



# connexion

amcham news report 4th quarter 2008

special feature:

## Hidden champions of the 21<sup>st</sup> century



Prof. Dr. Hermann Simon



# Now, Vedior is called Tempo-Team

**Tempo-Team Luxembourg**

5, place de la Gare  
L-1616 Luxembourg  
Tel : +352 49 98 70  
Fax : +352 40 49 59

**Tempo-Team Esch-sur-Alzette**

9, rue de Luxembourg  
L-4220 Esch-sur-Alzette  
Tel : +352 57 52 11  
Fax : +352 57 52 01

**Tempo-Team Esch-sur-Alzette**

10, Place de Remparts  
L-4303 Esch-sur-Alzette  
Tel : +352 54 68 75  
Fax : +352 53 21 16

**Tempo-Team Wiltz**

37-39, Grand Rue  
L-9530 Wiltz  
Tel : +352 26 95 28 1  
Fax : +352 26 95 28 28

*only  
our name  
changes*

interim | inhouse services | search & selection | hr services | professionals

[www.tempo-team.lu](http://www.tempo-team.lu)

THE AMERICAN CHAMBER OF COMMERCE IN LUXEMBOURG A.S.B.L.

# CONNEXION

4TH QUARTER 2008



6, rue Antoine de Saint-Exupéry  
L-1432 Luxembourg

Phone : (+352) 43 17 56  
Fax : (+352) 26 09 47 04

E-mail : [ayaydin@amcham.lu](mailto:ayaydin@amcham.lu)  
E-mail : [dudsak@amcham.lu](mailto:dudsak@amcham.lu)  
E-mail : [parra@amcham.lu](mailto:parra@amcham.lu)  
E-mail : [schaefer@amcham.lu](mailto:schaefer@amcham.lu)

Website : [www.amcham.lu](http://www.amcham.lu)



**Chairman and CEO :**  
Paul-Michael Schonenberg

**Marketing Director :**  
Margot Parra

**Communications Director :**  
Tatjana Schaefer

**Editorial Committee :**  
Tatjana Schaefer  
Paul-Michael Schonenberg  
Ian Whitecourt

**Layout Conception :**  
Colorbox SA

**Printer :**  
Imprimerie Centrale SA Luxembourg

**Please Note :**  
The American Chamber of Commerce in Luxembourg does not necessarily endorse the views or opinions expressed in this periodical nor accept any responsibility in connection with information rendered.

**Copyright © 2008 :**  
The American Chamber of Commerce in Luxembourg

*No part of this publication may be reproduced without written permission from the American Chamber of Commerce in Luxembourg.*

*All editorial materials and advertising inquiries should be addressed to the Chamber at the above address.*

*The American Chamber of Commerce in Luxembourg asbl is an international voluntary organization of business persons committed to fostering bilateral trade and investment between the United States and Luxembourg.*

## AMCHAM Chartered Members

- ALFI
- Alter Domus
- Arendt & Medernach
- Assist Relocation
- BDO Compagnie Fiduciaire
- Caterpillar Luxembourg
- Clearstream International
- Commerzbank International
- Covidien
- Dechert Luxembourg
- Deloitte
- Delphi Corporation
- Dexia BIL
- DuPont de Nemours (Luxembourg)
- Ernst & Young Luxembourg
- European Fund Administration
- European Relocation Services
- Euroscript Luxembourg
- Fiduciaire Whitecourt
- FIL (Luxembourg)
- Fortis Intertrust (Luxembourg)
- Goodyear
- G4S Security Services
- Guardian Europe
- Kneip Communication
- Korn/Ferry International
- KPMG
- Loyens & Loeff
- McKinsey & Company, Luxembourg
- Microsoft Luxembourg
- Oracle
- P&TLuxembourg
- PricewaterhouseCoopers
- RBC Dexia Investor Services Bank
- Rowlands International
- Sal. Oppenheim jr. & Cie
- State Street Bank (Luxembourg)
- Streff Removals & Storage
- Symantec
- TEAM Allied

HONORARY CHARTERED MEMBER :  
Ambassador e.m. Peter Terpeluk, Jr.



# CONTENTS.....

## PAGE 05 HOLIDAY GREETINGS

PAGE 05 U.S. EMBASSY & AMCHAM

## PAGE 06 AMCHAM NEWS & SPECIAL FEATURE

PAGES 06 & 07 NEW MEMBERS  
 PAGE 08 ABAL: THE FUTURE OF NEWS  
 PAGE 09 FALL WELCOME BACK 2008  
 PAGES 10-11 FINCOM COMPLIANCE EVENT  
 PAGES 14-17 HIDDEN CHAMPIONS OF THE 21ST CENTURY

## PAGE 18 MEMBER SPOTLIGHT

PAGES 18-19 AON  
 PAGES 20-21 CHAMP

## PAGE 22 INFORMATION TOOLBOX

PAGES 22-23 MANAGING YOUR WAY IN DIFFICULT TIMES  
 PAGE 24 EDUCATION, EDUCATION, INTEGRATION?

## PAGE 25 U.S. EMBASSY

PAGE 25 REGIONAL SECURITY OFFICER  
 PAGE 26 ROUND TABLE WITH TODD P. SCHWARTZ  
 ON IRAQ'S DEVELOPMENT

## PAGE 27 U.S. NEWS

PAGE 27 DELPHI HONORED WITH 2008 LUXEMBOURG  
 AMERICAN BUSINESS AWARD  
 PAGES 29-30 FAVORITE FALL CELEBRATIONS  
 IN THE UNITED STATES

# FILES.....



## ABAL: THE FUTURE OF NEWS

Paul Taylor

*Mr. Paul Taylor, European Affairs Editor for Reuters, is based in Brussels and has had a long career with the company. A former chief correspondent in Israel and the Palestinian territories, he also worked as a correspondent in Tehran, Bonn and Brussels. In the 1990s, he was the chief correspondent in Berlin and then Paris before serving as diplomatic editor in London from*

*1997 to 2001, where he specialized in international affairs. A published author, Taylor has contributed chapters to books including "France: A Crisis of Identity," "Europe Today: National Politics, European Integration and European Security" and "Why Diplomacy Failed: The Israeli-Palestinian Conflict, Crisis in the Middle East." At the October ABAL luncheon Mr. Taylor gave a speech on "The Future of News".*



## FALL WELCOME BACK 2008

*It's become a well-established tradition that AMCHAM kicks off its fall season with the annual "Fall Welcome Back" event. AMCHAM's Chairman, Paul-Michael Schonenberg, was pleased to announce the presence of H.E. Jeannot Krecké, Minister of the Economy, who shared his views on the current economic situation with the more than 160 participants...*



## [ SPECIAL FEATURE ]

### HIDDEN CHAMPIONS OF THE 21ST CENTURY

*Prof. Dr. Hermann Simon is the Chairman of Simon Kucher & Partners Strategy & Marketing Consultants. He is an expert in strategy, marketing and pricing and was voted the most influential management thinker after the late Peter Drucker in 2005. For many years, Prof. Dr. Simon has been inspired by highly successful yet often unknown companies, for which he coined the term "Hidden Champions". Global market access with focused offers, ongoing innovation, entrepreneurship and a firm belief in their own strengths are key characteristics of the Hidden Champions. "Multinational companies can learn a lot from Hidden Champions: above all, to be smarter and faster, to follow their own path and not to jump on every management buzz word and fashion", states Professor Simon. Find out more in our Special feature...*

# A HOLIDAY MESSAGE FROM THE U.S. AMBASSADOR TO LUXEMBOURG

Dear AMCHAM Members,

On the occasion of this special and sentimental Holiday Season, which will be the last in the Grand-Duchy of Luxembourg for me and my family, I would like to express my warmest and most heartfelt greetings to you and yours. It has been a tremendous honor and privilege to serve as the U.S. Ambassador to Luxembourg over the past three and a half years. Working with the American business community, and getting to know a great many of you and your fine companies and organizations, has been one of the highlights and driving forces of my tenure in this exceptional country.

The past year has proven to be one of both great opportunity and great challenge, most recently with the global financial crisis, for the American business community. In confronting the challenges before us we must continue to trust in the virtues of innovation, resiliency, and determination. We must also remember to celebrate the continuing generosity of the American business community. In that vein, the Embassy is particularly proud of the student scholarship program we established in cooperation with the University of Luxembourg and in partnership with U.S. companies operating in the Grand-Duchy. Thanks to the wonderful generosity and vision of a dozen private partners so far, we have recently granted the first scholarships to send three deserving Luxembourgish students to universities in the United States. Along with our continued advocacy in support of the interests of U.S. business and enterprises in Luxembourg, the scholarship program will endure in the coming years thanks to the commitment and spirit of the American community.

My family and I have been so grateful to live and serve in a country which deeply shares the American values of freedom, democracy and tenacity. We have much to be thankful for. On behalf of my family and the U.S. Embassy staff, I wish you all a very Merry Christmas and a Blessed New Year.



*Ann L. Wagner*

## HAPPY HOLIDAYS FROM THE AMCHAM TEAM

The 4th quarter is a unique time of the year: A time of reviewing the year gone by and looking ahead to what the future might hold in stock for us. On the fourth Thursday in November one of the most cherished U.S. holidays is being celebrated: Thanksgiving. In our fast-paced world it has a special magic to it, to gather with family and friends and to give thanks for the blessings in our lives. At AMCHAM we would like to express our gratitude to you, our members, for your unwavering support throughout the year!

Please join us in glancing back at the highlights of the year 2008:

28 events were held covering a wealth of topics conceived by the experts on our 6 committees and ABAL. In the course of the year 35 companies joined us as new members and thus strengthened our organization further. Beyond business-oriented efforts, our Chamber aims to reach out to the community in Luxembourg and has therefore supported several community as well as charitable events such as 4th of July, Toys for Tots and the American Stand at the International Bazaar.

What is there to look out for in the New Year?

We are upgrading our website and will offer more timely information and a higher degree of multimedia features... We are excited to receive your feedback on these developments!

Among one of our major projects is the publication of the third edition of "Working in Luxembourg"; we are teaming up with key players in the Grand Duchy to ensure we can offer the "gold standard" of Luxembourg business guides. More than 20 contributors share their expertise to create an up-to-date and comprehensive handbook. Please stay tuned...

The entire AMCHAM team looks forward to the continued cooperation with all of you in 2009 and wishes you and your families a peaceful holiday season and a most joyful New Year!



*Left to right: Margot Parra, François Kremer, Ian Whitecourt, Paul Schonenberg, Yves Cheret, Dilek Ayaydin, Tatjana Schaefer*

## NEW MEMBERS

A



### AMMC LAW

Representative: Marjorie Allo

Title: Partner

2 - 4, avenue Marie-Thérèse

L-2132 Luxembourg

Phone: (+352) 26 27 22 00

Fax: (+352) 26 27 22 33

E-mail: mallo@ammclaw.com

Website: www.ammclaw.com

Allo & Maillard - AMMC Law is an independent Luxembourg law firm lead by Marjorie Allo, attorney at law (member of the Bar of Paris and Luxembourg), and Christophe Maillard, attorney at law (member of the Bar of Luxembourg), that provides comprehensive legal services including corporate law, mergers and acquisitions, private equity structures, banking and financial law, intellectual property, labor law and general commercial law.

