would physically invest in the market, providing the proper local facilities and labour hiring. This strategic approach would require a high commitment from the company to be able to comply with the costs. The investment risk would derive directly from the high labour and infrastructure costs.

2. The company would follow a near shore model. The office in Lisbon would serve as platform providing a logistic centre. This strategic approach wouldn't require a higher commitment from the company as the investment risk is much lower deriving directly from lower labour and infrastructure costs.

The firm

Everis is mainly an employee-owned multinational company. Its core business is focused on Business and IT Consultancy, solutions integration and outsourcing services. Is wide activity scope ranges from the financial and public administration to utilities and industry sectors.

In 1996, the DMR Consulting, a Fujitsu company established in Canada in 1973, specialized in IT Consultancy, entered the European Consulting Market. Over the years, it opened several offices in important cities such as Madrid, Barcelona or Lisbon.

In 2004, strongly encouraged by the limitations Fujitsu was bringing to the Consultancy Company as being a hardware specialist, with specific growth objectives, the employees of the Lisbon and other European offices carried out a MBO (Management Buy-Out) of

Fujitsu. As a result, they become owners of the company along with a group of respectable financial partners.

On the following MBO agreement, it was established the DMR Consulting would not enter certain markets, namely the Southern European and the Latin America. Everis, as counterpart, took commitment not to enter important markets as the North American, the Northern European and the UK. This agreement which expired in 2010, aimed to protect and segment each other's investment markets.

Since 2004, everis has been building a structure based on solid values. Discerning Generosity, the company has a strong mind-set of team work and mutual help in which the achievement of common goals is more valued than individual accomplishments. Responsible Freedom, it encourages and supports its employees' initiatives for innovation and creativity. However, there is and individual responsibility policy in which every employee takes and accepts the consequences of its decisions. Creative Energy, everis strongly believes that optimism and positive attitude add great value to the company. So, it is not only encouraged but perceived as an important business strategy as well. Coherence and Transparency, it is of the outmost importance to build a trustful professional and business relationship in the company and between the company and its clients.

The alignment between the company's goals and its employees is crucial for the growth and achievement of the company's objectives[i]. In fact, the accomplishment of workers' realization and self-identification with the company's goals leads to a more prosperous and solid business strategy.

Everis' ultimate goal is to grow; keeping its values intact and valued everywhere the company is operating. Despite its common objectives, each office around the World works autonomously. The offices are not competitors, quite the opposite, they work and cooperate together to achieve the best results.

Everis aims to reach "one hundred thousand workers" around the World, and a revenue volume of 1 billion. The company`s strategic goals also include diversifying its business and expanding it into other markets. Everis is implementing its strategy. In fact, it has recently opened offices in the USA, UK and Belgium.

The Lisbon Office has the goal to increase its market share in Portugal, aiming an annual revenue around 30 million euros. It is the company strategy to reach the group of medium enterprises (e.g. Novabase and Capgemini) and also its international expansion. In fact, the company is already in Angola and it is currently studying the possibility of entering the Nordic Market.

Environmental Context[ii]

The Nordic Region is a very peculiar region in Europe because of its unique context patterns and idiosyncratic features when compared with whole European setting[iii]. A unique way of thinking and working allowed them to overcome the 2008 Financial crisis with quite less economic and social injuries than other European countries. These countries' powerful competitive advantage derives jointly from a strong social structure, a controlled national deficit supported on a low level of debt and high competitiveness.

Nevertheless, these countries have very different economic strategies. Norway is not a European Union (EU) member and its economy is mainly supported on oil and gas industries. Sweden is an EU member although it has not joined the Euro common currency. Manufacturing, pulp and paper and telecommunications are amongst its most competitive and prosperous industry sectors. Denmark is an EU member, but in spite of not having joined the Euro common currency it has maintained its national currency attached to euro currency floatation. Danish economy is strongly grounded on the agriculture and transport sectors. Finally, Finland is an EU member and it has also joined Europe's common currency. Finland is economically very much dependent on the industry sector.

