



Annual Report 2003

Committed,  
cost-aware  
and innovative







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United Services Group Executive Committee. Left to right: Hans Coffeng, Ron Icke, Alex Mulder, Leo Houwen, Erwin van Iersel and Yvan Dierckxsens

## FOREWORD

Two thousand and three was certainly no easy year for United Services Group. Despite the counter-weight from positive results in most USG countries, plus the synergetic benefits from the earlier acquisition of Start, we were unable to avoid the effects of a dominant malaise in the marketplace, and most certainly not in the Netherlands. Ever since 1999 when flexi-workers represented no less than 4.5% of the total workforce and the Dutch market for temp- and seconded personnel reached a world record, the level of penetration has steadily diminished every year due to the shrinking economy. Last year saw 3.1% penetration, which is still a respectable score internationally. However, this does mean that diminishing demand hardens competition and puts pressure on margins.

I am proud that United Services Group has stood up so well against a less than cheerful backdrop, and that we have shown a profit all these years. Here again, 2003 was no exception.

This in itself satisfactory result was partly thanks to a successful strategy. The choice for up-scaling and accelerated internationalisation was borne out all the more this year. With the acquisition of Start we had the base to spread our costs and we could boost our international ambitions. In the meantime United Services Group earns 30% of its turnover in Europe outside the Netherlands and we aim to have this figure rise some more in the next several years. In the immediate future the most important growth lies in rolling out formulas and methodologies developed in mature home markets into other European flexi-markets that offer an even broader international workplace.

The main explanation for the renewed positive profit figure lies in the commitment, resourcefulness and cost-awareness of our personnel and flexi-workers. It has been said in the past that our most important item on the balance sheet is intangible, and I am happy to repeat that again now. Even after four years of ongoing cost reduction it has proven possible to find ways to work more cost efficiently without eroding the quality of our services or our market presence. Moreover, our innovation-power seems to keep on growing. A whole raft of new plans and processes were deployed, meanwhile existing plans and processes were re-packaged.

Innovation is the key word in our business. As United Services Group we increasingly shift towards the role of

broad service provider for employment market issues. Our future lies in moving along our clients' capacity space with the economic circumstances, and in complementing specialised knowledge and expertise if needed by the client. This demands a proactive role. We need to be able to analyse our clients' needs and have access to a pool of potential talent that matches these developments. This demands an expansionary outlook and a continual adaptation of our methodologies.

Despite the satisfactory results financial year 2003 will not be shown in gilded letters in the history of United Services Group. Whereas disappointing experiences a year earlier had already suggested a troublesome transition year, the reality came as a confrontation. Once again there was a strong decline in turnover in the Dutch temping scene and this gave rise to a combative market. At the same time I note that as United Services Group we successfully struggled out of the malaise. Eventually, our turnover loss was limited to the market average, while the margins were not subject to dramatic pressure. Moreover, it was very clear that we also booked the expected strategic benefits from Start, including cross selling, in a declining market situation.

We have always contended that slotting Start into our organisation is not merely a question of synergetic and scale benefits, but that as a publicly listed company we want to be less vulnerable to economic shifts. The proof of this argument is now evident. With the overwhelmingly early-cyclical nature of a volume player like Start, this is where demand-recovery first surfaces, and hence we now benefit earlier when there is a cautious economic pick-up. Combined with our multi-niche strategy we have a business model that is less dependent on the economic tide, and which offers us the advantages of a strong focus on promising market segments.

The validity of another strategic principle was also tested during the period under review – namely the international orientation of United Services Group. The fact that we are active in several European countries is making us less dependent on the Dutch economy, where recovery lags on the rest of Europe. Thanks to our presence in countries such as Spain, our second home market, and Belgium, where confidence in the economy is higher for the time being, we are already benefiting from recovering demand in these areas. Over the past several years our operations in both Germany and Italy have been rapidly profession-

alised. All in all, we now depend on income from the Netherlands for just over two-thirds of our turnover. That should reduce within a not too long period.

With United Services Group realising the strategic advantage set out above, 2003 also brought what seemed like a setback. Last year's enthusiastically received Midkap listing had to be surrendered again at the start of the new financial year. The required trading volume had not been realised and on occasion it seemed that the USG share was not popular enough. However, the reverse could well be true; we are in a special situation where shareholders appear to have so much confidence in this company that they prefer to retain their stock. Hence, the number of shares traded was too low to meet the trading volume required for a Midkap-listing.

With an eye to increasing name awareness for United Services Group we will need to hone our investor relations. We are currently considering our name. If the words United Services Group do not sufficiently tell the tale to the outside world, we will need to seek a way to better utilise the market's positive perception of our active brand name. Several ideas have already been developed that positively combine the power of the group and the name-awareness of the individual brands. This process will be completed this year and the result will be made public.

The tightening up of requirements around financial reporting and corporate governance imposed a heavy burden on the diaries of CFO Ron Icke and his staff. In particular the new International Financial Reporting Standards (IFRS) on bookkeeping, which are mandatory for listed companies in the EU as from 1 January 2005, already required considerable person-power. In the half-year figures for 2004 the significance of the IFRS must be demonstrable for the figures as presented, as must our compliance with the various rules. This means that accounts are now being kept in line with the new standards. Midway through last year we set up a conversion team with specialists from our accountants, and started identifying all the consequences, both for results and the manner of reporting. To date this preliminary work has yielded encouraging results. Studies in the context of the IFRS conversion show that comparatively little will change for us. For example, the generally largest problem, i.e. dealing with goodwill, hardly affects us. In fact, our depreciation

and impairment regime already meets the IFRS.

The IFRS should provide sufficient safeguards to prevent future accounting scandals. However, rules alone cannot provide watertight guarantees. In addition USG also believes in substance over form. The final objective must be to set out a fair and reliable picture in the annual accounts of the true course of events in a manner that is clear and insightful for the average stakeholder. Accounting scandals are never the outcome of poor regulation, at most this means being found out later. Honest and painstaking reporting is a question of mentality. The books always show the type of people behind them.

It is these people to whom a large part of this annual report is dedicated; articles and interviews, which – as last year – show the hidden power of the ultimate people-business. Employees committed heart and soul to the company, and keeping their eyes focused on the power of our culture, even in less good times.

Committed, reliable, innovative and result-oriented are the key words for the whole of the organisation that is United Services Group, and make it profitable from many angles. With that conclusion I can look forward to the future with justifiable optimism. We are a healthy company for people, with the best people on board.

### **Chief Executive Officer and President**

Alex D. Mulder

## PROFILE OF UNITED SERVICES GROUP

United Services Group N.V. is a specialised provider of employment services in Europe, with the focus on flexible personnel, training/education and customer care. United Services Group is listed on Euronext (stock exchange) in Amsterdam, in the NextPrime market segment.