AMMC Law prides itself on its client focused services with a proven track record in advising mainly U.S. based global clients ranging from emerging enterprises to Fortune 500 companies as well as large institutional investors.

€



EUROPEAN | VALUE | PARTNERS

### EUROPEAN VALUE PARTNERS ADVISORS

Representative: Mark Bole

Title: Chief Executive Officer

534, rue de Neudorf

L-2220 Luxembourg

Phone: (+352) 26 43 63

Fax: (+352) 26 43 610

E-mail: infoev@evpartners.com

Website: www.evpartners.com

EVP is a Luxembourg-based investment boutique offering high net worth and institutional clients a unique approach to value

investing. Its investment team of founders Tom Stubbe Olsen and Léon Kirch, launched their new fund, Polaris Equity, in April of 2008.

In addition, they remain advisors to the successful European Value Fund they managed while at Nordea. EVP seeks out companies with strong earning power that are significantly undervalued on the stock market to unlock long-term returns while preserving investors' capital. A comprehensive proprietary approach to due diligence, a disciplined approach to sales and execution, and its founders' track record of success set EVP apart in the investment world.

G



### GREENFIELD RECRUITMENT PARTNERS

Representative: Christopher Purdy

Title: Partner

1, rue Nicolas Simmer

L-2538 Luxembourg

Phone: (+352) 26 38 36 53

E-mail: christopher@greenfield.lu

Website: www.greenfield.lu

Greenfield is a boutique provider of specialist finance, accounting and legal professionals, that holds at the core of its offering unrivaled service to all parties that it engages with.

We offer a bespoke blend of recruitment techniques and are geared to undertake recruitment projects of all types. We are driven by the needs of our business partners and provide solutions through a true spirit of innovation and creativity in every project undertaken.

Greenfield specializes in recruiting into the following practice areas: Investment Management, Trust & Fiduciary Services, Commercial & Holding Structures and Interim Management.

For more information please contact one of our Partners: Christopher Purdy (+352 691 967 562) or Courtney Charlton (+352 691 989 854).

I



### INEUM CONSULTING LUXEMBOURG

Representative: Jean Diederich

Title: Senior Manager

41, zone d'activité Am Bann

L-3372 Leudelange

Phone: (+352) 26 37 74 1

Fax: (+352) 26 17 74 982

E-mail: jdiederich@ineum.com

Website: www.ineumconsulting.com

Ineum Consulting is a strategy, organization and information systems consulting company. Ineum Consulting objectively helps its clients make strategic, operational and technological decisions.

The company's range of services, based on its in-depth knowledge of its clients' businesses and ability to implement specific solutions, is a unique asset. Ineum Consulting has 1,050 employees in France, Belgium, Luxembourg, the Netherlands, Switzerland, United Kingdom and the United States. It is part of Management Consulting Group Plc, which has over 30 offices on the five continents.

Ineum Consulting is active in Luxembourg with more than 80 consultants in the Financial Services Industry, the Financial Subsidy Services, Financial Management, Strategy & Transformation of Information Systems and Public Sector Services.



### ITELCO LUXEMBOURG S.A.

Representative: Baudouin Stévenart

Title: Managing Consultant

5, rue Jean Monnet

L-2180 Luxembourg

Phone: (+352) 264 20 540

Fax: (+352) 264 20 545

E-mail: baudouin.stevenart@itelco.lu

Website: www.itelco.lu

## NEW MEMBERS

Established in 1992, Itelco is an experienced ICT recruitment agency offering innovative, one-stop recruitment services.

The extensive market knowledge of our Management team and leading Consultants enables us to deliver tangible added-value recruitment services to our clients. Specialist divisions support Permanent, Contracting and Project-based missions for a wide range of ICT expertise.

With offices in Luxembourg, Belgium (Brussels, Gent), France (Paris) and the Netherlands (Zeist), Itelco has an excellent track-record of delivering tailored recruitment solutions for many local and international ICT assignments.

S



### SUNFLOWER MONTESSORI

Representative: Sam Stobart-O'Dea/  
Helen Clarke

Title: Directors

72, rue de Remich

L-5330 Moutfort

Phone: (+352) 43 15 231/ 263510

Fax: (+352) 43 15 2329/ 26351029

E-mail: [sam@sunflower.lu](mailto:sam@sunflower.lu)

Website: [www.sunflower.lu](http://www.sunflower.lu)

Sunflower Montessori is an English speaking Montessori Crèche founded in 2001. Since

then Sunflower has built a solid reputation of providing the very best care and pre-school education available. Sunflower is committed to the principles of Maria Montessori and to providing a safe, secure and happy environment for children from 3 months to four years. We offer a foyer de jour for children up to 6 years and a Saturday School where we teach reading and writing to children from 4 to 8 years.

The team is led by Helen Clarke and Samantha O'Dea. Friends for many years, they both trained at St. Nicholas Montessori College in London and then went on to teach at Rainbow Montessori School in London. Our international staff are externally or internally Montessori trained. We hold work shops and training evenings where they can learn more about the philosophy and become more familiar with the materials. Our trainer Naomi Misiuk also visits each classroom to ensure a high standard of Montessori education and a prepared environment is maintained.

V

Vino\_Divino  
Nell'amicizia nascono le passioni

### VINO DIVINO

Representative: Frédéric Maillou

Title: Senior Partner

13, rue des Rosiers

L-5637 Mondorf-les-Bains

Phone: (+352) 26 67 06 94

Fax: (+352) 26 67 06 95

E-mail: [vinodv@pt.lu](mailto:vinodv@pt.lu)

Website: [www.vinodivino.lu](http://www.vinodivino.lu)

Vino Divino is a young company founded in 2007 and born from the common passion of 3 epicurean friends with the philosophy to make you discover a culture, a soil through products with high quality standards coming from Italy and France.

We have personally met each producer and established with them a strong partnership based on the confidence and the mutual respect to act as their exclusive partners for Luxembourg.

We propose to companies year-end gifts as well as a partnership for their corporate events.

We organize wine tasting events for private and institutional clients.

If you require further details, please feel free to visit our website: [www.vinodivino.lu](http://www.vinodivino.lu)

Enjoy your trip in the passionate world of Vino Divino. Carpe Diem!

A M C H A M  LUXEMBOURG  
AMERICAN CHAMBER OF COMMERCE IN LUXEMBOURG A.S.B.L.

For membership details please contact our office at:

Phone: (+352) 43 17 56

Fax: (+352) 26 09 47 04

E-mail: [parra@amcham.lu](mailto:parra@amcham.lu)

[schaefer@amcham.lu](mailto:schaefer@amcham.lu)

Website: [www.amcham.lu](http://www.amcham.lu)

# ABAL: THE FUTURE OF NEWS

With the fall of the Berlin Wall and the collapse of communism, some intellectuals proclaimed the end of history. At about the same time, technologies such as video cameras, the Internet, file-sharing, email, webcasting and YouTube began to offer new, cheap or free and easy ways of sharing information.

The result has been a revolution in journalism – with bloggers and amateur video makers challenging the monopoly of professional journalists – but also a threat to the business model of the broadcast and published media. People increasingly take “free” news for granted. “If I want the news, I go to Google,” is a frequent refrain. Add to that a shift of advertising revenue from newspapers to the Internet, and you have a serious crisis for the media. Everyone wants news but who will pay for it, and what will they pay for?

As the world’s leading real-time news provider, Reuters too faces a risk that news is becoming “commoditised” – available free, fast and in almost unlimited quantities. The current financial crisis, which has felled giant customers such as Lehman Brothers and Bear Sterns, poses an additional challenge to our business. It may be lucky that Reuters was taken over this year by a Canadian publishing group, Thomson, which sells information databases to lawyers, health professionals, scientists and accountants less vulnerable to the cyclical financial markets. That does not relieve us of the need to secure a financially viable future for news.

Reuters has been in the news business since 1849, when Baron Julius Reuter began transporting news and stock prices by carrier pigeon between Brussels and Aachen because it was quicker than the railroad and there was not yet a telegraph line. Two years later, the missing telegraph link between Paris and Berlin was plugged, and Reuter moved to London to take advantage of the first cross-Channel cable to transmit news and prices between Britain and continental Europe. Thus was born the modern news agency under the motto “follow the cable” – always use the latest technology to be first with the news.

Reuters had a series of scoops – from being first to transmit news of the relief of Mafeking in Sudan to London, to being three days ahead of rivals in bringing news of the assassination of President Abraham Lincoln to Europe.

Even today, the speed and accuracy of our real-time news, timed in micro-seconds, remains something for which traders are willing to pay top dollar. As communications become ever faster, banks and brokers are using automated “algo-trading” to react to the latest data and prices. Reuters is moving closer to “algo-news”, using artificial intelligence to pluck key figures instantly from press releases such as company results. To prevent errors, a journalist must still press the button before the news goes to clients. It is a highly competitive market in which rivals constantly use the latest gizmo to try to get ahead, and we are vulnerable to those who would cut corners by cutting out the human fact-checker in the middle.

Exclusivity is another feature that the markets and media are willing to pay for. When we report exclusive news that is essential for our clients to make business decisions, our service is indispensable. So we put great emphasis on scoops, without cutting corners on ethics or accuracy, on which our reputation rests. I recently got an email from a New York broker saying he was throwing out one of our competitor’s terminal

and taking Reuters because he could not afford to be without our exclusive coverage of European antitrust policy.

Our correspondents’ expertise also has a market value. After 157 years of reporting the facts, we are adding a commentary service, responding to demand for ideas and insights from our most experienced writers, alongside but separate from the news.

Another source of value is our reach. Investors increasingly need reliable, in-depth news from “emerging markets” around the globe where Reuters has a network of correspondents with deep local knowledge. If you need to know about Kazakhstan, Ukraine, Turkey, Peru and Vietnam, Reuters is there. It is also embedded with dozens of journalists in the emerging economies of China, India, Brazil and Russia.

Two other factors will keep our news on desktops in these challenging times – multimedia delivery and interactivity. Readers increasingly demand rich content incorporating video, still pictures, graphics, hot links and text. We have all these elements, but we need to get better at packaging them.

Finally, we are becoming more interactive. In the age of blogs, emails and instant messaging, we need to communicate with our readers and tap user-generated content. Clients should be able to communicate more easily with our journalists, talk back to our columnists and offer their own take on the news.

**Paul Taylor**

*European Affairs Editor Reuters*



*Paul Taylor*

# FALL WELCOME BACK 2008

It's become a well-established tradition that AMCHAM kicks off its fall season with the annual "Fall Welcome Back" event. This year the get-together took place on October 13th at Namur's premises in Hamm and was generously sponsored by Tempo Team headed by Marios Paras.

AMCHAM's Chairman, Paul-Michael Schonenberg, was pleased to announce the presence of H.E. Jeannot Krecké, Minister of the Economy, who honored the event with his presence and shared his views on the current economic situation with the more than 160 participants. As a consequence of the global financial crises "a time of modesty has come", the Minister stated. He outlined that he was worried about the loss of confidence which was most likely going to prevail for quite a while.

In the Minister's view the crisis should, however, not be used to implement additional regulations for companies and to raise barriers for investments.

As a result of the crisis, the world might be about to rediscover the virtues of the real economy. Shifting the focus to the Grand Duchy, the Minister pointed out that the only path for Luxembourg's future economic development was through diversification. One example was strengthening Luxembourg's position in knowledge based niches, such as biotechnology. Concluding, Minister Krecké asked for support from the business community for the efforts the Government was undertaking in this regard.