They are all four small and open economies with a high level of competitiveness. They share a high average of income per capita as well as a high appreciation for structure values. Education, Knowledge and Training are key factors leading to social and economic development. As showed in the following picture, the Nordic Region has clearly a higher competition level when compared with the European Union, and it is only outperformed by the USA in three topics: innovation, market size and labour market efficiency.

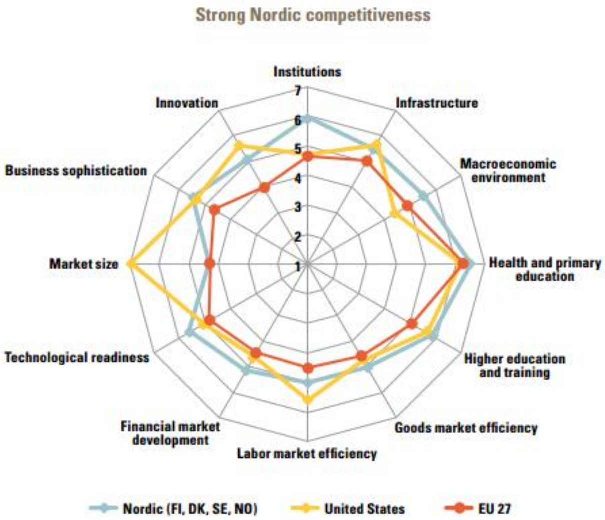


Figure 1-Strong Nordic Competitiveness
Source: World Economic Forum Global Competitiveness Report 2010-2011

It is easily acknowledgeable that these countries' strong and differentiated economic structure lie on their education, technological readiness and macroeconomic environment supported by well-organized national institutions. A solid institutional framework is believed to be a key factor for growth as it is perceived to help reducing the uncertainty of an economy while helping improving efficiency on organizations.[iv]

Denmark Since the 2008 crisis, Denmark has faced a lot of uncertainty and a slowdown of its economy which had direct consequences on the country's companies businesses. Its cross Public Debt is estimated to fall from 45,5% to 42,1% of GDP from 2012 to 2013. Although this domestic demand-driven economy has been receiving stimulus packages from the Government and voluntary pay-outs of early retirement pension contributions, it continues having issues to completely overcome the crisis and fix its deficit budget.

Finland The economic slowdown in 2011/2012 was mainly driven by a weakened net export activity concerning the country's key industries, namely electronics (e.g. Nokia) and paper. In 2011, Finland had a GDP growth of 2,9% and a 3,3% growth of consumption. However, exports faced a slight contraction, which led, in nearly 20 years, to a negative trade and current-account balances in 2011.

Norway It is a very different country from the others mentioned in this work. Besides not being a member of EU it is also a big exporter and oil producer. With the consistent raise of oil prices, and therefore high oil revenues, Norway has been able to go through the crisis virtually unharmed. Norway's account balance is very positive, having since 2009 always at least a surplus of 8%.

Sweden The country has suffered much with the 2008 World crisis, having actually reached a negative GDP growth of 5,9% in 2009. However, in 2010 the country showed a remarkable and surprising recover, with a GDP growth reaching 6,1%. The optimistic expectations both from business sectors and households on the economic situation built labour market stability and a positive development in the stock market as well. Nevertheless, Sweden is now facing rather complex problems regarding its industrial production which led to an economic contraction in the beginning of 2011, and consequently to a loss of a significant share in the major market index.

Consulting market

The management Consulting industry has been changing dramatically over the years in order to follow market trends. Since WWII the Consulting market has been growing keeping up the pace with the rise of Globalization, the information revolution and the need to do more with less. This industry has been constantly searching for efficiency, productivity and cost-cutting.

In fact, it is remarkable the growth that the industry witnessed between 2001 and 2010, from 45 to 88 billion euros. However, this growth was not steady and two crucial moments define this industry evolution. The Dot-Com crash between 2000 and 2002: in which the high-tech/e-business had an expected and sudden appearance in the market, having caused severe consequences for the clients and the consulting world. And the Credit Crunch, between 2009 and 2011: in which the collapse of liquidity in money and interest rates let to a concerning World crisis. The abrupt revenue decrease and debt increase created a new mind set in the markets. Consultants realized that there was the need to do things differently in order to keep business growing.