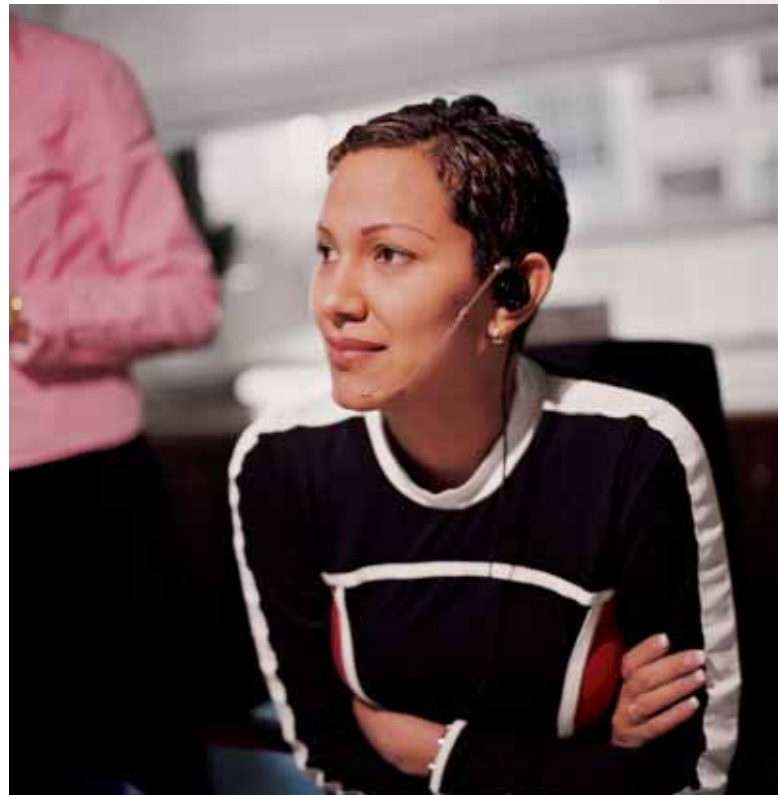
Entrepreneurship is deliberately centred with the management and personnel of the operating companies while the provision of services and marketeering are segmented by professional speciality and level of training.

United Services Group focuses on the following market segments:

- Temping and secondment in markets including governmental, education, hotel and catering, call centers, graphic, construction, care, technical, industrial, transport & logistics and training.
- Project-type activities, temping, secondment, payrolling and recruitment & selection in the office segment, with specialities including medical, marketing & sales, secretarial, human resources management (HRM), finance and communications.
- Project-type activities, temping, secondment and recruitment & selection of specialists in the technical segment focusing on areas such as ICT, electro technology, mechanical engineering, (petro-) chemicals and civil technology.
- Career intervention, reintegration and job coaching.
- Higher- and college-equivalent education for management, marketing and communications.
- High-level customer contact-centers dedicated to knowledge intensive customer care services in fields such as sales, personnel recruitment, information provision, complaints and e-mail response.
- Support and facilitation of independent operators.

Within United Services Group the operating companies based in the Netherlands, Belgium, Germany, Italy, Portugal and Spain develop independent marketing and sales initiatives while emphatically taking an own position.

The operating companies use uniform methods and (per country) a powerful shared back-office organisation for finance, ICT, management information, legal affairs and general/technical and support services. This realises cost benefits and enhances efficiency while boosting potential for control. The national head offices and the international head office mainly have a facilitating and initiating role.



**united services group**



 **united services netherlands**

 **united services belgium**

 **united services germany**

 **united services italy**

 **united services spain**

 **united services portugal**

 **united temping services**

Medi Interim  
Proflex  
Start  
Start Opleidingen  
TopStart  
NL  
NL  
NL, ES, IT, PT  
NL  
NL

 **united office services**

Ad Rem  
Secretary Plus  
SYS  
Unique  
United Capacity  
NL  
NL, BE, DE, ES  
NL, BE, DE, ES  
NL, BE

 **united technical services**

Technicum  
United ICT Solutions  
United Technical Solutions  
United Technical Solutions Energy  
NL  
NL, BE  
NL, BE  
NL, DE, UK

 **united restart services**

United Restart Kans Jobcoaching  
United Restart Loopbaaninterventie  
United Restart Reintegratie  
United Restart Solutions  
NL  
NL  
NL  
NL

 **united college**

Abel Tasman College  
InterCollege  
Luzac College  
NA  
NL  
NL, BE

 **united communications**

Call-IT  
Telecom Direct  
NL, BE  
NL

 **united independent services**

United Independent Solutions  
NL

To a significant degree the brand strategy of United Services Group is determined by the scope of the specific markets where the organisation is active. Hence, the sizable temporary employment market is served by international brands including Start, Unique and Secretary Plus, as well as a range of regional temping organisations. Specialist activities like project support, executive search, secondment and consultancy are run from three operating companies that focus on highly trained specialists. These companies are United Technical Solutions for technical specialists, United ICT Solutions for ICT-specialists and United Capacity for non-technical specialists.

# MISSION, STRATEGY & FINANCIAL OBJECTIVES

## Mission

As a supplier of knowledge and capacity United Services Group focuses on quality, growth and profitability. The Group provides all forms of flexible personnel and a wide range of services around human resources, education and training, as well as customer-care services. The one-stop shopping strategy is enabled by providing a wide service offering for both small and medium enterprises and large clients. United Services Group carefully selects markets on the basis of commercial attractiveness and an acceptable level of vulnerability of economic swings while seeking to take dominant positions.

United Services Group is an attractive partner for both clients and personnel; as such the Group treats quality, personal ambition and capacities as starting points for successful service provision and innovation. Shareholder value is created by a combination of corporate culture, entrepreneurship and a clear business strategy leading to attractive financial results.

## Strategy

United Services Group's key strategic points are:

- Upscaling both autonomously and via acquisitions.
- Reinforcing existing positions in countries outside the Benelux region, including Germany, Italy and Spain.
- Further internationalisation within Europe whereby the new organisations will make optimal use of tried and tested formulas, methodologies and front-office systems.
- Further utilisation of potential for new technology, primarily to enhance internal efficiency and matching ability, as well as for improving service provision.
- Autonomous growth enabled, among other things, by cross selling and offering a wide service package.
- Development of innovative products and processes.

## Financial objectives

During the next several years United Services Group will seek increased turnover with an acceptable level of return. On one hand this growth must be realised autonomously and on the other by acquisitions, with a further geographic spread in Europe. The Group will aim for annual growth of earnings per share over a period of years.