Following Jeannot Krecké's speech, the participants enjoyed the opportunity to network with the Minister and to discuss the challenges Luxembourg and the global economy were facing.



*Left to right: Marios Paras, Steven Kraft, Paul-Michael Schonenberg*



*Left to right: Marty Dobbins, David Roach, Patrizia Luchetta*



*Minister Jeannot Krecké*



*Left to right: Pierre Rosius, Dominic Valschaerts, Andy Adams*

# REGULATORY CHANGE AND THE CHANGING ROLE OF COMPLIANCE FINCOM EVENT OCTOBER 21, 2008

Nicolas Sarkozy's recent claim that "Self-regulation is finished. Laissez-faire is finished" found an echo in the title of a recent co-organised AMCHAM (the American Chamber of Commerce in Luxembourg) and ALCO (the Luxembourg Association of Compliance Officers in the financial sector) panel discussion - Live and Let Live or Live and Let Die - A Compliance Perspective.

Paul-Michael Schonenberg, Chairman and CEO of AMCHAM introduced a distinguished panel of speakers including: Michael May, Deputy Head of Global Risk Management, HSBC Securities Services (who led the panel discussion); Jean-Marie Legendre, President of ALCO and Chief Compliance Officer of Credit Agricole Luxembourg Private Bank; Alain Hondequin, Vice President of ALCO and Executive Director, Head of Legal & Compliance, UBS Wealth Management; Geoff Cook, Managing Director of Brown Brothers Harriman - Member of AMCHAM Financial Services Committee and Bill Lockwood, Conducting Officer, Franklin Templeton Investments - Member of AMCHAM Financial Services Committee.

After thanking Banque de Luxembourg for providing its excellent conference facilities and for sponsoring the closing cocktail, Paul explained the background to the title of the seminar.

It was the outcome of a search for a snappy but relevant title which would encourage a good turnout. After first thoughts such as "Comply or die!" which lead naturally to thoughts of James Bond, the organizers were tempted by "From Russia / Compliance with Love" or "Diamonds / Compliance Officers are Forever." Since first thoughts are usually the best, they came up with "Live and Let Live or Live and Let Die - a Compliance Perspective."\*

Mission accomplished: more than 100 participants attended the event. Regulatory change and the changing role of compliance - the main themes of the event - were neatly captured in the title.

## A HISTORY OF COMPLIANCE IN A NUTSHELL

After briefly lamenting the absence of any James Bond girls on the panel, Michael May kicked the panel discussion off providing a quick history of the evolution of compliance.

The creation of financial rules and regulations in the 17th and 18th centuries following the Dutch "Tulipmania" and the English South Sea Bubble and the accompanying sanctions for corporations and individuals responsible for breaches generated the need for supervision and oversight. However, scandals continued and laws and regulations

*Left to right: Bill Lockwood, Jean-Marie Legendre, Michael May, Geoffrey Cook, Alain Hondequin*



continued to address the failings and shortcomings right through to the present day.

Two thirds of investors have doubts in the ability of boards of directors to provide viable oversight per a Harris Poll published in the Wall Street Journal in 2005.

Michael promised to bring the discussion bang up-to-date at this event. He proposed to tackle our subject from 4 main angles:

1. The Quantity Debate – is there too much, too little or just enough regulation?
2. The Quality Debate – principles vs. rules?
3. The Value Debate – what does it cost?
4. The Conclusion – where do we go from here?

### SOME DEFINITIONAL BACKGROUND

Jean-Marie Legendre began by providing some definition of compliance referring to the CSSF Circular 04/155. “The Compliance function is defined as an independent function whose objective is to identify and assess the compliance risk of an institution, as well as to assist senior management in managing and monitoring this risk. It reports to senior management and, where applicable, to the board of directors and can act as advisor to senior management.” He further defined compliance risk (per the Circular) as “the risk of losses and that an institution may suffer as the result of the failure to conduct its business in accordance with the rules in force.” Jean-Marie promised to return with three main themes – the legal, professional and ethical dimensions of compliance – in his remarks on where we go from here.

### THE DEBATE

Geoff Cook tackled the first debate by describing the sheer volume of regulation in place today with over 102 million hits on Google if the word “regulation” is used in the search field. This becomes much lighter if restricted to financial regulation – only 970,000 hits! His main thrust was not to lament the current volume of regulation nor the impending raft of additional legislation which is sure to come but to question whether we had the right regulation in place. “Something is not right or we would not be in the state we are in today.” Geoff launched a call for a “back to basics” clean sheet approach to financial regulation. While self-regulation was unlikely to be the way forward, although unanimously supported as ideal by the panellists and the audience, it was important for financial professionals to influence the upcoming debate. A call for regulation which is intelligent and focused on where the risks really are, gained widespread approval.

Alain Hondenquin then tackled the next debate – principles vs. rules. He compared the approach of the UK FSA with its principles-based regime focused on outcomes with the rules-based approach of the US SEC. Luxembourg seemed to lean more towards the principles-based approach with the renowned firm but flexible approach of the Luxembourg authorities. Alain compared the two approaches by reference to American football and soccer – one very much rules-based with little room for interpretation by referees and the other more open and subject to the referee’s judgement. This analogy, Alain suggested, highlighted that for the principles-based regime to work well, it was important to have a strong-minded and independent regulator.

A discussion ensued on the limits of regulation and the importance of ethical behaviour. You can have all the principles and rules you want but there has to be a philosophy of ethical behaviour. Dancing with the others until the music stops a la Chuck Prince, the former CEO of Citibank, was not recommended.

Next up, Bill Lockwood tackled the issue of the escalating costs of compliance. Citing a Deloitte study in the UK, he reported that the average bill for regulation and compliance at the world’s 100 largest financial institutions is set to double in the next two years to over EUR 600 million (per institution) as the cost of governance continues to rise. Bill noted that this estimate could now prove to be very conservative in light of the worsening current market conditions.

Regulatory and legislative actions and reforms (what’s already in the pipeline) – and especially now with what’s to come after the credit crunch – are making and will make the regulatory environment in which we operate more and more costly. Bill suggested that the real challenge is of course to improve our regulations and not just add to them. Regulatory change is an opportunity to look at real costs and benefits. It is essential that that we do not have more regulation without thinking it through clearly. What happens in most cases is that politicians are driven to take action without the expertise or full knowledge of what the consequences will be. We must somehow get back to basics.

In discussion following Bill’s expose, it was remarked that while costs such as these set few hearts racing, the discipline imposed of complying with regulatory change could be very healthy for the institutions concerned and, of course, the costs of not complying could be immeasurable.

In the final volet of the session, and by way of conclusion, Jean-Marie Legendre focused on the role of the compliance officer. He described how under the Circular the compliance officer could be asked to fulfil many different functions beyond financial regulatory compliance, at the discretion of the institution for which he/she works. Jean-Marie confined himself to the world of financial regulatory compliance.

Referring to three types of compliance – legal, ethical and business, he outlined areas in which compliance officers had achieved considerable success – AML; market abuse; primacy of client interests – suitability (even before MiFID was introduced); and ethics or the culture of compliance in organizations. Jean-Marie stressed the need for compliance officers to be seasoned and experienced financial sector professionals. While admittedly they need to be a kind-of-jack-of-all-trades because of the need for business knowledge, people management and compliance skills, they also need to be in a position to draw on other resources within the institution – legal, technical, senior management support etc. Discussing the credit crunch, and while noting the weakness of many of the rules in force – e.g., MiFID did not prevent toxic assets finding their way into the portfolios of some money market funds, Jean-Marie stressed the need for experienced, well-trained, on-the-ball compliance professionals to play a leading role in alerting institutions to the dangers of inappropriate behaviour – legal, business or ethical.

After an interesting, insightful and interactive session, Michael May summarised the key conclusions of the debate and noted that time and again throughout the event the following key words had been used – ethical values, trust, judgement, professionalism, and reputation. The idea for a corporate governance event to discuss shaping future regulation was mooted as a follow-up to this event.

Michael thanked all the speakers, participants and organisers and invited everyone to the well-earned cocktail reception.

*\*Note for bibliophiles - In the novel Live and Let Die the title is mentioned by James Bond when Captain Dexter says their policy on Mr. Big, the villain, is "live and let live". Bond retorts saying that in his business it's "live and let die".*

# NEW 2009 TAX MEASURES BOOM LUXEMBOURG'S COMPETITIVENESS

Following the Prime Minister's speech on the State of the Nation on 22 May 2008, Luxembourg has concentrated its efforts within the recent weeks to increase its attractiveness towards foreign countries and markets. In this respect, two draft bills have been presented to the Luxembourg Parliament on last 9 September 2008 and 1 October 2008 to further improve Luxembourg's tax regimes as from 1 January 2009. Amongst other changes, the draft bills mainly introduce the abolition of capital duty and a 0% withholding tax on dividends paid to a tax treaty resident corporate shareholder as well as the further enhancement of the IP regime which extends a net worth tax exemption to qualifying IP. These amendments tremendously improve an already favorable tax regime for companies that operate internationally and especially U.S. groups. Together with other tax reductions, it represents a real act of confidence in both the future and Luxembourg's international business community - despite the current financial crisis. This article intends to present these new tax measures.

## 1. ABOLITION OF CAPITAL DUTY IN LUXEMBOURG

The September draft bill includes the abolition of capital duty as of January 1 2009 following a previous cut in 2008 from 1% to 0.5% in reaction to the EU recommendation for the complete abolition of this tax inside the EU from 2010. Capital duty will not need to be considered anymore when structuring equity financed investments.

In addition, companies having benefited from a capital duty exemption under share for share transaction provided by the current article 4-2 of the capital duty law will no longer be required to comply with the 5-year holding period of shares after January 1, 2009.

With respect to contribution of real estate assets located in Luxembourg a registration duty and transaction tax apply. Contribution of Luxembourg real estate assets remunerated by shares will be subject to a 1.2% registration duty of and a 0.5% transcription tax. Contributions remunerated by other means than shares will be subject to a 6% registration duty and 1% transcription tax. Transfers made in the context of a reorganization (i.e. contribution of all assets and liabilities in exchange for shares and contributions of one or more businesses in exchange for shares) will be exempt from proportional registration duty under certain conditions.

## 2. EXEMPTION OF WITHHOLDING TAX ON DIVIDENDS

The draft bill of October 1, 2008 includes an exemption of withholding tax on dividends paid to corporate shareholders located in countries with which Luxembourg has signed a double tax treaty.

This expansion of the exemption of withholding tax on dividends will dramatically enhance the attractiveness of Luxembourg with respect to among others profit repatriation to U.S. corporations, IPOs structuring, etc.

## 3. DECREASE OF CORPORATE INCOME TAX RATE

The draft bill also provides for a reduction in corporate income tax to 21% (from 22%), resulting in an overall corporate tax rate of 28.59% for Luxembourg-city. This reduction will take effect on 1 January 2009 and will be followed by further reductions in the next few years in order to progressively bring the current income tax rate to 25.5%.