In 2010, the biggest (highest turnover) European Consulting Markets were Germany, UK and Spain. However, from 2002 to 2010, the Nordic Region (Denmark, Finland, Norway and Sweden) has been able to increase its market share from 5,3% to 8,5%, being by share assessment the fifth biggest market in Europe.

Banking and Insurance, Industry and the Public sector were the highest performed demand sectors in Europe in 2010. From 2007 to 2010, it was observed that while Banking and Insurance and the Public sector increased their demand, Industry lost its dominating place. Moreover, it is noticeable that other sectors began gaining ground in the Consulting Market such as health, aerospace and defense. This new market overview reduced the share concentration in traditional consulting sectors.[1]

The Nordic Consulting Market has fallen from 8 per cent to only 2 per cent between 2011 and 2012, despite a relatively strong Norwegian market, which actually has grown 5 per cent. The Nordic consulting market, which is now worth almost €2.2 billion, has witnessed a slowdown on its growth not only because of the impact of globalization but also because of the difficulty these countries have been having in finding the harmony between the need to compete in the global markets with the necessity of preserve local economies. The greatest growth from the Nordic Region is coming from the energy and resources sectors, mostly supported by the strong oil and gas industry in the Norwegian market.[v]

Literature Review

The internationalization of a company is very much determined by the selection of the right markets or market niches to be targeted. Accomplishing such internationalization

[1] Appendix 1

may range on two strategies: entering an existing market or introducing product innovation. A company should above all study the market in which aims to operate; evaluate the risks and afterwards draft a careful strategic implementation plan.

The management literature has elaborated on several different approaches which allow to evaluate the market in a useful and effective perspective. These approaches aim to target key factors which will enable to assess future profitability of a market as well as the decisive role these factors will play on such a market.

One of the accountable approaches which may be taken into consideration concerning the subject is the GE approach (Kottler, 1997) where market attractiveness is determined as the weighted sum of several factors such as: overall market size; market growth rates and competitive intensity. The strategic decision by a company to enter a market is determined by the choice of such key factors and their weight on the company's implementation market approach. For instance a strong weight on market growth rate will probably lead the company to focus on young innovative markets.

Such key factors approach may answer on the important "Where to go" and "How to enter" questions raised by Lasser (2007), Peng (2006), Hollensen (2004) and Dawson et al. (2006). However, the GE approach is very much dependent on the weight that is given to the key factors, which may not be the most accurate and actually the most suitable for the company' goals and market's dynamics.

Among the rival theoretic framework regarding the strategic thinking, there is the approach of Michael Porter's 5 forces (Porter, 1980). The model aims to explain which factors may determine the market attractiveness. It allows to draw conclusions on the market dynamics and its potential profitability. Such conclusions will eventually lead the company to choose the most effective strategy in order to take full advantage of the market's business potential.

However, the analysis of the market attractiveness by itself is not enough for a company to succeed in a market. There should be a differential company value when comparing to its competitors, which may be defined as competitive advantage. Competitive advantage may result from a lower cost production, from direct and perceived benefits from the costumer point of view or a combination of both. (Porter, 1980, 1985)

Once it is perceived there could be a competitive advantage it is crucial to ensure its sustainability. Without the sustainability of a competitive advantage, an internationalization strategy will not last. A strategy may lead to a sustainable competitive advantage either because it results from unique resources or because its implementation by a limited number of companies makes it unprofitable for latecomers (Caves, 1984: 121).

There are, though, certain cases in which a company's competitive advantage is sustainable because competitors do not have the incentive to imitate, as it follows from industry structure rather than from strategic resources. (Cool, K., Costa, L. and Dierickx I., 2002: 56)

The fact that companies have no incentive to imitate may be considered an isolating mechanism (Rumelt, 1984), once it is a hindrance to imitate. A strong internal dynamics may be more beneficial and valuable than a short term imitation strategy of a competitor only to cast it out from the market.