## KEY FIGURES

All amounts in thousands of euros unless stated otherwise

	2003	2002
Net turnover	1,297,800	1,104,527
Operating result	39,514	59,435
Depreciation charges on intangible fixed assets	11,763	9,170
Depreciation charges on tangible fixed assets	22,182	21,111
Operational cash flow	74,580	49,112
Net profit	14,709	24,828
Dividend	9,074	11,342
Shareholders' equity	194,468	191,563
Investments in tangible fixed assets	16,718	22,082
Investments in intangible fixed assets	41,791	14,299
Stock exchange value at year end	411,739	241,815
Number of issued shares	22,685,352	22,684,302
Average numbers employed		
- on permanent contracts	5,134	4,247
- temporary and project personnel	36,010	29,722
Number of branches	725	816

2003

2002

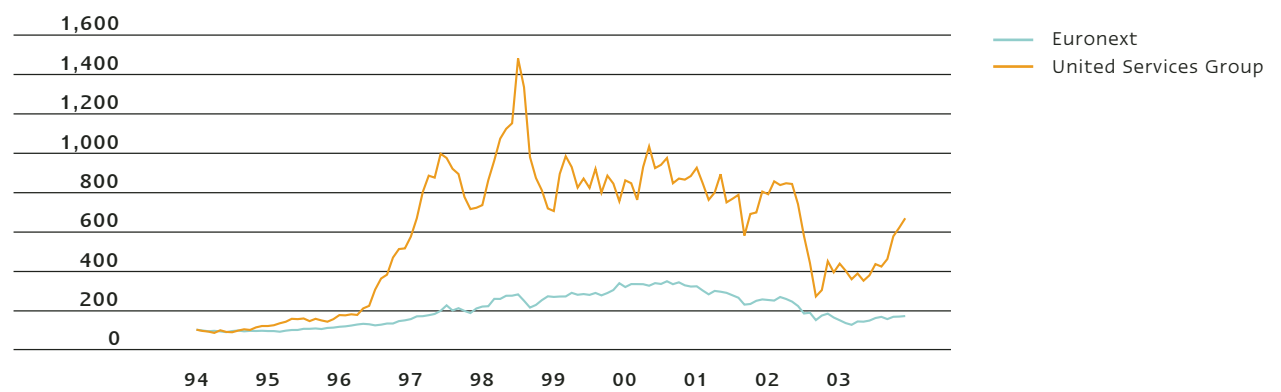
## Ratios as percentage

Operating result/net turnover	3.04%	5.38%
Net profit/net turnover	1.13%	2.25%
Profit distributed/ net profit	61.69%	45.68%
Shareholders' equity/total equity	30.45%	30.46%

## Per share in euros

Net profit	0.65	1.14
Operational cash flow	3.29	2.25
Dividend	0.40	0.50
Shareholders' equity	8.57	8.77
Price at year end	18.15	10.66
Highest price	18.17	25.10
Lowest price	8.90	6.90

Price index development United Services Group N.V. versus index Euronext (1994=100)



# INFORMATION ON THE SHARE & KEY DATES

## From the Articles of Association:

1. United Services Group N.V. is a statutory two-tier company under Dutch law.
2. Any decision to amend the Articles of Association of the company requires a proposal by the Executive Board, which has been duly approved by the Supervisory Board.
3. Any proposal to amend the Articles of Association to be made to the General Meeting of Shareholders must be preceded by notification at the time the General Meeting of Shareholders is called, and at the same time a copy of the proposal containing the wording of the said amendment must be deposited at the office of the company and in Amsterdam at the offices of an institution associated with Euronext N.V., to be designated at the time the meeting is called, or be made available for consultation by shareholders and usufructuaries with voting rights, at no charge, at another payment office as per the Listing and Issuing Rules, until the end of the meeting.

## Key dates

6 May 2004	Annual General Meeting of Shareholders and publication of first quarter figures
10 May 2004	Ex-dividend quotation
24 May 2004	Dividend payable
3 September 2004	Publication of half-year figures
18 November 2004	Publication third quarter figures
17 March 2005	Publication annual figures 2004
12 May 2005	Annual General Meeting of Shareholders

## Shares

Ordinary shares of € 1 par value

Listing: Euronext N.V.

Number of shares issued as per 31 December 2003:

22,685,352 (2002: 22,684,302)

## Disclosure of major holdings

The following notifications were received pursuant to the Disclosure of Major Holdings in Listed Companies Act:

Hovu Beheer N.V.	34.2%
Arnhold and S. Bleichroeder Advisers	5.2%

## Shareholdings of members of the Executive Board

Ordinary shares	7,752,799
Options	56,000
■ A.D. Mulder	28,000
■ R. Icke	28,000

**Shareholdings of members of the Supervisory Board** none

## Dividend policy

The objectives of the dividend policy are a dividend payout of approximately 1/3 of net profit. On an annual basis it will be determined whether the dividend can be taken up by option in cash or fully in shares chargeable to the share premium or to other reserves.



# REPORT OF THE SUPERVISORY BOARD

The Supervisory Board of United Services Group takes pleasure in presenting the Company's report for the year 2003. In addition to the Report of the Executive Board this also comprises the annual accounts and an unqualified report by the auditors, PricewaterhouseCoopers Accountants N.V., which appears on page 98.

In accordance with article 25, para 4 of the Articles of Association the Supervisory Board adopted the annual accounts in its meeting dated 18 March 2003 and hereby submits the annual accounts for the approval of the General Meeting of Shareholders, together with a positive recommendation. We propose that you approve the annual accounts and discharge the Executive Board of United Services Group for its policy as implemented and the Supervisory Board for its supervision thereof. The Executive Board proposes a dividend of € 0.40 (2002: € 0.50) per share wholly in cash. The Supervisory Board has approved the proposal for appropriation of profit. This proposal is specified under "supplementary information" on page 99.

The Supervisory Board carefully considered the proposed dividend after establishment of the results for the year. In view of the uncertain macro-economic circumstances that also apply to this financial year, the Supervisory Board reached the conclusion that the proposed dividend was appropriate given United Services Group's prudent, financial policy of maintaining continuity during the year.

The Supervisory Board met formally four times with the Executive Board during the financial year, in addition to regular interim consultations between the chairman of the Supervisory Board, the Chief Executive Officer and the other representatives of the Group Executive Committee of United Services Group.

A large number of issues were dealt with during these meetings. The integration of Start within the company was discussed on a number of occasions, as was strategy to be followed.

The Supervisory Board takes the view that to date the merging of the two companies has amply realised the envisaged synergetic benefits and that the preferred integration policy aimed at preserving the cultural diversity under a common denominator of social values, has led to a positive outcome. Discussions also covered possible sub-

sequent steps in the internationalisation process and the board examined the issue of when the organisation would be able to handle the next major acquisition. The Supervisory Board also determined that the preferred strategy with aims including upscaling and internationalisation proved its value in the past financial year. Increased economic stability and the fact that formulas developed in a mature home market have been deployed elsewhere, offer United Services Group sufficient growth potential to safeguard continuity in the time ahead. In this regard the Supervisory Board points out that experiences in 2003 have demonstrated the correctness of the decision to alter the structure of governance. The manageability of the organisation and the ability to respond to market developments at home and abroad have definitely increased.