## 4. INTELLECTUAL PROPERTY REGIME

The draft bill further enhances the already favorable IP regime on royalties and capital gains derived from certain intellectual properties (i.e. the Luxembourg effective corporate income tax rate is already approximately 5,7% on qualifying IP income). Under the bill, qualifying IP assets held by Luxembourg capital companies will be exempt from the net wealth tax of 0.5%. A circular letter is anticipated to be issued by the Luxembourg authorities in order to clarify various aspects of the law.



**Louis Thomas**  
*Partner-in-Charge*  
*KPMG Tax Sàrl*



**Luc Alexandre**  
*Senior Manager*  
*KPMG's Luxembourg Tax Center*  
*of Excellence in New York*

### CONTACT DETAILS :

**KPMG**  
Phone: (+352) 22 51 51 1  
Website: [www.kpmg.lu](http://www.kpmg.lu)

**SEIZE THE LIMITED OPPORTUNITY  
AND SAVE €4,835\* ON A NEW VOLVO.  
AND YOU THOUGHT TIMES WERE ALL BAD.**



Take advantage of Volvo's new outstanding offer. We will spice up your diplomatic bonus with a free trim level and five premium extras for only €1 each. This adds another €4,835\* to your savings.

See us now or visit our website to get detailed information about this limited offer.

\*Based on Volvo XC70 D5 AWD with Momentum trim level including leather upholstery, Dual Xenon head lights, Park Assist rear and more. Extras selection includes: Driver and passenger power seats, metallic/pearlescent paint, Blind Spot Information System (BLIS) and High Performance Audio. Savings may vary depending on market and model (not valid for Volvo S60 and Volvo XC60). European specification, left hand drive. Offer valid only until December 31, 2008.

**VOLVO CARS DIPLOMAT SALES. PRIVILEGED TO SERVE YOU.**

[diplomat.volvocars.com](http://diplomat.volvocars.com)

Volvo. for life



AUTOPOLIS S.A. Zone d'activités Bourmicht, L-8070 Bertrange Tel: (+352) 43 96 96 2919, [info@autopolis.lu](mailto:info@autopolis.lu)  
AUTOPOLIS NORD 8, z.a. & comm. L-9085 Ettelbruck Tel: (+352) 81 24 99 [www.autopolis.lu/volvo](http://www.autopolis.lu/volvo)

# INTERVIEW WITH PROF. DR. HERMANN SIMON

## SIMON ♦ KUCHER & PARTNERS

---

### Strategy & Marketing Consultants

*Q: Not long ago, you published your book “Hidden Champions of the 21st Century”. What inspired your interest in these highly successful yet often unknown companies?*

A: In 1986 I met Professor Ted Levitt, the marketing guru of Harvard Business School, in Duesseldorf. He had just popularized the term “globalization” in an acclaimed article in the Harvard Business Review. Therefore, he was very interested in the “success secret” of German exports. How could it be that Germany – in spite of its medium size – was always the No. 1 or No. 2 global export nation (as it is until today)? He speculated that this couldn’t be due to the large corporations that exist in each country but rather the many mid-sized companies, the ominous “Mittelstand”, must be the cause. So I started to look into mid-sized world market leaders and up to now I found the incredible number of 1200 “Hidden Champions” in Germany alone, of about 2000 on the whole globe. This topic has captivated my attention for more than 20 years. The first book “Hidden Champions” published by the Harvard Business School Press has been published in 17 countries. The new book “Hidden Champions of the 21st Century” describes the spectacular developments of these star firms since the mid 1990s.

*Q: How would you characterize the unique features of “Hidden Champions”?*

A: A Hidden Champion holds a top 3 global market position, has a revenue of less than EUR 3 billion or USD 4 billion, and is virtually unknown to the public. The Hidden Champions pursue extremely ambitious goals related to growth and global market leadership. In the last ten years they created 1 million new jobs and increased their revenue by 2.5 times. The two essential pillars of their strategy are focus on a narrow competence/market combined with global selling and marketing. The focus makes the market small, globalization makes it big.

*Q: Do they display a special company culture?*

A: Definitely! They are about five times more innovative than large corporations and much closer to their customers. They refrain from many of the modern management fads, e.g. outsourcing or strategic alliances. They rather prefer doing as much as possible themselves, which is what we call high vertical integration. In addition, they go it alone when entering foreign markets by setting up their own subsidiaries. They do many things differently from large firms and do not follow the management fashions of the day but stick to traditional values.

*Q: How do they instill a high performance culture?*

A: The most important aspect is the selection of employees. In the early phase of employment, the co-called probationary period, they weed out underperformers. This is not achieved through a top-down approach but is implemented by the team. Like in a soccer team, the employees know that an underperformer weakens the company. Since they identify strongly with their employers they want to prevent such damage.

Following the probationary period employee turnover is extremely low, namely 2.7 per cent per year. Compare this to the German average of 7.3 per cent – or the unbelievably high rate for America, 30.6 per cent. Retaining qualified employees is a precondition for becoming world class. Along with each employee who leaves, a company loses know-how and has to train a new person. The ambitious goals set by the leaders of the Hidden Champions combined with the position of being No. 1, or simply the best in the market, provoke strong motivation and mobilize the employees’ energies.

*Q: It seems that a substantial percentage of Hidden Champions are located in the germanophone part of Europe. Are there perhaps cultural parameters that encourage the development of Hidden Champions?*

A: Indeed, about two thirds of the more than 2000 Hidden Champions that I know are located in the German-speaking countries – including Luxembourg. There isn’t just one explanation. Because Germany – unlike France – was not a nation state “internationalization” was fostered. The German states were small and an entrepreneur who wanted to grow had to export, e.g. from Bavaria to Saxonia. Yes, this was international business. Another factor are traditions. In the Black Forest we had an old tradition of clock making, people who were skilled in fine mechanics. From this tradition new industries emerged. In Tuttingen we have today more than 400 medical technology companies, most of them make specialized surgical instruments. For centuries the University of Goettingen in Lower Saxony had the world’s leading mathematicians, e.g. Gauss. From this tradition 39 measurement technology companies in Goettingen have emerged, most of them are world market leaders in their highly specialized competencies, e.g. in measuring whether a physical object is really round. And a third factor is important: Hidden Champions breed new Hidden Champions. There are several small towns in Germany who have five or more world market leaders, often in totally unrelated fields.

*Q: What advice would you give an entrepreneur who was striving to learn from Hidden Champions?*

A: I would give a young entrepreneur three tips: firstly, be ambitious. Strive to be the best in your market, in your business. Don’t settle for anything less. Secondly: focus on what you are really good at and enjoy. Only focus leads to world class. Nobody is a master in several trades. Thirdly: go out into the world, internationalize, eventually globalize. Read how the Hidden Champions have done it, they are outstanding role models. Why shouldn’t you achieve what they have achieved? They are normal guys like you and me. I have personally learned from them and I can assure you, it works. My own company, Simon-Kucher & Partners, is today world market leader in price consulting. I owe this to the Hidden Champions.



**Q: Are there lessons companies can implement in their daily business?**

A: All the lessons of the Hidden Champions are practical and useful for day-to-day operations, not abstract principles. Focus, closeness to customer, continuous innovation (a little better every day), clear competitive advantages (above all, product quality and service), modesty, mutual loyalty of employer and employee, strong leadership in the principles but freedom in the implementation. All these are values that should shape daily work.

**Q: Does the Luxembourg market have any Hidden Champions?**

A: Luxembourg has a remarkable number of Hidden Champions. Here are a few examples.

- Ceratizit, Hard metal tools
- Elster, Metering technology
- Euro-Composites, Honeycomb construction components
- Gemplus, Chip cards
- Rotarex, Gas applications
- SES, Satellite communications
- Tenaris, Steel Tubes

I am sure that I have not detected all of the Hidden Champions in Luxembourg and that there are many more.

**Q: What are the special advantages of a location in Central Europe?**

A: The earth is not flat. The bestseller author Thomas Friedman errs in this regard. Central/Western Europe is the only region from where I can call Japan and the U.S.-West Coast within normal office hours. I am doing this interview while in Seoul, Korea. The time difference to New York is 14 or 10 hours – depending on which direction you use.

This makes communication very difficult. The same applies to travel times. In Seoul I met Jimmy Wales, the founder of Wikipedia. He came from Atlanta, a flight of more than 15 hours. I came from Frankfurt, my flight time was 9 hours and 15 minutes. The longest nonstop flight today is from New York to New Delhi, an agonizing 20 hours. The reason for all of this is that from Europe we never have to cross the huge Pacific Ocean. Europe is the optimal location in our modern globalized world. And this is not going to change.

*Prof. Dr. Simon, we thank you for this interview!*

Since the beginning of 2008, Simon-Kucher & Partners is represented in Luxembourg with an own office.

#### ABOUT HERMANN SIMON

*Hermann Simon is the chairman of Simon-Kucher & Partners Strategy & Marketing Consultants since 1995. Simon-Kucher has offices in Amsterdam, Bonn, Boston, Frankfurt, Cologne, London, Luxembourg, Madrid, Milan, Moscow, Munich, New York, Paris, San Francisco, Tokyo, Warsaw, Vienna and Zurich. He is an expert in strategy, marketing and pricing and has advised clients from around the world. In 2005 he was voted the most influential management thinker in Germany after the late Peter Drucker.*

*Simon has published over 30 books in 22 languages, including the worldwide bestsellers Hidden Champions and Power Pricing. His most recent book Manage for Profit, not for Market Share (Harvard Business School Press, 2006) challenges the wide-spread focus among managers on volume and market share, advocating instead a clear profit orientation.*

*Simon has been and still is a member of numerous company boards and boards of trustees. He also serves on editorial boards for business journals, such as the International Journal of Research in Marketing, Management Science, European Management Journal, etc.*

*Before committing himself full-time to the management consulting business, Simon was a professor of business administration and marketing at the universities of Mainz (1989-1995) and Bielefeld (1979-1989). He was also a visiting professor at Harvard Business School, Stanford, London Business School, INSEAD, Keio University in Tokyo and the Massachusetts Institute of Technology. Between 1985 and 1988 he was the director of the USW - the European School of Management and Technology.*

*Simon studied economics and business administration at the Universities of Cologne and Bonn.*

#### FOR FURTHER INFORMATION, PLEASE CONTACT:

**Mr. Joerg Kruetten (Managing Partner)**

**Simon-Kucher & Partners S.à r.l.**

10, Rue C.M. Spoo,

L-2546 Luxembourg,

Phone: (+352) 24 83 91-20,

E-mail: [joerg.kruetten@simon-kucher.com](mailto:joerg.kruetten@simon-kucher.com)

# NO FEAR OF TURBULENCES HIDDEN CHAMPIONS PROVE THEIR STRENGTH IN TIMES OF ECONOMIC CRISIS

Prof. Dr. Hermann Simon, founder and chairman of a globally leading consulting company headquartered in Bonn/Germany, outlined the typical factors of success of mid-sized global market leaders during a seminar organized by AMCHAM Luxembourg and Sacred Heart University. In critical times the strategies of these companies keep them on the winning side of the game.

These companies are barely known to the public and end-users; however, in their specific field of expertise, whether product- or service-oriented, they are all the more renowned. In these niches, the so-called Hidden Champions are global market leaders: Ceratizit, Elster, EuroComposites, Gemplus, Rotarex, SES and Tenaris are on the list of Hidden Champions in Luxembourg.