Market Attractiveness

The potential value creation that a market can offer to a company determines the attractiveness of the market. Through the analysis of the market conditions: Dimension and Growth and the intensity of its competition (Porter's 5 Forces) it is possible to acknowledge if a market should be considered by a company. Moreover, an analysis of the competitive advantage the company may have is crucial to understand if the company can bring any added value to market, and therefore if it is able to outperform its competitors.

1. Dimension and Growth

The Dimension and Growth of the market can determine the volume of business present between offer and demand. Looking at total turnover of the Management consulting markets, it is noticeable that Sweden is by far the biggest market, with a total turnover of 3.250 million euros, while Norway is the smallest, with a total turnover of 690 million euros. However, the Nordic Region has been facing a declining in this industry, which translated in general to a decline in all the countries, with exception of Norway and Sweden, which actually have been able to grow at a 5 per cent rate.[2]

2. Intensity of competition

Internal Rivalry

<u>Danish</u> Consulting market is relatively young and therefore not fully consolidated. The concentration ratio is approximately 880 HHI 5 points[vi]. It can be concluded that this industry is characterized by a large amount of firms and a large amount of costumers.

[2] Appendix 1

Competition is based on providing the best service, quality and results to costumers. Two thirds of this industry is constituted by small firms.

The industry is clearly clustered around Copenhagen and Arhus. However, there is not a geographical preference by the clients when choosing consultants. There is no linkage between the geographic placement of consulting firms and their customers.

The market has been facing a decline, as it had a negative growing rate between 2007/2010, mainly due to consequences of the World Crisis.[3]

Swedish Consulting market is also a relatively young market. However, in Sweden due to a high number of Management Consulting companies, that continues to grow, the market while very heterogeneous is quite saturated.[vii] The competition is fierce, but the dynamics of the competition are quiet stable; the companies have no incentive to deviate.

Norwegian Consulting market is very mature; but has been growing at a stable rate. A major constraint to MC development is caused by managers that still have reservations about the Consulting market and prefer to solve everything within internal resources, leading to a slower reduction in the overcapacity of Consulting companies. In Norway, companies have always been frequent IT users, but the purchased capacities and capabilities were not used so often. In the last decade due to the World crises, companies have been trying to get full potential out of the existing systems that already had, instead of buying new ones. Although, many of the old systems are not operational anymore and competitors are pushing many companies to invest again, which has been translated into an increase in demand for IT services.

[3] Appendix 1

Technological Outsourcing is a developing market in Norway. Not only because companies want to focus on their core business but also because they want to control the IT cost. Presently dominated by 5 to 10 companies, this market is expected to grow, particularly now that the public sector is becoming a buyer. [viii]

Finnish Consulting market is facing a fierce competition; the daily fee has gone down at the same time as new entrepreneurs have entered the industry. The small management consulting business profitability has not been good and the turnover is quite low. On the other hand large firms turnover have kept growing and their profitability have remained good. Big international players throughout the years have been gaining space as dominant players. The market has been facing a decline, as it had a negative growing rate between 2007/2010, mainly due to consequences of the World Crisis.[4]

In the four countries the big players are the Big Four (PWC, Deloitte, Ernst & Young and KPMG) and Classical American companies (Mc Kinsey, BCG, AT Kearney). It wasn't always like this, but over the time, since the 80's, they have become dominant in Europe. The smaller companies generally niche themselves to very specific areas of business to a certain kind of Client. Within the IT firms, there are two firms quite ahead, Accenture and IBM.

Threat of entry

The threat of entry is very low in the Nordic Region. Denmark and Finland are facing a sharply decline; the daily fees are declining, so there is not a high incentive for companies to go there. Sweden is quite a saturated market; competitors are well established in the market, the entry investment is very high. Norway is a mature market

[4] Appendix 1

and as well as Sweden competitors are well established and the investment costs are also high.

Additionally, firms entering these markets face the problem of loyalty and reputation, which firms already in the market have once conquered. The reputation that companies already have in the market is hard to fight; the entrants must invest highly in promotion strategies in order to have brand awareness.