Another topic for consideration was the quality and transparency of corporate governance in the light of the stipulations of the Tabaksblat Code. The Supervisory Board underwrites the vast majority of the recommendations proposed in the code and the Supervisory Board has therefore advised that the necessary steps on these points should be followed in order to meet stipulations. For some points the Supervisory Board and Executive Board of United Services Group will further consider whether to exercise the privilege of using a well-founded argument to diverge from the code. Hence, among other things, the registration and control of mandatory reporting of the private investments of executive and supervisory directors might well be delegated to an external party. Consideration is being given to making a qualified exception to the maximum one year termination payment for existing Executive Directors. In the light of the dynamic of the current macro- and business-economic developments the Supervisory Board takes the view that the latter recommendation represents an undesirable limitation of the legal and security position of existing Executive Directors of United Services Group; the Group Executive Committee has informed the Tabaksblat Commission accordingly.

The Supervisory Board has agreed with the Executive Board's intention to purchase a previously agreed number of own shares. Contacts between the Supervisory Board and the Group Executive Committee were, without exception, most agreeable. The Supervisory Board complimented the Group Executive Committee for the manner in which the provision of information took place, for the

manner of response to market changes and for the flexible approach to amending or adjusting strategic principles.

In the absence of the Executive Board the Supervisory Board met, among other things, to consider its own emoluments, and the composition of the Group Executive Committee. One meeting was held in the presence of the company's auditor, and one formal consultation was held with the Central Works Council of United Services Group. On that occasion the Supervisory Board expressed its agreement with the implemented centralisation of consultative structures.

Due to the acquisition of Start and the partly resulting size and composition of the Supervisory Board, and discussions around the Corporate Governance Code in regard to the functioning of the Supervisory Board, the Board again considered its desirable profile.

On one side the starting points were that the Board can properly exercise its supervision of Executive Board policy, and on the other that the Board has adequate experience and expertise to meaningfully advise the Executive Board. Taking account of the size of United Services Group and the desired profile of the Supervisory Board, the Board believes that four, or a maximum of five members would be sufficient.

The period in office of Prof. C.N.A. Molenaar, member of the Supervisory Board, ends in 2004. In view of the Board's wish to reduce the number of members, the proposed ending of Prof. C.N.A. Molenaar's period in office will be raised at the Annual General Meeting of Shareholders on 6 May 2004. The Central Works Council will also be informed of this decision.

The Supervisory Board expresses a special word of thanks to Prof. Molenaar for the way he has fulfilled his membership of the Board over the past four years. The Supervisory Board also thanks the Executive Board and the Group Executive Committee, and in particular the personnel of United Services Group. In a troublesome market climate they have worked together to meaningfully realise an impressive performance, the results of which are presented to you in this report.

**Almere, 18 March 2004**

### **Supervisory Board**

C.J. Brakel (chairman)  
Prof. M.H. Battaille de Stappens de Nieuwenhove  
J.H. van Heijningen Nanninga  
M.E. van Lier Lels  
Prof. C.N.A. Molenaar  
Prof. B. de Vries

## Joanne Spruyt, Branch manager Secretary Plus

'Secretary Plus is an open organisation, pleasant and accessible. Working with passion, fun and energy – that's our motto. Our team is really wired – management keeps us that way. And we are always positive, even when the market is contrary, like last year.'

## REPORT OF THE EXECUTIVE BOARD

From every angle 2003 can be characterised as a year of transition for United Services Group. Worldwide economic recovery lagged longer than hoped so that the previously started downturn in the Dutch market for flexible employment continued. While the second half of the year brought cautious signs of market recovery in a few countries, these proved insufficient to redirect the negative trend in turnover and profit development.

The continued disappointing developments in the Dutch market were significantly responsible for the 11.3% decline in the turnover of United Services Group last year. However, there was also positive news. A further decline in turnover was prevented by the slight net increase in turnover for the non-Dutch operations. Moreover, Spain and Belgium in particular realised a higher operating result.

While this again evidences the importance of ongoing internationalisation, the move to upscaling with the acquisition of Start Holding in 2002 also proved to be a strategic benefit. Not only will the early-cyclical nature of this part of the activities benefit United Services Group earlier, at the first signs of market recovery, but cost levels at the new combination were reduced thanks to synergistic benefits realised.

A gross margin of 29.5% (2002: 30.6%), or € 383 million (2002: € 447 million\*) was realised on turnover of € 1,298 million (2002: € 1,463 million\*). In percentage of turnover this means a margin decline of 1.1%. Against the background of increasing margin pressure on United Services Group's various markets, this is an excellent performance.

The operating result (including amortisation of goodwill) for 2003 stood at € 39.5 million (2002: € 51.8 million\*), or 3% of turnover (2002: 3.5%\*). Net profit stood at € 14.7 million (2002: € 24.8 million). Earnings per share totalled € 0.65 (2002: € 1.14).

\* To enable a comparison of operational performance on an annual basis, the results for 2002 have been extrapolated for a situation where Start Holding would have been consolidated for the whole year. In 2002 the financial results of Start were included from the time of acquisition, for the last seven months.



## KEY DEVELOPMENTS

### Expansion of the portfolio

With acquisition of the remaining 49% of shares effective 4 March 2003 United Services Group became the 100% owner of Start Holding. As agreed the still outstanding call option was exercised on that date. The acquisition price totalled € 100 million and was financed by a subordinated loan for this amount.

With this transaction United Services Group has reinforced its strategic position on several points. The fact that United Services Group plus Start can offer a one-stop-shopping model also proved a clear competitive advantage in a downward market. Not only can United Services Group offer a high quality service formula in the area of specialist temping and secondment work, but clients can also call at the same counter for general temping.

The early-cyclical nature of Start's activities that have been positioned with United Temping Services represents an additional advantage. Precisely, within a cautiously recovering market situation, demand for relatively lower skilled work increases more strongly than for higher skilled specialists. With economic recovery, the balance thus achieved will initially lead to an increase in turnover growth in the Netherlands in particular, at Start companies, followed somewhat later, notably at specialist operations like Unique, Secretary Plus and United Technical Solutions.

Start marks the next step on the way to desired growth in scale and internationalisation. It will now be possible to realise a wide spread for the research and development costs for the desired innovation in operating processes and service offering. Moreover, internationalisation has

received a strong boost with the input of a largely complementary international network. In addition to countries where United Services Group already had a presence, the strongly growing market position in Belgium and Germany's potential growth market, after the restructuring of Start, which was completed last year, there is also the – from every angle – robust presence of our second home market in Spain, and attractive bridgeheads for the potential growth markets of Italy and Portugal. Given that, with the exception of Italy, these economies abroad are recovering more rapidly than the Dutch home market, this spread will ensure stability of results.

A gradual expansion of the international network is high on the agenda for the next several years, starting with Germany, Spain and Italy. We are also investigating the possibility of operations in France and the United Kingdom.