Prof. Dr. Simon of the globally operating consulting firm Simon, Kucher & Partners, which also has an office in the Grand Duchy, has been researching the market development of such mid-sized companies for years. Based on their entrepreneurial drive, a high level of innovation, close client relationships, an extensively deep value chain and refined strategies for employee motivation, they are geared towards growth. In the current financial crisis they display unique strength, as Prof. Dr. Simon outlined, although they are not "miracle enterprises". In their economic basis they differ from other companies:

"Of course the crisis has an impact on Hidden Champions as well; especially the automotive suppliers are under pressure. In total they are, however, in very stable condition. The equity ratio normally equals 8 to 18 percent; by comparison Hidden Champions boast a very good nest egg with an average equity ratio of 42 percent." Furthermore, only 10 percent among them are listed at the stock exchange and are therefore less exposed to the extreme fluctuations which currently prevail.

The focus on sustainability, long-term strategic planning and solidity which Hidden Champions typically demonstrate, does not merely find its expression in their financial situation. As they have been on the market place for an average of sixty years and at the same time do not tend to change their management frequently, they have stood the test of time

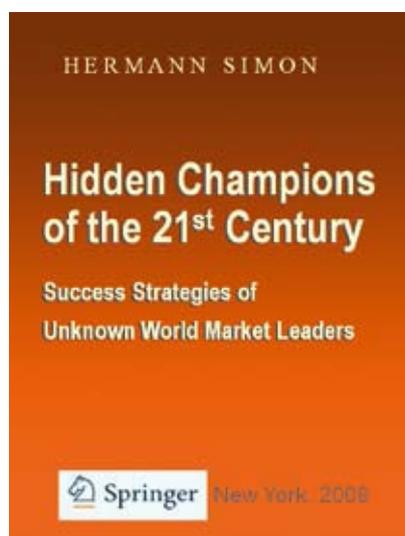
in facing crises: Approximately 30 percent among them have successfully maneuvered through market turmoil and have emerged stronger than before. As Prof. Dr. Simon emphasizes, market positions are not redistributed during sunny and calm times, but during times of crisis. Therefore Simon sees real, tangible opportunities for those Hidden Champions which are predominantly independent from external investors. They can either take over competitors which are struggling during a crisis or can "snatch" market share from them.

The specialization and innovative force of many mid-sized Hidden Champions makes them indispensable for their customers, even if these are temporarily undergoing economic straits. Thus they are protected from extensive pricing pressure.

Furthermore, the barely known global market leaders which are mostly located in rural areas can traditionally count on a highly committed staff, which strongly identifies with company goals and management. This high loyalty helps to remain substantially more flexible during times of low demand and fluctuation of capacity – "Employees and company management are acting in concert", Prof. Dr. Simon explains the prevailing mentality at Hidden Champions.

The name of the game is to put this ability of flexibility to good use in the current crisis. "Currently ruinous competition and price reductions should be avoided and the price level must be stabilized. It is preferable to temporarily reduce the capacities and quantities being offered." Prof. Dr. Simon is convinced that discount battles are in vain, as they merely undermine the price level and ultimately do not lead to more demand.

It is not a question of price if customers buy less at this point in time, but of the perceived uncertainty. According to Prof. Dr. Simon, a stronger focus on service-oriented activities is necessary as well. This aspect has been neglected during the boom of the past few years. It is time to regain part of the lost revenues in this area.



*Article by Angelika Koch  
Translation: TS - AMCHAM*

# SES ASTRA

*Prof. Dr. Simon has detected several Hidden Champions in the Grand Duchy, among them SES ASTRA. We would like to introduce the satellite operator and find out what they believe makes them a "Hidden Champion"...*

## SES ASTRA COMPANY PROFILE

SES ASTRA is the leading Direct-to-Home (DTH) satellite system in Europe. The current fleet - 15 ASTRA and 2 SIRIUS satellites - delivers 2,400 analogue and digital television and radio channels to over 117 million DTH and cable households. We also host the premier HDTV broadcasting platforms in Europe, with 58 High Definition (HD) channels available via satellite today. The SES ASTRA satellites are positioned at 19.2° East, 28.2° East, 23.5° East, 5° East and 31.5° East.

ASTRA also offers broadband access services, technical consultancy and integrated ground- and space-based satellite solutions. In addition, affiliate offices in key markets provide local sales and marketing support.

ASTRA is an SES company. Based in Luxembourg, SES also owns satellite operators SES AMERICOM and SES NEW SKIES, and 90% of SES SIRIUS. SES companies provide satellite communications services via 39 satellites at 25 orbital positions around the globe.

SES SIRIUS provides satellite capacity in the Nordic and Baltic countries, in Eastern Europe and in Russia. SES NEW SKIES is a world-

wide provider of satellite services with customers in 80 countries. SES AMERICOM provides satellite services in the United States to broadcasters, cable programmers, internet service providers, mobile communications networks and public institutions.

*Q: Your company is one of the Hidden Champions the Grand Duchy boasts. What makes your company special in your view? Is there a unique company culture?*

A: We believe there is always a new frontier. That's why we've spent nearly a quarter of a century investing in pioneering communications technology. But our biggest investment is in developing relationships. Whether that's with broadcasters, manufacturers or distributors, where we help to shape and define markets. Or whether it's with our technical partners, improving hardware and working on future innovations.

ASTRA is a business that is sustained by shared inspiration. And it is this that fuels our mission to deliver technologies that bring better communications to everyone, everywhere.



AON

# RISKING YOUR REWARD OR REWARDING YOUR RISK?

Luxembourg is known throughout the world as banking and funds center however it is also home to over 260 Reinsurance companies benefiting from a favorable tax and legislative environment.

The majority of these Reinsurance companies are in-house self-insurance subsidiaries established with the specific objective of financing risks emanating from their parent group - Captive. A captive can present commercial, economic and tax advantages to their owners resulting from the reduction in risk management costs that enable a business to provide cover more suited to their needs than policies available on the traditional insurance market or alternatively not available on the market whatsoever - essentially bespoke Risk Management.

Noel McNulty of Luxembourg's largest manager, Aon explains: "In almost every case, captives are formed because of a general dissatisfaction with existing risk and insurance coverage or costs". "A financial institution may need to cover its transfer agency for failed or delayed trades, under an Error & Omissions line (Operational Risk), Directors

& Officers or considering the current market turmoil a credit default policy but find prices quoted on the traditional market prohibitively costly, such coverage can be underwritten through its captive".

Management know their business risk and appetite for such risk, so plan accordingly. Premiums flow to their insurance company paid by their parent entity; these are expensed in the profit and loss account at parent level but sheltered from taxation in the captive by reserving to the balance sheet to cover future losses.

Managing Director Lambert Schroeder lists the major advantages of Luxembourg as a Reinsurance domicile: "regulatory flexibility, established infrastructure and expertise, political stability, multilingualism and geographical accessibility. Of particular importance is the obligatory 'equalization reserve' provided for in the legislation that allows Reinsurance companies establish provisions during the good times to meet claims that may arise in later years. Local investment rules also allow reinvestment in other group companies to agreed levels of flex-



*Left to right: Noel McNulty and Denis Regrain*

ibility. The advantage here is the ability to earn interest on capital and reserves, thus turning a cost center into a profit centre while maximizing the return on capital employed.

Within the EU, Dublin is Luxembourg's biggest rival in this business, Mr. McNulty emphasizes the difference in the offering between the two domiciles. "Ireland leans toward the short term, unlike Luxembourg they can't build long term reserves. If you need to pay dividends annually Ireland makes more sense, but for the long term option Luxembourg is preferable. In the end a decision can come down to apparently little things like language, culture and geographical position.

With the advent of the Reinsurance Directive coming into force at the end of this year non EU insurance and reinsurance companies will have to re-structure and form a European entity to avail of the directives pass-porting rights without which they must apply to each European regulator (27) for permission to transact business.

Luxembourg is ideally placed to become that country of choice as evidenced by the decision of the world's biggest reinsurance company Swiss Re, whose decision to base the bulk of its underwriting operations out of Luxembourg by 2009 is a strong vote of confidence in the local reinsurance market and in particular in the insurance sector in general.

Demonstrating there is a healthy future for a sector that has been overshadowed by Luxembourg's banks and funds.

Swiss Re has called this a "major restructuring of its EU business" as it will create three new Luxembourg-based entities to simplify its legal structure, covering not only reinsurance, but also its life and non-life business. The changes will come into force by late 2008 and after the introduction of new EU regulations for reinsurance that will allow the businesses to operate using a "single passport", so simplifying the rules each office in each member state will have to follow.

In the words of Benjamin Franklin "In this world nothing can be said to be certain, except death and taxes".

In the world of profit and loss statements, audit and insurance costs are also quite certain, however Insurance cost need not only rank as an expense, it can with efficient professional planning be turned into a profit.

So next time you're assessing the bottom line ask yourself "are you rewarding your risk or risking your reward"?

As a part of the global organization headquartered in Chicago, Aon Corporation is a provider of risk management services, insurance and reinsurance brokerage, human capital, management consulting, and specialty insurance underwriting. Through its 36,000 professionals worldwide, Aon readily delivers distinctive client value via innovative and effective risk management and workforce productivity solutions.

In Luxembourg Aon are 47 people from 10 nationalities speaking 12 languages, managing over 100 reinsurance companies, approaching 40% of the market.

## INDUSTRY LEADING GLOBAL RESOURCES

Our industry-leading global resources, technical expertise and industry knowledge are delivered locally through more than 500 offices in more than 120 countries. Aon was ranked by A.M. Best as the No. 1 global insurance brokerage in 2007, based on brokerage revenues, and voted best insurance intermediary, best reinsurance intermediary and best

employee benefits consulting firm in 2007 by the readers of Business Insurance.

Aon recognized many years ago that our clients want products and services built around their unique needs and provided by professionals with deep expertise in their industries and local markets. We saw that globalization demanded two capabilities: gather the best thinking from around the world and then deliver solutions locally. With worldwide distribution, a vast base of intellectual capital, and leading technology, we have built a professional services company to achieve these important goals—all focused on areas increasingly in demand: insurance brokerage, risk management, and human capital consulting.

## INSURANCE AND RISK MANAGEMENT

Insurance and risk management is now widely viewed as a critical boardroom issue. It is the cornerstone of every company's capital structure. A poorly constructed program may leave your organization vulnerable to major long-term setbacks, or worse, insolvency and bankruptcy. When well-designed, an insurance and risk management program frees you to pursue your vision—unhindered by concerns that you may need to hoard precious financial capital or maintain unusually high levels of liquidity.

## HUMAN CAPITAL CONSULTING

Aon Consulting is among the world's top global human capital and management consulting firms, providing a complete array of consulting, outsourcing and insurance brokerage services. Our professionals possess extensive knowledge and experience in a variety of fields and help companies of all sizes attract and retain top talent. We can help you achieve better business results by finding, developing, motivating and rewarding employees in ways that fit with your broad financial and business goals.

## REINSURANCE

Reinsurance is critical to helping insurance companies underwrite risk profitably, while preserving or enhancing capital strength and ratings. Aon Re Global, the world's leading reinsurance broker and intermediary, provides clients with integrated capital solutions and services, delivering objective advice and fostering competition among highly rated reinsurers and an expanding array of new and alternative capital providers. Clients are better able to differentiate and meet their business objectives with Aon's treaty and facultative reinsurance placement services, capital markets expertise, and relevant analytics and technical expertise, including catastrophe management, actuarial and rating agency counsel.