However, small players can enter the market in the form of one- or two- person firms and still expect profit to be made, as there are niches in these economies that are not fully explored.

Substitutes

The threat of substitutes is quite similar for the four countries that are being analysed. Substitutes may erode profits as they can be an alternative for the services being offered by consulting companies. However, there is not a high impact by substitutes in profit in this industry. Although, in times of crisis, companies tend to substitute consultancy services by the activity of intern workers, it is more and more difficult to substitute specialized services like IT consultancy. There is a high specialization present in this area that companies cannot so easily replace and learn. The investment in order to imitate a Consulting firm is high, as well as not having someone specialized in IT areas to solve internal projects. So, the companies may reduce their demand for these services but it is only a temporary and residual decrease, that doesn't have much effect in IT Consulting.

Power of suppliers and buyers

The supplier power is quite high in this industry. The main engine of IT consultancy is the workforce. The equipments, technology and office equipment's are necessary but don't determine the industry strategies. The companies are always looking for top talents as only with the best it is possible to be better than the competition. However, in the Nordic Region, it has been verified a short of supply of top talent consultants, and this fact of course raises the supply power.

The buyer power is quite high; the industry depends deeply from its clients. Buyers actually determine suppliers' strategies of pricing and discount policies. While clients can more easily find a way out of hiring consultancy companies, consultancy companies cannot survive without clients. Additionally, in times of crisis there is an intensification of its power. If it is a new company, it is crucial to have some ties to the market from existing clients who are able to improve the company's image on that market.

3. Competitive Advantage and Strategic Positioning

A firm can only achieve a competitive advantage in a given market only if it is able to outperform its competitors. An attractive market is not enough for a company to succeed, without the creation of an equal or greater value when comparing with its competitors, the company will not have an incentive good enough to invest, as it would not be able to steal market share from its competitors.

everis will be positioning itself in these countries as a low-price alternative. In fact, the company's entrance in the Nordic Market is not focused on creation of a new market. It will be the company's goal to steal market share from the companies already operating in the market, through a more competitive price offer. The possibility of having a more competitive price offer is the competitive advantage everis can take to succeed in the Nordic Market.

everis distinguishes itself from other companies in the market by its steady investment in values, in people development as a way to create a healthy workplace and a solid structure. As the Nordic Market is intrinsically dependent of values, high levels of investment in education, it is then highly appreciated that companies entering the market respect those same values. If on one hand this clearly is a strength this company can have in these countries, as it would make its integration easier, on the other hand, this doesn't distinguish everis from the national companies. The company doesn't have a product differentiation from others, and then its strategy will have to be through cost leadership.

As the main cost associated with the Consulting industry relies on the labour costs, everis would achieve a competitive advantage over the National and International seeded Companies of the Nordic Region if it had a cheaper labour force. Actually, in Portugal, labour costs are two to three times lower[5] than the countries considered. Assuming these costs are quite rigid in Europe, since legally it is not easy to float these costs, and that Nordic Countries, due to a localization disadvantage factor, cannot imitate the Portuguese Market, one can perceive an asymmetry in an important resource of the Consulting Market: Portuguese labour force is much cheaper.

Moreover, if all firms in a market have the same stock of resources or capabilities, no strategy for value creation is available to one firm that would not be also available for another firm; one can say that without asymmetries, value cannot be created. Since,

[5] Appendix 1

Portugal actually has an important resource with a high level of asymmetry, which together with a certified level of quality many times recognizes by different big clients in Portugal, value can actually be created.

However, only with a balance between the positioning of the company as a low-price alternative, and a commitment with quality, will the company have a chance in succeeding in the Nordic Market.

Implementation strategy

As an opportunity was found for everis in this market, it is important to define what would be the best strategy for everis to enter the market. If it is certain that the 4 countries have many differences, the fact is that these countries share something that cannot be denied, which is a solid structure and a strong institutional framework, which together consolidate a reliable economic model. While each country has very dissimilar economic strategies, the fact is that they are able to accomplish the same aim through an investment in structure and common final goals. So, different strategies would imply different implementation plans.