The 'Start formula' will be very much taken to heart in seeking a potential acquisition partner. The greatest chance of success in less developed markets is with the acquisition of a local volume operator. The distribution channel is the best way for rolling out formulas, methodologies and marketeering approaches developed elsewhere in the group.

With an internationalisation strategy along these lines the Executive Board of United Services Group seeks to reduce relative dependence on the Dutch market.

### Making synergetic benefits work

In 2003 the successful merging of the back-offices of Start and United Services Group in addition to further organisational adjustments realised cost reductions totalling € 54

Sabijn Vissers, Key Account manager Start Nederland.  
'Start is a dynamic, innovative organisation, with an open culture and a quarter-century track record. On top of that I don't know any other company, which has made the switch from foundation to listed company so fast and so successfully.'

million. This reduction in operating costs largely enabled compensation for the negative effects on the results (compared year on year) due to lower turnover and pressure on margins.

A substantial amount was contributed by the clustering of Starts' facility operation at a new head office in Gouda. Having the existing six branches absorbed in a single building not only drastically reduced the number of square metres of office space required but also improved internal communications and streamlined support processes. Indeed, for the next several years the objective will be to realise savings by means including centralisation of automation and purchasing as well as enhanced efficiency at support for the operating companies.

During the past year natural turnover and cutting the duplication of functions realised a strong reduction in jobs. The cultural integration of both families under the USG flag progresses apace. Cross-cooperation is taking form in a number of areas and a mutual learning process is clearly underway. Introduction of marketeering techniques developed at United Services Group has demonstrably enhanced the commercial 'muscle' of Start personnel. Hence, registered client visits have increased four-fold to an average of 5,500 per week.

### **New CAO**

There was also important news to report on industry negotiations on collective labour agreements (CAO). This was preceded by negotiations for a new CAO for temp personnel, in the context of the ABU (Dutch Association of Temporary Employment Companies). The most important aspect here is the possibility for a temp worker to be deployed for 78 weeks on the basis of a temping contract including a temping proviso. This means that the period of temporary employment ends as soon as the client wishes to terminate the temping agreement. This nullifies a contested effect of the much-criticised Flexibility and Security Act (Flexi-Act).

In-house an agreement was reached with Start personnel for a new CAO. This was necessary to realise a uniform basis for policy on conditions of employment within United Services Group. Furthermore, after meaningful discussions, agreements were reached transforming the current pension scheme from final-pay to an average pay scheme

for employees who have already accrued pension rights. Newcomers, like other USG personnel, fall in a defined contribution scheme.

From a financial-economic perspective this move is important in several ways. It ensures that even in the near future, if the 'greying' of the population increases apace, it will still be possible to meet pension obligations. Moreover, this has the effect of limiting greater volatility of results as per IFRS accounting principles that are mandatory for listed companies as of 1 January 2005. Under regulations that come into force on that date pension obligations should be valued at current value and any differences with balance sheet value must be charged to profit.

### **Uniform automation system**

The year 2003 saw another barrier crossed on the way to optimal collaboration between Start and the rest of United Services Group in the Netherlands. As is the case with many acquisition and merger partners there was a mismatch between automation systems. To this end a uniform system, FMS, was selected. FMS offers more functionalities than the systems used so far. It uses prevalent internet standards and as a standard application is simple to expand with supplementary customisation. This will represent significant savings on operation, control and maintenance costs.

### **Divestments and reorganisations**

In mid-2003 it was decided that rather than continuing as an independent operation Short Track would be integrated into Unique Uitzendburo. For some time turnover development and results at Short Track had been under pressure and this required far-reaching change. The combination of the financial position, the difficult market and the strategy of United Services Group led to a decision in favour of integration.

At the end of last year it was also decided to divest Fa-med. This provider of administrative services to the medical professionals was quite profitable with turnover of € 15 million, but no longer slotted in with the core activities of United Services Group. Fa-med's supporting activities for the United Services Group dedicated ZZP concept (independents without personnel), for which it was originally acquired, have been integrated into the back-office of United Services Group.

## ACTIVITIES IN THE NETHERLANDS AND OTHER USG COUNTRIES

### Netherlands

The year 2003 also saw the Dutch flexi-market in the grip of recession. While the Dutch economy shrank by 0.8%, demand for flexible employment declined for the fourth year in succession. According to a report by the temporary employment industry body, ABU, 2003 saw a 10.1% decline in the temping and secondment market. This means that the once record level of penetration for temp employment has dropped by nearly 1.5% in the space of a few years to the present level of 3.1%. Even so, that still represents a temping volume of € 5.8 billion, so that, for the time being, the Netherlands is still Europe's largest and most profitable flexi-market.

This development also put pressure on the results of the Dutch activities of United Services Group. The good news was that the effect of substantial cost reductions enabled increased price and margin pressure across the board to be largely withstood and hence that the operating result of United Service Group's Dutch activities, whereby the operating result before amortisation of goodwill showed a relatively limited decline year-on-year, jointly contributing € 905 million to group turnover. Hence, the Dutch operation still contributed 70% of turnover.

With the gradual recovery of world trade and rising Dutch consumer and producer confidence, a delicate market recovery appears to be underway. The implementation of a new CAO (collective labour agreement) for temp employees as of 1 April 2004 could also have a positive effect. This CAO will mean far greater flexibility when compared to the provisions of the previous legislation (Flexibility and Security Act). Demand in the industrial and technical segments stabilised in the second half of 2003, and the general expectation is that the early-cyclical part of the temp market will show cautious recovery. For the meantime the specialist segment with its higher added value is lagging somewhat due to the economic law whereby late cyclical activities only pick up with more sustainable recovery.

#### United Office Services

**Brand names:** Unique, Ad Rem, Secretary Plus and United Capacity

**Turnover contribution:** € 208.6 million  
(2002: € 232.7 million)

**Operating result before amortisation of goodwill:** 9.2%  
(2002: 14.5%)

Turnover at this division declined by just over 10% so that United Office Services outperformed the market average in the office segment (-14%). Short Track Uitzendbureau had a notable downward influence on turnover and also appeared no longer able to sustainably cope with strong competition. Hence, at the end of 2003 it was decided to integrate Short Track into Unique. This integration has since been realised

whereby the 22 Short Track branches have been closed and the personnel now operate from Unique branches.

The increasing margin pressure due to discounting sent margins down by several per cent at most labels. The lower operating result is due to a combination of these factors, i.e. turnover and margin decline. Cost savings at this division totalled several million euros and are by definition limited by the fact that cost savings at smaller labels means the close-down of branches. This is only rational if there is an expectation of a required structural reduction of capacity, which is not the case in the view of United Services Group. For this division in particular 2004 will be another difficult year.