To effectively deliver these, and other, services, Aon has developed a global network of local resources brought together via our Global Business Units and a Strategic Account Management system. These resources let us deliver services around the world—to multinational companies, small businesses, independent agents or brokers, associations and affinity groups and even individual consumers—with the local expertise necessary to meet your specific needs.

## CONTACT DETAILS:

**Aon**  
19, rue de Bitbourg  
L - 2015 Luxembourg  
Phone : (+352) 22 34 22 1  
Fax : (+352) 47 02 50  
Website : [www.aon.com](http://www.aon.com)

# CARGOLUX IT SPIN-OFF “CHAMP” BLOSSOMS INTO THE WORLD’S LEADING PROVIDER OF CARGO IT SOLUTIONS



When Cargolux decided to outsource its IT department to an independent company in January 2004 few would have predicted the new business would within a few short years become the biggest supplier of cargo IT systems in the world. But that is exactly where CHAMP Cargosystems is today. Under the leadership of John Johnston, its Chief Executive Officer, CHAMP completed a number of mergers and acquisitions which rapidly saw its customer base grow to over 85 airlines and 170 other service companies including ground handling agents, cargo sales agents and freight forwarders.

CHAMP received a major boost in 2005 when it merged operations with SITA Cargo UK. SITA are specialists in air transport communications and IT solutions to the air transport industry and have provided hosted cargo systems to leading flag carriers around the world since 1983. The merger created a perfect match, with both companies employing specialists in air cargo management, gained from many years hands-on experience worldwide.

In January 2008, the Neudorf based company acquired 100% of SOFTAIR, and it's acclaimed 'new' generation suite of products –

Cargospot - further consolidating its position as market leader. Besides offering solutions to airlines, the Cargospot product suite allows CHAMP to offer cargo management systems to Ground Handling agents and cargo General Sales Agents. Cargospot Handler is used by Swissport, one of the largest airline handling companies in the world. The integrated software facilitates the sharing of data between all parties in the air cargo supply chain.

Next to this significant expansion, a major part of the activity of CHAMP today in Luxembourg is to manage the entire IT of Cargolux worldwide (85 offices in 55 countries), from the simple mouse connected to the PC to the most complex applications supporting this #1 Cargo Carrier, all under a Software as a Service (SaaS) model.

## ENTERPRISE BUSINESS SYSTEMS

In the quest for efficiency and performance companies need to regularly challenge their internal practices and systems against industry best practice and ensure their business processes can support change and new implementations. Agility is needed to effectively manage change and regulatory compliance with industry and security initiatives –

without adversely impacting companies' bottom line.

CHAMP is able to capitalize on 15 years experience gained with Cargolux to provide ERP solutions. In creating a web-based SAP ERP platform CHAMP puts the industry's most sophisticated financial and operational management tool within easy reach of airlines and freight handlers enabling them to realize cost savings and revenue-generating opportunities, and to rationalize all aspects of operations.

CHAMP is now a recognized SAP® partner and Certified Competency Center.

#### INCREASING NEED FOR SECURITY

International security concerns are driving governments to tighten control and demand advance notice of import and export freight transiting their borders. Initiatives introduced by customs authorities are placing an additional burden on cargo carrying airlines because of the lack of a global standard.

CHAMP recognized the need for advance cargo reporting a number of years ago and introduced Global Customs Gateway, a single source,



automated data exchange with customs authorities. CHAMP is also working with EU and U.S. regulatory authorities to progress a true 'paperless environment' for customs and trade.

#### WORLDWIDE COMMUNICATIONS

The air freight community needs to be able to communicate quickly and easily with all parties involved in the air cargo supply chain. Customers expect instant access to information, 24x7 and in 2008, CHAMP's Global Cargo Community System processed more than 60 million messages and their web applications process in excess of 2 million transactions per month.

In spite of the current global economic crisis, successful air carriers continue to invest in new and larger freighter aircraft. On many routes the carriage of air cargo can make the difference between profit and loss. The latest World Air Cargo forecast produced by Boeing confidently predicts a return to growth in the third quarter of 2009. Over the long term this growth will drive demand for new, high-value products as well as seasonal perishables that people have become accustomed to enjoying.

CHAMP will continue to invest and grow in order to serve the airline and air cargo.



PLEASE SEE  
[www.champ.aero](http://www.champ.aero)  
 FOR MORE INFORMATION.

# MANAGING YOUR WAY IN DIFFICULT TIMES



In a downturn it's easy to batten down the hatches. But in the spirit of 'getting by', focusing only on the balance sheet and expecting fewer people to do more really the best way to manage through a downturn? FaradayClark asked Ben Hubbard from the Hay Group to share some of their research around getting the best from the business in a tough climate. The Hay Group view is that what's needed is clarity, engagement, cool heads and creativity – not cut-backs to the corporate bone.

## 1 DON'T JUMP TOO SOON

There's nothing like a pay freeze to send a signal to employees that the organisation could be sinking. It's as loud a signal as a pay cut or layoffs. An across-the-board freeze tells employees it doesn't matter how committed or loyal they are, there's nothing they can do to combat the big bad monster of the wider economy. Companies that remain flexible on pay and benefits are more likely to keep morale up – and keep their best people onboard. By aligning rewards more closely to results, organisations can keep a greater control on their cost base – and give the people who are loyal and committed the opportunity to make a difference when the going's tough.

## 2 RAISE MORALE (EVEN AS YOU CUT COSTS)

Reducing costs even by a small amount can have a major impact on profitability – but how can you do it without denting staff morale? Here are five top tips:

- Be straight with staff – help staff to understand that the wage and benefits bill has to come down, but work with them to see what they value most. You may find you can trim back some unnecessary benefits. Research has shown employees are happy to take less expensive benefits if they understand what's in them.
- Ask them what they want – your employees will have ideas about how they can help you – so tap into them.

- Look at rebalancing benefits and work together to find the 'least pain for most gain' option.
- Examine your structure – a rigorous look at your organisation will help you manage costs down in a targeted way that avoids a direct impact across the whole business.
- Keep your best people – too often in a downturn, the best people leave first. Focus on your top talent, keep them engaged, and don't cut their training and development. Keep them sharp and loyal.
- Analyse your reward structure – focus on delivering a reward structure that's cost-effective, motivating for employees and compares well to the competition.

## 3 UNLOCK THE SECRET OF MOTIVATION

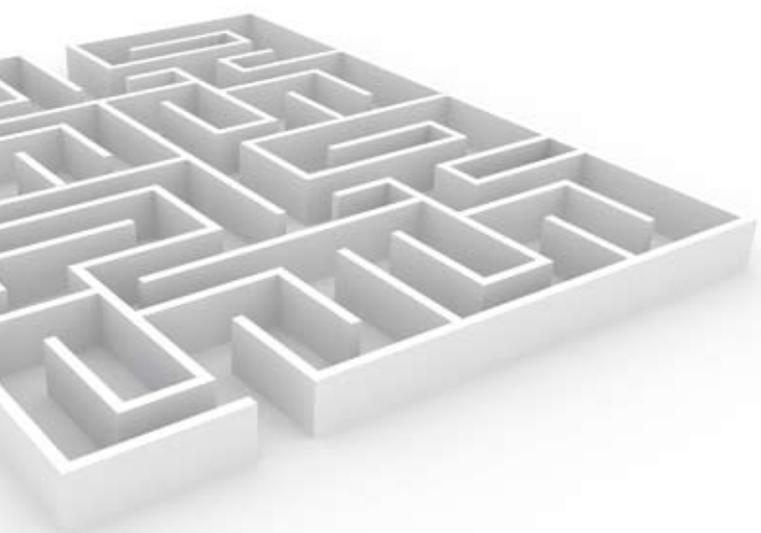
The best managed organisations will stop their top talent walking in a downturn by capturing both the hearts and minds of their people. Six core actions will help in this process:

- Provide clarity of strategic direction and pace – use honest communication to make sure your people know where they're heading and give them the confidence that the right leaders are in place to get them there.
- Instil trust and confidence in your most driven, focused employees – these people will demand clarity of direction and provide a confidence halo for other employees.
- Address fundamental concerns – make it clear to each individual what's expected of them, how they should behave and what they need to achieve.
- Put people in roles suited to their skills and ambitions – give people the time, space and support to succeed.
- Act quickly – inactivity creates a vacuum, leaving your staff worried and free to draw their own (often wrong) conclusions.
- Keep investing in R&D – innovation is even more important in a downturn.

## 4 KEEP COOL

Don't slash staff in a downturn, but focus on 'climate change' that creates an environment in which everyone is able to perform to the best of their abilities. When financial results are uninspiring and therefore rewards may not be great, employees need a higher purpose to remain within an organisation. The best organisations achieve this through clear values that build their respect and credibility as an employer of choice. The best companies generally take four clear actions:

- Think beyond recession – be positioned for success on the upward cycle



- Use the downturn to prepare for recovery – invest in leadership that creates a good climate
- Invest in the right leadership capabilities – and develop the skills of your individuals and leadership teams
- Run compelling consistent programmes – that ensure leadership teams are aligned on strategy and communicating consistently.

#### 5 FIND THE EGO-MATURE, CONCEPTUAL THINKERS

The leaders to take your organisation through the downturn and into better days need to be those people who feel comfortable in their own abilities and unthreatened by complexity or challenge.

Look to develop those individuals who don't panic or rush to judgement, but appreciate the complexities of the situation – and can see the good in a downturn as well as the bad. These are the people best placed to position the organisation for the future. They're likely to be good team players who can retain empathy with their staff while being cool heads in a crisis, confident in making decisive decisions.

Another skill that comes more from nature than nurture and is honed through life experience is conceptual thinking. This is the ability in leaders to 'think outside the box'; to look at different ways to reach a goal. Your conceptual thinkers will see things others can't. They'll be the ones who spot patterns in seemingly random data and find business opportunities in unexpected places. They're vital in a downturn.

Conceptual thinking is at the core of innovation and creativity – ideal when resources are limited. So don't look to invest the leadership mantle

in your gung-ho, cost-cutting tough guys nor the analysts who can't lift their noses above the financial spreadsheets.

Look for people who can see their way past the problem. They're best placed to plot your course through the most challenging economic landscape.

"WHAT'S NEEDED IS CLARITY, ENGAGEMENT, COOL HEADS AND CREATIVITY – NOT CUT-BACKS TO THE CORPORATE BONE."

*FaradayClark (Badenoch & Clark) is the primary supplier of finance and accounting staff to many of Luxembourg's leading employers. Established in 2003, they have a reputation for providing professional recruitment solutions at all levels within financial services, commerce, industry and trust services, and also provide executive level recruitment solutions for roles above EUR 100,000 per annum.*

FOR MORE INFORMATION PLEASE CONTACT:

Darren Robinson  
on (+352) 261 928 101 2  
or e-mail [darren.robinson@faradayclark.com](mailto:darren.robinson@faradayclark.com)

## Worldwide Mail Forwarding



Nobody home?