Notwithstanding, it is not the company's purpose to be a leader in the Nordic Market and take a high risk, as a failure would compromise the quite stable position the company has already accomplished in the Portuguese market. The company wants to grow, bearing a low risk, and a low investment level. There is no urgency to get very high profits; the company wants to grow in a sustainable way being very conscious of its capabilities. Bearing that strategic fact in mind, and being fully aware of the expensive labour market present in these countries, it is acknowledgeable the difficulty of investing in a local office, adding the costs of hiring local people, used to a certain level of disposable income.

Then, such reality raises the question of the implementation of a near shore model, with a performance centre established in Portugal; with Portuguese cheaper labour force and Portuguese costs, however with Nordic revenues. As the company is already well established in Portugal, and has many experienced workers in the area of maintenance of applications and transformation programs, the main difficulty would be the challenge of overcoming the liability of foreignness in those markets, and foremost to have the opportunity to be able to get one initial project.

In order to be credible, the company should invest in hiring some local experienced people, to get information of potential opportunities and to deep knowledge of the market circumstances. Moreover, there is an uncountable need to have in the local economies, managers from everis to search for project opportunities; it is of the outmost importance to know the market so as to establish the right contacts. These challenges will certainly be easier to solve if the company takes advantage of its business contacts in Portugal or in other countries in order to get an opportunity through someone that already knows and appreciates everis services.

Risks

It is clear that the main risk of the internationalization into the Nordic Market lies on the Marketing costs. Marketing costs are related to the costs the company has to bear until it gets its first and crucial project (e.g. presence of everis people in the Nordic countries as well as meetings, travels, local people hiring). Without being able to get projects and be credible in those markets, everis will have to bear a lot of sunk costs, which can turn to be a vicious cycle, and for which the company is certainly not ready to afford.

The fact is that the company is not at all known in the Nordic market and it would be a hard work to demonstrate its value. Additionally, it is a valuable concern that the sales cycle turn out to be bigger than expected. It is crucial to sell the first project as fast as possible, since, until then, everis will only bear cost. Finally, once the company gets its first project, it is from paramount importance to have the highest performance level as possible, in order to keep growing in the market. A first failed project will not only imply a high loss but also an increased difficulty to enter more deeply in the market.

In addition, the Consultant market is, as any other activity, exposed to Global challenges. Both clients and consultants have the strong desire to find lower-cost business solutions. Such legitimate strategy is likely to threaten the Nordic Consulting market as it would be very difficult to explain to clients why they should pay for an expensive Consulting service while having a more attractive, cheaper and high-quality solution in the market.

This conflicting strategy may raise challenging issues because everis wants to operate in the Nordic market offering a low-cost service. The companies already seeded in the Nordic Region would regard such strategy as a hostile market solution.

Moreover, another risk everis must bear in mind is that, although the company has a competitive advantage when comparing to local companies through the offer of a lower price, it will not outperform Eastern Europe and Southeast of Asia companies, which have also as strategy a very low-price model. When comparing to these cases, the company will have to stress from them through a quality model. Regarding the emerging economies in Asia, everis has a great advantage; it is closer not only geographically but also culturally. The different time zone, and communication problems originated by Asian culture (for example, not asking questions), is likely to generate a lower quality service, than it wouldn't originally be expected. Additionally, Eastern Region of Europe, while still offering low prices, is now facing the tendency of price increasing. It is perceived that the quality of their service has not yet reached the perceived quality of the western European consulting services[ix].

Conclusion

As this work has been completed, one may come to the conclusion that the most effective internationalization strategy is not so much to choose a country in which its implementation may be doable, but the most suitable and broaden methodology to be used in the process, taking into close account the company's internationalization aims.

While the countries of the Nordic Region have so many differences, they also have a strong institutional framework that turns out to be very attractive and common to all. The real differentiation point between the countries for everis will be the opportunity factor.

The company is not credible in those markets for now, the competition is fierce, there are very much experienced international companies operating there, so unless the company finds out a sharing point it will be almost impossible to go there bearing a low risk and a low level of investment. The contacts established will allow the company to enter the market and obtain a project without which, any implementation strategy would be very likely to fail.