#### United Temping Services

**Brand names:** Start, Medi Interim, Proflex, TopStart and United Restart

**Turnover contribution:** € 560.4 million  
(whole of 2002: € 679.1 million)

**Operating result before amortisation of goodwill:** 2.7%  
(whole of 2002: 4.0%)

Turnover development at this division declined by 17.5% and lagged behind the market average. The Medi Interim subsidiary in particular saw a strong decline in demand for its mediation. Causes for this net poor performance include the fact that the reorganisation of the branch network was in full swing in mid-2003. Moreover, the impact of tightened-up marketeering, now in place across the line, was not yet fully visible.

In the meantime the reorganisation has been completed and the branches are at full strength. The increased commercial activities have since led to expansion of the client list and an increase in demand.

The back-office organisations of Start and United Services Group were merged in 2003. The envisaged cost synergy of € 10 million was amply realised. Despite the reduced turnover, thanks to the cost savings at Start, the operating result before amortisation of goodwill remained at an acceptable level.

#### United Technical Services

**Brand names:** United Technical Solutions, United ICT Solutions, United Technical Solutions Energy and Technicum

**Turnover contribution:** € 94.7 million  
(2002: € 118.8 million)

**Operating result before amortisation of goodwill:** 3.9%  
(2002: 2.1%)

In 2003 the technical division showed an improvement on 2002. Despite a further decline in turnover in 2003, United Technical Solutions posted an improved gross margin. Stringent controls on the underutilisation of technical specialists strongly reduced indirect hours whereby gross profit improved. In 2003 Technicum was the only label in this division to post a loss, totalling just over € 1.3 million. During

2003 the costs of this division were further reduced by several million euros. During the second half of 2003 and early 2004, the technical sector showed a slight increase in demand.

### **United College**

**Brand names:** Luzac College, InterCollege and Abel Tasman College

**Turnover contribution:** € 14.3 million

(2002: € 13.5 million)

**Operating result before amortisation of goodwill:** 14.0% (2002: 16.7%)

Luzac College was mainly responsible for the almost 6% turnover growth. The demand for high quality, accelerated secondary education is growing again with stabilisation of the major shifts in this area. In particular the effect of so-called 'transitional classes' seem to be diminishing. In response to these developments, two new branches will be opened in 2004.

During 2003 InterCollege (three-year HBO/college-equivalent professional education) still posted a loss but is expected to achieve break-even in mid-2004. The number of branches will be expanded in the course of 2004, partly with an eye to better enable through-flow of Luzac students to HBO courses at InterCollege.

### **United Communications**

**Brand names:** Telecom Direct and Call-IT

**Turnover contribution:** € 17.3 million

(2002: € 15.9 million)

**Operating result before amortisation of goodwill:** 0.3% (2002: 4.2%)

Call-IT was responsible for all of the turnover and result loss at this division. Whereas Telecom Direct's turnover grew further as did its operating result, Call-IT underwent the effects of a previous loss of a number of assignments. This required a reorganisation and the incurring of extraordinary reorganisation charges. Hence, in 2003, Call-IT incurred a loss of just over € 2 million. The result in 2004 is expected to improve strongly.

### **United Independent Services**

**Brand names:** Fa-med and United Independent Solutions

**Turnover contribution:** € 15.3 million

(2002: € 12.7 million)

**Operating result before amortisation of goodwill:** 33.5% (2002: 15.7%)

Fa-med's turnover rose by 20% in 2003 whereby the operating result kept pace. Despite these favourable developments at Fa-med it was decided to sell the company as the activities mesh less well with United Services Group's core competence strategy, which is aimed at a broad range of specialised employment market services in Europe. Fa-med's support services for USG's individual operators without personnel concept (ZZP), for which it was originally acquired, has since been fully integrated into the back-office at United Services Group.

## **Spain**

During 2003 United Services Group's second home market showed a light, 2% growth. Even better news came as signs of stabilisation in price level, which in due course will have a positive effect on gross margins. Added to the growth of demand in Spain for more specialised flexi-workers (who also offer greater added value) it is fair to expect a positive turnover and profit development for the years ahead. This is all the more so as the penetration level of the Spanish flexible employment market is still relatively low at 0.8%.

As one of Spain's top five providers of flexible personnel United Services Group expects to benefit from this position amply, in the near future.

### **United Office Services**

**Brand names:** Unique and SYS

**Turnover contribution:** € 42.5 million

(2002: € 41.3 million)

**Operating result before amortisation of goodwill:** 0.2% (2002: 2.5%)

Given that the Ecatemp and Tempíber labels operated under the name Unique the first time in 2003, their increase in turnover is a remarkable achievement. The gross margin was also increased in line with objectives. The initially anticipated problems with assimilation did not materialise in practice although there was a slight decelerating effect on Unique's result in Spain. As the synergetic benefits will only fully materialise in 2004 the competitive position of the merger-product made a clear improvement on a Spanish market that is in cautious recovery.

In 2003 outsourcing activities under the SYS label showed strong turnover growth and also a higher contribution to profit. At the end of 2003 comparable activities at People (under the brand name Start Consultores) were consolidated into SYS. Thanks to this clustered marketeering SYS foresees the possibility of further result improvement in 2004.

### **United Temping Services**

**Brand name:** People

**Turnover contribution:** € 148.6 million

(whole of 2002: € 157.6 million)

**Operating result before amortisation of goodwill:** 0.4% (whole of 2002: -1.2%)

As expected, in 2003 turnover declined by just over 5%. An important aim for 2003 had been to qualitatively improve the customer base and so increase company returns. As a deliberate move, low-profit customers with a high-risk profile were taken off the list. This improved the gross margin by 0.4%.

A large number of decentral procedures were centralised in the course of 2003 and this substantially improved control.

Thanks to central collection the number of days outstanding per invoice dropped from 115 to 85. For the first time in many years People was able to finance its activities under its own steam.

The centralisation of the three back-offices was completed in 2003 and this had a positive influence on the indirect costs of the company. This helped towards a positive operating result before amortisation of goodwill.

What applies to Unique also applies to People, namely that in 2004 the company is ready for growth and for improved results.

## Belgium

In 2003 the volume of the temping market stood at around €2.6 billion. On 2002 this represented both a stabilisation and a turnaround compared with previous years marked by downward turnover.

Almost 75% of the market is realised in Flanders (Flemish speaking Belgium) and Brussels. The industrial segment amounts to some 63% and the administrative segment to 37%. The level of penetration is 1.9% and low compared with the United Kingdom, the Netherlands and France. Overall the temporary employment market continued uncertain in 2003, but shows a net positive trend.

The Belgian market is early-cyclical compared with the Netherlands. Improvements in the Belgian market after recession only manifest themselves ten to twelve months later in the Netherlands.

## United Office Services

**Brand names: Unique, United Capacity and Secretary Plus**

**Turnover contribution: € 137.6 million  
(2002: € 130.2 million)**

**Operating result before amortisation of goodwill: 6.8%  
(2002: 5.5%)**

Both Unique Interim and Secretary Plus showed healthy growth in turnover and operating result before amortisation of goodwill. This was partly thanks to stringent cost controls and the positive results of the innovation of marketeering systems and existing labels. Hence, the Avenue Louise label (mediation for multi-lingual secretaries) was successfully integrated into the Secretary Plus-organisation.