With BPM-Lux, take advantage of 6 Mail Forwarding addresses in the USA, United Kingdom, France, Germany, Belgium and Luxembourg!  
Shop all around the world or access your mail 24/7 via our secured SSL web account!

visit [www.bpm-lux.com](http://www.bpm-lux.com)





# EDUCATION, EDUCATION, INTEGRATION?

*English-speaking Luxembourg's History and Culture Course at the Athénée's International Classes.*

No-one will reasonably argue that a common knowledge of the country's past and present would not constitute an essential part of what is commonly understood by "integration". However, let us make no mistake: integration, in any situation, does not start with knowing a country's history and culture in the way it would be taught inside a classroom. Integration is a process that sets off from personally accommodating with the host country's practical, matter-of-fact aspects, in accordance with the individual's needs and intentions. This observation does not, at all, exclusively apply on grown-ups settling into their working and domestic environment. Before anything else, young newcomers will want to find out where they can do sports and leisure activities like they used to, or meet people of their own age. Only from this stage onwards can the process be truly deepened, be it by a history and culture class, or else by reading or conversing on that very subject in English. A shrewd education offer on the basis of the English language should be bent on deepening an integration process which is ongoing through individual or corporate efforts and experience.

From my experience, the international English-speaking community does not, as a whole, count the days to go until leaving Luxembourg behind to go and earn their money somewhere else and better; nor do they, as a whole, feel badly integrated. It depends very much on how "integration" is to be characterised, and on how far it is supposed to go to be recognised as effective. It seems difficult and prone to error to draw a straight line between who is integrated and who is not – in terms of communities and individuals – on the basis of a set of criteria that is bound to be arbitrary. Let us, therefore, not use classroom knowledge of the country's history and culture as the definite, all-encompassing yardstick when we attempt to assess the yearning and level of integration by foreign residents. Many expatriates are keen to stress the conspicuously international character of Luxembourg as one of its cardinal strengths and points of attraction in terms of quality of life, and as a business location. That, in turn, leads to think that an over-pushed effort of integration, let alone of assimilation, may not even be desirable and in the interest of Luxembourg – with regard to cultural as well as quite down-to-earth economic considerations.

An important lesson to be learned is that, in consideration of our set task and circumstance, the teaching of Luxembourg's history and culture should be equipped with the same openness and international outlook as, purportedly, Luxembourg itself. It is precisely this international environment and mindset which seems to work very well with those community members who have been here for a while already. Newly arrived, especially young, members of the international English-speaking community should gain awareness from such a course that they are, in fact, not landing on the moon. Conversely, they should know – through knowing Luxembourg – that they have become part of a resident community which is, for a large portion, of international origin and make-up – with all the cultural intricacies that involves. It should be brought to their attention that Luxembourg's history and culture have traditionally been under heavy influence from outside, for better or for worse, and therefore are outward-looking and internationally-

mindful. A hopeful practical consequence of this teaching approach will be that Luxembourg's chief point of attraction will be further promoted and enhanced. Similarly, as an international, one feels at ease better and faster in a community which one perceives as international, too. In a small country that is home to many people from everywhere in the world, English-speaking classes leading to the International Baccalaureate Diploma Programme do their part in adapting today's education offer in Luxembourg to tomorrow's experiences and challenges in a globalised society.

**Marc Hentges**

*History Teacher and Course Convenor  
for the AL's English-Speaking History Classes*



*Marc Hentges*

FOR FURTHER INFORMATION, PLEASE CONTACT

**M. Charles Meder**

Athénée de Luxembourg

Tel.: +352 2604 6116

Fax: +352 2604 6104

[charles.meder@education.lu](mailto:charles.meder@education.lu)

[www.ibo.org](http://www.ibo.org) / [www.al.lu](http://www.al.lu)

# REGIONAL SECURITY OFFICER KIRBY W. ROSENBLUTH

Kirby W. Rosenbluth is the Bureau of Diplomatic Security's new Regional Security Officer (RSO) at the U.S. Embassy in Luxembourg. As the RSO, Kirby oversees all aspects of the Embassy's security program, including the protection of all personnel, facilities and information. Establishing and maintaining a close working relationship with local law enforcement is also a high priority for Kirby.

Kirby arrived in Luxembourg following a four-year tour as a team leader with the Department of State's Diplomatic Security Service's (DSS) Mobile Security Deployments (MSD). This unit is a worldwide deployable State Department asset based out of Washington, D.C. During his tenure as a member of this unit, Kirby deployed to numerous locations, including East Timor, Sudan, Liberia, Colombia, South Africa, Qatar, and Syria. During these assignments, Kirby participated in all aspects of MSD's three tiered mission: Tactical Support Team (high threat personal protection details), the Supplemental Security Team (enhancing the physical security of an overseas post), and finally a Mobile Training Team (conducting enhanced security training for all members of a diplomatic mission). Prior to his tour in MSD, Kirby served at the U.S. Consulate in Jerusalem, followed immediately by a fifteen-month tour at the U.S. Embassy in Beirut.

Before joining the State Department, Kirby received two bachelor degrees from West Virginia University in History and Sociology. Putting both degrees to good use, Kirby joined the staff of the prestigious Smithsonian Institution's Division of Armed Forces History in Washington, D.C. Kirby also worked in private industry for the German small arms manufacturer, Heckler and Koch, as a U.S. Regional Sales Manager.

Kirby is excited about his current assignment in Luxembourg from both a personal and professional standpoint. He is extremely interested in developing a stronger working relationship with the Grand Ducal Police and the security elements of the local American business commu-



*Kirby W. Rosenbluth*

nity. As a former history major and museum employee, Kirby is thrilled by the opportunity to explore the historical sites of Luxembourg and the surrounding areas.



Relax...We make moving easy!

TEAM Allied is part of The TEAM Group, an independent company specialising in delivering fully integrated moving, relocation and other associated services primarily within the corporate market. For over four decades, the Group's specialist brands have been delivering these services on a global, national and regional basis to many of the world's leading multinational organisations and government agencies.

TEAM Allied  
112 Rue du Kiem  
L-8030 Strassen  
Luxembourg

Tel : +352 442 252  
Fax : +352 455 547  
[www.teamalliedgroup.com](http://www.teamalliedgroup.com)

**TEAM**  
**ALLIED**

# “DEMOCRACY IS A PROCESS”

## ROUND TABLE WITH TODD P. SCHWARTZ ON IRAQ'S DEVELOPMENT

*Press round table with Todd P. Schwartz (far right)*

The U.S. Embassy in Luxembourg recently invited local press representatives to meet Todd P. Schwartz who was just returning from his assignment as Counselor for Economic Affairs at the U.S. Embassy in Baghdad, Iraq.

It was a unique opportunity to learn about Mr. Schwartz's personal, first-hand experience in Iraq which he has willing to share in order to complement the gloomy picture that is often drawn in the media. According to his statements, there have been palpable improvements, especially regarding the reduction of violence, e.g. general attacks have been reduced by 82% and civilian deaths have been reduced by 73%. Iraqi forces have strongly increased their skills in controlling the situation e.g. in Basra and Sadr City, although admittedly the logistics side was still weak and required further support.



He explained that U.S. efforts to assist Iraq in rebuilding the country were based on three pillars:

- Security
- Economic Stability
- Political Stability

As Mr. Schwartz put it, it was essential to remember that “democracy is a process” which required time and dedication from all parties involved. Strong efforts were undertaken to educate the population on matters of democracy, which were also supported by the EU: The EU had allocated EUR 130 million for elections support and EUR 150 million for educational purposes.

The goal was to stabilize and normalize daily life in Iraq by supporting the reconstruction of the country: In the city of Tadjija reconstruction teams built 40 stalls at the local market which sparked private initiatives leading to the construction of 360 market stalls in total. Iraqis displayed a tremendous eagerness to rebuild their country and to unleash the enormous opportunities the country offered – it was therefore essential that Iraq could attract more foreign investments to foster the privatization of industries and a stable economic development. The motto “Iraqi First” is consistently applied in the reconstruction process as the vast majority of contractors were from Iraq. Only when these local contractors were “tapped out” and had no capacities left, companies from outside Iraq were considered.

His experience showed that Iraq was not looking for a mere transfer of funds, but rather for technical assistance and guidance in the context of mutually beneficial partnerships.

Concluding, Mr. Schwartz stated, that Iraqis are determined to stand on their own feet and that the Iraqi government was taking their responsibility to govern their country very serious.

### ABOUT TODD P. SCHWARTZ

*Todd Schwartz was – until recently – the Counselor for Economic Affairs at the U.S. Embassy in Baghdad, Iraq. He arrived in this position in September 2007. As Economic Counselor, Mr. Schwartz oversaw the work for the Embassy's Economic Section which provides policy analysis and guidance to Ambassador Crocker and his country team. The Economic Section also monitors and reports on key developments in Iraq and elsewhere that impact the U.S. – Iraq bilateral relationship.*

*Prior to arriving in Baghdad, Mr. Schwartz served as Director of the Office of Iraq Economic Affairs at the State Department in Washington, DC, overseeing the full range of bilateral and multilateral economic matters related to Iraq, from agriculture to banking and trade.*

*He was recently appointed Director of Iranian Affairs at the State Department in Washington, D.C.*

*Mr. Schwartz joined the State Department in 1987, and has served overseas in Canada, Kuwait, the Philippines, Tunisia, Qatar, Saudi Arabia and Germany. He has received several awards, including a Meritorious Honor Award for his service in Kuwait during the 2003 war with Iraq. He speaks Arabic and German.*

*He is a graduate of Miami University in Oxford, Ohio and received his B.S. Degree in Business Economics in 1986. While at Miami he spent the 1984-1985 school year studying Economics and Political Science at the Miami University Dolibois European Center (MUDEC) in Luxembourg.*

**PLEASE SEE THE FOLLOWING LINKS FOR SOME BACKGROUND INFORMATION RELATED TO THIS TOPIC:**

<http://iraq.usembassy.gov/>

<http://www.mnf-iraq.com/>

<http://mnstci.iraq.centcom.mil/advisor.htm>

<http://www.usaid.gov/iraq/>

# DELPHI HONORED WITH 2008 LUXEMBOURG AMERICAN BUSINESS AWARD

During a special ceremony held on Wednesday October 22nd at Gotham Hall in New York, Delphi Corp. received the 2008 American Business Award from the Luxembourg American Chamber of Commerce in New York.

Rodney O'Neal, Delphi CEO and President, accepted the award from H.R.H. Crown Prince Guillaume of Luxembourg during an event attended by several dignitaries including Mr. Jeannot Krecké, Minister of the Economy and Foreign Trade, Luxembourg.

"We have enjoyed an outstanding long-term partnership which has enabled our Customer Technology Center in Luxembourg to be among Delphi's leading R&D centers," said O'Neal. "Delphi is honored to receive this prestigious award from the Luxembourg American Chamber of Commerce".

"The 2008 award honors Delphi for their great contribution to Luxembourg during their 27 year presence," said Mr. Fernand Lamesch, chairman of the Luxembourg American Chamber of Commerce. "We heartily congratulate Mr. Rodney O'Neal and his team of more than 700 collaborators in Luxembourg." The Luxembourg Consul General, Francois Knaff acknowledged the friendship that has linked Luxembourg and the United States, and their peoples, for over a century. "From the turbulence of the last century to the uncertainties of the present, this has remained constant: the ability of Luxembourgers and Americans to live together, work together, and build lasting personal and business relationships."