Appendices

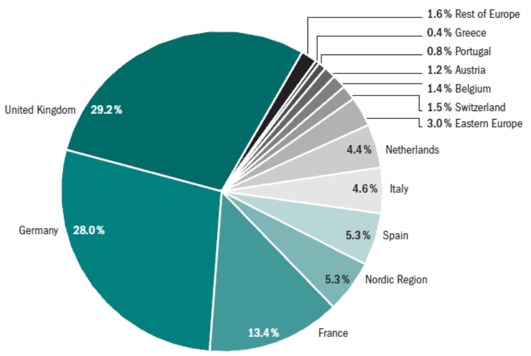
Appendix 1

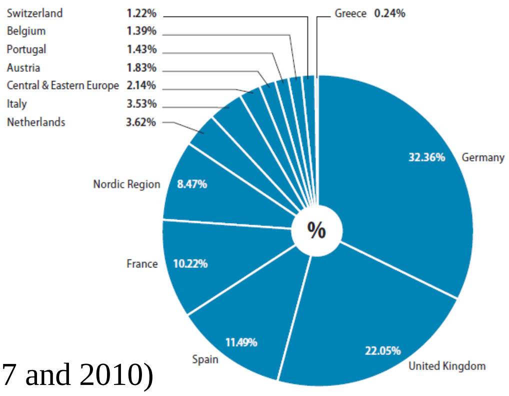
	Management Consulting Turnover– Million (2009)	Gross Operating Rate of MC industry (2010)	Growth of MC industry (2007-2010)	MC industry turnover Million € 2007	MC industry turnover Million € 2010	Number of Consultancy enterprises (2009)	Number of large enterprises >250 workers (2008)	Wage adjusted productivity labor ratio (2009)	Average Personnel costs per employee (2009)
Denmark	2.107€	12%	-25%	2150	1717	8400	844	106,2%	70.000€
Finland	1.103€	11,8%	-47%	1680	1142	7100	606	112,3%	53.100€
Norway	690€	18%	5%	667	700	8000	635	117,8%	73.100€
Sweden	3.250€	7%	6%	3124	3300	45500	1172	97,8%	51.200€
Portugal	-	-	-	-	-	-	778	-	25.600€
EU-27	83.732€*	10%	6,43%	81000**	86209**	609100	41988	106%	54.500€

*25 European Countries
**24 European Countries
***MC-Management Consulting
Source: Eurostat and FEACO of 2009/2010 (European Federation of Management Consultancies Associations)

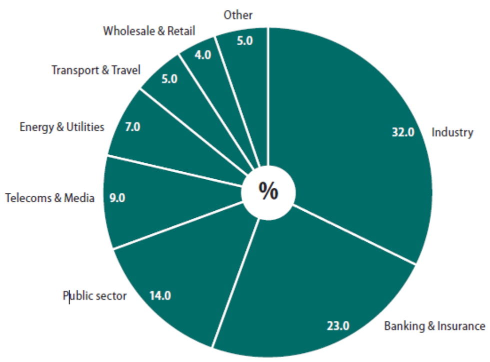
Appendix 2

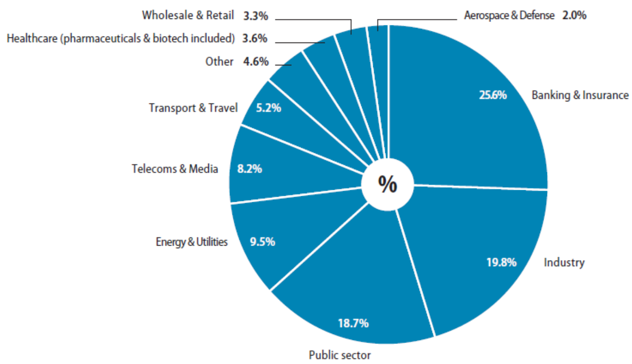
Size of European MC market (total turnover 2010 and 2002)





Composition of MC market, by Client Sector (2007 and 2010)





Source: FEACO

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