Work at Unique also progressed apace on development of new formulas and further honing of commercial activities. The Medicum and Public specialisations will be launched on the Belgian market in mid-2004. Both brands will also open two new branches.

## United Technical Services

**Brand names: United Technical Solutions and United ICT Solutions**

**Turnover contribution: € 9.5 million  
(2002: € 11.5 million)**

**Operating result before amortisation of goodwill: -0.7%  
(2002: -4.3%)**

As a specialist provider on an overwhelmingly early-cyclical market, these operating companies had a difficult time in 2003. However, there were also positive developments, despite the market climate. United Technical Solutions succeeded in maintaining the existing level of turnover and posted a slightly positive result. The fact that the final result was in the red was due to the ICT label which had to relinquish a substantial part of its turnover. Hence, United ICT Solutions remained in loss but is expected to reach break-even in mid-2004.

## Germany

With a 0.9% level of penetration Germany is still a young and in principle promising market. Of the present volume of € 5.9 billion 60% is realised via mediation for lower-educated technical and industrial personnel.

In common with other European economies Germany suffers from continuing recession. Thanks to recovery, particularly in capital goods exports, it is cautiously making its way out of the trough. The development of the flexi-market reflects this movement. During the current financial year a positive effect is expected in Germany due to the introduction of the first collective labour agreement (CAO) for flexi-workers. This is expected to decrease pricing competition.

### **United Office Services**

**Brand names: Unique Personal and Secretary Plus**

**Turnover contribution: € 22.7 million**

**(2002: € 24.0 million)**

**Operating result before amortisation of goodwill: -4.9%**

**(2002: -11.0%)**

In contrast with the decline in turnover at Unique Personal, Secretary Plus posted strong turnover growth.

Result improvement in Germany related to better prices and better management of the underutilisation, as well as lower indirect costs.

Unique Personal was in profit as from the summer months and hence a net profit situation was expected in the second half of 2003. A substantial loss was incurred in December due to public holidays for temp personnel with an extremely low level of activity.

Even so, expectations are good partly thanks to the new collective labour agreement in Germany, effective 1 January 2004. Secretary Plus will further expand its network during the course of 2004.

## Italy

In 2003 the Italian temporary employment market was worth some €3.3 billion. Growth in the temporary employment market has been declining in recent years from 42% in 2001 (YOY), to 23% in 2002, with expected growth of 12% in 2003. The relatively low gross margin in Italy is typical of a young temporary employment market.

### **United Temping Services**

**Brand name: Start**

**Turnover contribution: € 26.8 million**

**(whole of 2002: € 18.0 million)**

**Operating result before amortisation of goodwill: -9.8%**

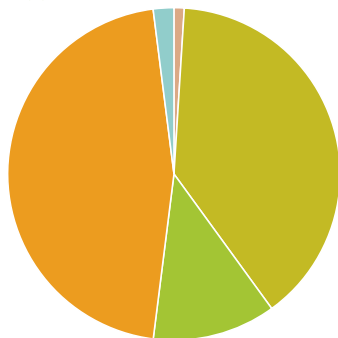
**(whole of 2002: -39.2%)**

In 2003 turnover grew by 48%, which is certainly good in market terms. To realise break-even level turnover needs to exceed € 40 million. The number of branches has been reduced to 35. This present network capacity is ample to realise good profitability. At the end of 2003 management was further reinforced, commercially and financially, with personnel from Unique Belgium.

The company realises a relatively high gross profit margin. Turnover growth and cost rationalisation have reduced the loss on an annual basis from € 7.1 million to € 2.6 million. Break-even is expected to be reached during 2005.

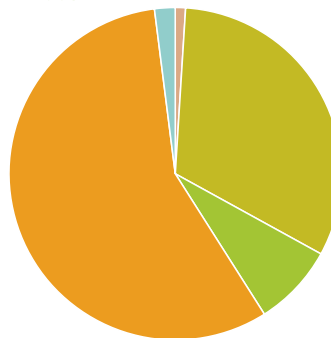
### Turnover segments per activity

2002



- United Communications, 1%
- United Office Services, 39%
- United Technical Services, 12%
- United Temping Services, 46%
- Other activities, 2%

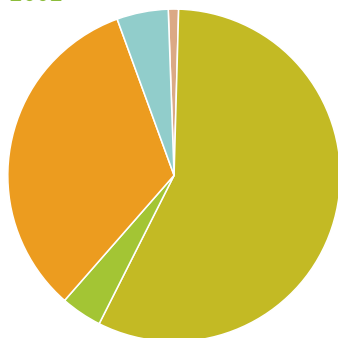
2003



- United Communications, 1%
- United Office Services, 32%
- United Technical Services, 8%
- United Temping Services, 57%
- Other activities, 2%

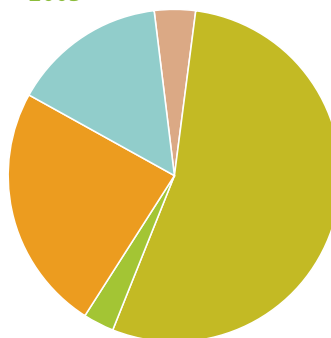
### Contribution operating result before amortisation of goodwill per activity

2002



- United Communications, 1%
- United Office Services, 57%
- United Technical Services, 4%
- United Temping Services, 33%
- Other activities, 5%

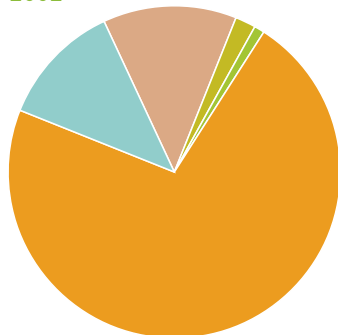
2003



- United Communications, 4%
- United Office Services, 54%
- United Technical Services, 3%
- United Temping Services, 24%
- Other activities, 15%

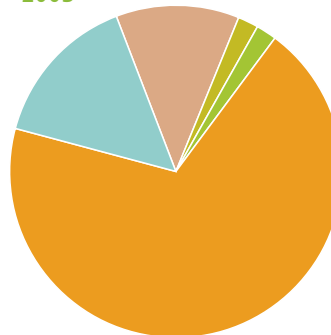
### Geographic spread net turnover

2002



- Belgium, 13%
- Germany, 2%
- Italy, 1%
- Netherlands, 72%
- Spain/Portugal, 12%

2003



- Belgium, 12%
- Germany, 2%
- Italy, 2%
- Netherlands, 69%
- Spain/Portugal, 15%

## RISK PARAGRAPH

### Markets and operational risks

United Services Group operates in six countries in the flexible employment market. Income is earned as hourly rates and as fees for recruitment and selection. The demand for the services of United Services Group is influenced by macro-economic conditions in the various countries, as well as by legislation and social acceptance of "temping" in general.