The Luxembourg American Chamber of Commerce in New York established the Business Award in 1999, the award is presented every two

years to recognize special and longstanding relationships between an American corporation and Luxembourg. The company's trade and business impact with Luxembourg is a consideration as well. Delphi is a first-time honoree.

After the ceremony, Delphi was presented with an honorary membership to the Luxembourg American Cultural Society (LACS). Steve Kiefer, Vice President, Delphi Thermal Systems Europe, accepted it on behalf of Delphi, "I was honored to accept this membership, on behalf of Delphi – during the formal presentation, I was informed that this membership is for all of the 150,000 kind people of Delphi, who will be welcomed with red carpet, anytime they visit the LACS in Belgium, Wisconsin".

## ABOUT THE LUXEMBOURG AMERICAN CHAMBER OF COMMERCE

The goal of the Luxembourg American Chamber of Commerce (LACC) is: to encourage dynamic trade relations between Luxembourg and the United States, and to promote the development of its members' companies in the U.S. The Luxembourg American Chamber of Commerce was founded in 1991 in the presence of Crown Prince Henri of Luxembourg.

## FOR MORE INFORMATION ABOUT THIS EVENT PLEASE SEE THE WEBSITE:

[www.luxembourgbusiness.org](http://www.luxembourgbusiness.org) or contact:

LACC at (+1) 212 88 86 701 or [info@luxembourgbusiness.org](mailto:info@luxembourgbusiness.org).

Previous Recipients of the award included: Goodyear Rubber & Tire Company (1999), Dupont de Nemours & Co (2002), Guardian Industries Corp. (2004), Avery Dennison, Corp. (2006).

## ABOUT DELPHI IN LUXEMBOURG

Our Luxembourg Customer Technology Center is located in Bascharage and houses our European headquarters as well as the global headquarters for our Powertrain Division. The site also houses operations for other Delphi divisions. Delphi established its presence in Luxembourg in 1971.

Delphi selected Luxembourg for its central location and significant business advantages including cultural diversity, pro business climate, positive relationship with government, quality of life, and commercial neutrality to automotive customers.

At its Bascharage facility, a diverse Delphi workforce of more than 700 employees from 26 nationalities supports customers around the world in their native languages. Delphi personnel encompass all functional staffs including engineering, human resources, purchasing, quality, finance, customs, tax, sales and marketing. Research and development efforts are focused on innovative solutions to reduce the impact of the automobile on the environment by reducing fuel consumption, improving CO2 emissions, and providing environmentally friendly air conditioning systems. Products include next-generation powertrain components, energy-efficient heating and cooling thermal solutions and much more.



Delphi management at Luxembourg American Business Award Ceremony. From left to right: Rodney O'Neal (Chief Executive Officer and President, Delphi Corporation), His Royal Highness, the Crown Prince Guillaume of Luxembourg, Steve Kiefer (Vice President, Delphi Thermal Systems Europe), Ron Pirtle (Vice President, Delphi and President, Delphi Powertrain Systems and President, Delphi Europe, Middle East, & Africa)



Left to right: Michel Franck, Fernand Lamesch, Minister Krecké, H.R.H. Prince Guillaume, Steve Kiefer, Toni Dudsak, Rodney O'Neal and François Knaff

# Win and Help With a push of a button!



## Join our **KIDS & TEENS** contest:

Simply send **Xmas wishes in English** (max. 20 words) to [kids@berlitz.lu](mailto:kids@berlitz.lu), by 31.12.08. See details at [www.berlitz.lu](http://www.berlitz.lu).

The winners get a week of summer Kids Camp in English.  
All other participants save 10% on booking a summer camp.\*

The Christmas season is just around the corner. Berlitz Luxembourg pays 1 Euro to the **Berlitz Kids Foundation**. The more wishes we get, the more we help!

\* Offer expires: 30.01.09

[www.berlitz.lu](http://www.berlitz.lu)



**Berlitz Language and Business Training S.à.r.l.**  
89-93, Grand-Rue • 1661 Luxembourg • Luxembourg  
Tel: 00352 - 26 38 32 48 • [kids@berlitz.lu](mailto:kids@berlitz.lu)

# “TRICK OR TREAT, YOU TURKEY!” FAVORITE FALL CELEBRATIONS IN THE UNITED STATES

Fall can be a very special time of the year. As the trees are taking on the most colorful hues and leaves begin to be blown away one by one, some all-time favorite festivities are warming the hearts and lifting the spirits of millions of Americans.

While some of these celebrations have found their way (back) to Europe, others are not as familiar to most Europeans. We would like to take a closer glance at two U.S. traditions which add a unique touch to the fall: Halloween and Thanksgiving.

## “TRICK OR TREAT” ON HALLOWEEN

Each October 31st the young and young at heart dress up in scary disguises to celebrate Halloween; the children go from door to door in their neighborhood, ringing each doorbell and yelling “Trick or treat!” to solicit a gift of candy or similar items.

Halloween did, however, not become a holiday in the United States until the 19th century, when the transatlantic migration of nearly two million Irish following the Irish Potato Famine (1845 – 1849) brought the holiday to the United States.

The celebration is rooted in the ancient Celtic holiday of Samhain named after the Druid lord of the dead; the Druids celebrated both the

end of the harvest and the start of a new year. They believed that the night before this day breached the barrier between the living and the dead, and that night souls could return to earth to cause mischief. To scare away these spirits, Celts lit sacred bonfires, donned masks and participated in noisy parades.

Samhain was transformed from a pagan ritual to a Christianized holiday in A.D. 835, when the Catholic Church recast the celebration as a day to honor the saints. The night before November 1st – “All Saints Day” was designated “All Hallows Eve”.

## Why Pumpkins?

Nothing less than a turnip shortage elevated the pumpkin as the most recognized symbol of Halloween. The tradition of jack-o'-lanterns refers to an old folk tale, retold in different forms across Ireland, Scotland, Wales, England, Appalachia and Newfoundland about a man named Jack. A nasty drunk, Jack imbibed heavily at a pub on All Hallows Eve, then met up with the devil on his way home. To fool the devil, Jack tricked him into climbing a tree to fetch an apple. Then he carved a cross in the trunk to keep him from coming down.

When Jack died, the devil sentenced him to walk in the dark and cold for eternity, with only a lantern made from a carved turnip and lit with a single piece of coal.

Despite the colorful legends, the term jack-o'-lantern originally meant a night watchman, or man with a lantern, with the earliest known use in the mid-17th century; and later, meaning an ignis fatuus or will-o-wisp.

Carving turnips to create jack-o'-lanterns was an enduring part of All Hallows Eve. When the Irish immigrated to the U.S., they brought the tradition with them, but couldn't find as many turnips as existed back home. Instead, they settled on pumpkins, which with their large size, fit the bill even better.

Halloween Fun Facts published by the U.S. Census Bureau ([www.census.gov](http://www.census.gov)):

## 36 million

The estimated number of potential trick-or-treaters in 2007 – children 5 to 13 – across the United States. Of course, many other children – older than 13 and younger than 5 – also go trick-or-treating.



**110.3 million**

Number of occupied housing units across the nation in 2007 – all potential stops for trick-or-treaters.

**1.1 billion pounds**

Total production of pumpkins by major pumpkin-producing states in 2007. Illinois led the country by producing 542 million pounds of the vined orange gourd. Pumpkin patches in California, New York and Ohio also provided lots of pumpkins: Each state produced at least 100 million pounds. The value of all pumpkins produced by major pumpkin-producing states was USD 117 million.

Lots of potential jack-o'-lanterns...

**THANKSGIVING**

Thanksgiving, which is celebrated on the fourth Thursday in November at the end of the harvest season, might well be the most American holiday of all. It is an intriguing thought that on this day an entire country sits down to share a national meal, no matter where one might hail from...

Many people are familiar with the Pilgrim's Thanksgiving Feast of 1621, but few realize that it was not the first festival of its kind in North

America. Long before the first Europeans set foot in America, native peoples sought to ensure a good harvest with dances and rituals such as the Green Corn Dance of the Cherokees.

The three-day feast the religious separatist Pilgrims held in Plymouth, Massachusetts to celebrate a bountiful harvest in 1621 is considered to be the forerunner of modern-times Thanksgiving celebrations. The previous year had taken a disastrous toll with 47 out of the 102 colonists dying after arriving in America in 1620. It was with the help of Native Americans such as Samoset from the Monhegan tribe in Maine, Massasoit, the sachem (leader) of the Pokanoket Wampanoag tribe and Squanto, the only survivor of the Patuxet tribe that the Pilgrims learned to gather food, plant corn and find their way in the wilderness.

In 1789, Elias Boudinot from Massachusetts, member of the House of Representatives, moved that a day of Thanksgiving be held to thank God for giving the American people the opportunity to create a Constitution to preserve their hard won freedom. A Congressional Joint Committee approved the motion and informed President George Washington. On October 3, 1789, the President proclaimed that the people of the United States observe "a day of public thanksgiving and prayer" on Thursday, the 26th of November.

The date only became an annual holiday in 1863 after President Abraham Lincoln proclaimed that November 26 would be a national Thanksgiving Day, to observe every year on the fourth Thursday of November.

Finally in 1941, a Congressional Joint Resolution officially set the fourth Thursday of November as a national holiday for Thanksgiving.

Today, most people celebrate by gathering at home with family and friends for a holiday feast.

Thanksgiving Fun Facts published by the U.S. Census Bureau ([www.census.gov](http://www.census.gov)):

**271 million**

The preliminary estimate of turkeys raised in the United States in 2008. The turkeys produced in 2007 together weighed 7.9 billion pounds and were valued at USD 3.7 billion.

**689 million pounds**

The forecast for U.S. cranberry production in 2008. Wisconsin is expected to lead all states in the production of cranberries, with 385 million pounds, followed by Massachusetts (190 million).

*Information compiled by Tatjana Schaefer*





## SERVICES THAT FIT YOUR IDENTITY

 [alterdomus.com](http://alterdomus.com)

Awarded "Best HR Administration Solution of the year" 2006 and 2007 by HR One Luxembourg

More than numbers,  
our business is based on trust.

ALTER DOMUS

 HR &  
PAYROLL  
SERVICES

BMW X3



Sheer  
Driving Pleasure

Family, business, leisure.  
Sun, rain, snow.  
Get more out of your different lives.



### The BMW X3.

Life is on the move all the time, and that suits the BMW X3 just fine. With its powerful, economical engine models linked to the unique BMW xDrive all-wheel drive system, it will bring you safe and sound wherever your fancy dictates. Discover it at our BMW dealership.

BMW Serenity Essential: for a one-off payment starting at € 425 including VAT, your BMW X3 will be serviced for four years or the first 80,000 km (whichever comes first). For more information, please contact us. Your BMW will be covered by BMW Mobile Care mobility services for five years. More details at [www.bmw.lu/mobilecare](http://www.bmw.lu/mobilecare)

Environmental information: [www.bmw.lu](http://www.bmw.lu)

Average consumption (l/100km)/ CO<sub>2</sub> emission (g/km): 9.7-6.5/233-172

**Arnold Kontz**  
184, Route de Thionville  
L-2610 Luxembourg  
Tel. 49 19 41-1  
[info@arnoldkontz.net.bmw.lu](mailto:info@arnoldkontz.net.bmw.lu)  
[www.arnoldkontz.bmw.lu](http://www.arnoldkontz.bmw.lu)

G&CO