In evaluating risks one must first differentiate between the various countries where United Services Group is active. The Netherlands is by far the most developed country for temporary employment and makes the largest contribution to profit. Hence, this is the country where the portfolio is most widely spread and most sophisticated. Belgium ranks second in terms of development, whereas the other USG countries are still at an earlier stage of evolution in terms of temporary employment. In these countries temporary employment does not generally enjoy a high level of acceptance and "temping" develops from a focus on the industrial segment. With further growth in these countries, both in terms of penetration and social acceptance, there will also be an increase in demand for specialist services.

The Dutch portfolio and to a certain extent the Belgian, contain specialist temping and secondment services and general temping activities. The specialist services are supported from the smaller labels, and the general temping services from the large labels.

The specialist activities are concentrated at the United Office Services and United Technical Services divisions. Brands include Unique, Secretary Plus, United Technical Solutions and Ad Rem. In general the specialist activities are late cyclical in an economic downturn. Put another way, with these activities the effects on demand impact later. The other side of the coin is that with an economic upturn recovery at this division also takes place later.

General temping activities are run from the Start and People labels. These activities are early-cyclical. Generally this mix cushions the impact of economic ups and downs in turnover development. However, decline in the Dutch temping market has already been underway for four years whereby the late cyclical part of our activities is also subject to the economic downturn.

The Netherlands and Belgium have a greater impact on our activities than other USG countries. This is because the two countries are responsible for a significant, 81%, part of our activities. Furthermore, gross margins in non-Benelux countries are significantly lower whereby a decline in turnover there only has a limited effect on the operating result.

Support from the smaller labels for the specialist activities is necessary from the angle of communication to clients' target groups and the specialists for whom we mediate. This does mean a smaller-scale network organisation and that, in the event of an economic downturn, there is only limited scope to adjust indirect costs. Indeed, generally, the only way to lower indirect costs in the front-office is by reducing commercial personnel and/or closing branches.

### Financial risks

Every week United Services Group processes around 45,000 salary payments. This imposes high demands on internal controls around correct application of local fiscal and social security regulations, and on the comprehensiveness and correctness of the hours billed and paid.

To a large extent our internal control systems are designed to control these risks.

Regular checks are made to update the risk analysis on this aspect, and – as an extension – also the internal control systems.

The collection risk on accounts receivable is also significant here. Accounts receivable positions in all countries, with the exception of Italy, are now insured for collection risks. As almost all of the activities of United Services Group are in the euro-zone, no currency risks are incurred. United Services Group does incur a very limited interest risk regarding the medium term loan, which is partially hedged.

### Internal control systems

United Services Group seeks the highest possible level of security for financial reporting and operational controls on the various operating companies. An extensive system of internal checks has been developed to this end.

#### **Management structure**

Effective 1 January 2003 it was decided to implement a new management structure namely the Group Executive Committee. This structure ensures better control of complex decision making and operational processes. The many years combined experience among the members, covering a wide area, makes it possible to identify threats and opportunities at an early stage and to solve them or capitalise on them.

#### **Back-office activities**

This involves activities that are largely administrative, relating to salaries, invoicing, accounts, reporting and automation. These activities have been centralised in all countries that are important to United Services Group. This enables optimal use of benefits of scale within the internal organisation. Optimal implementation of separation of functions and internal control measures are also benefits here.

The non-chargeable hours of flexi-personnel are monitored centrally. In stubborn underutilisation situations matching is automated across labels.

#### **Front-office activities**

This means the branches. Activities in the labels are limited to marketing and sales. All temping businesses in United Services Group use the same commercial management information system. This system is used to monitor marketing activities at regional, district and branch levels.

#### **Strategic plans**

Strategic plans are drafted per operating company and converted into operable budgets. There are monthly reports on the financial and commercial results, the findings of which are analysed. The Group Executive Committee checks these reports against the plans, on a monthly basis, in consultation with the responsible general management of the operating companies.

#### **Internal and external audits**

The internal audit department drafts an annual audit plan in the context of safeguarding and monitoring the administrative organisation and internal controls relating to the processes. This is substantively fine-tuned with the external auditor. The internal audit department carries out both financial and operational checks. The internal and external auditors both report their findings in writing to the Executive Board.

#### **We will always remember**

In 2003 United Services Group lost two much-loved fellow directors. José Wijburg (42) died after a long and gallant fight against an incurable illness. In every possible way José stood as a model for the culture of an organisation that was so near to her; optimistic, loyal, hard working and with an eye open for the interests of everyone in her direct working environment. While she still had the strength, as director of Short Track she was exemplary and an inspiration.

An equally heavy blow was the sudden death of Jan Smit (44). Jan joined Polec as it was then (now United Technical Solutions) in the second half of his career and worked in various positions up to managing director of United Technical Solutions Energy. The reactions to his unexpected death showed the great significance Jan had had for the organisation and the people around him in years past. With Jan's passing we lost a dynamic, inventive and most of all dedicated colleague.

José and Jan, you will stay on in the hearts of your colleagues at USG.

## INTERNAL ORGANISATION

### Holding company and head offices

Day-to-day management of the publicly listed holding company United Services Group is the task of the Group Executive Committee. Alongside the two members of the Executive Board, Alex Mulder (CEO and President) and Ron Icke (CFO and Executive Vice President), the members are Hans Coffeng, Yvan Dierckxsens, Leo Houwen and Erwin van Iersel.

The head offices of the Dutch, Belgian, German, Italian, Spanish and Portuguese operations are tasked with enabling operating companies in their country. To this end services are supplied in the areas of human resources, finance, automation, legal affairs, internet, training and education, general and technical services, as well as R&D.

### Human resources management

United Services Group takes the view that its ability to stand out is largely determined by the creativity, effort, involvement and entrepreneurial spirit of its personnel. They are the chief factors determining success. Working from this awareness United Services Group drafts its human resources at group level. This in turn forms an integral part of the overall strategic business policy.

The human resources objective is: 'to create such conditions whereby motivated and qualified personnel stay loyal for long periods'. This is converted into real activities at the various operating companies whereby the "OPCOs" have a large measure of independence. Within an organisation as diverse as United Services Group successful human resources policy demands a differentiated approach.

It is important here to embed the shared package of standards and values as well as the desired work-attitude drawn from these. This aspect in particular was a priority item during the last financial year. Given the increased scale realised after the acquisition of Start and the integration of what were in principle two differing cultures, under a single roof, it was seen as a must to demonstrate to the world within and without, precisely what brings together the people at USG, and what makes the culture in the organisation stand out, and which individual and shared goals are being pursued. Key words here are result-orientation, integrity, drive, humour. With mutual respect and aiming at developments of the person and the organisation. Meanwhile, existing work forms are established

and clear procedures set out for developing in-house talent. On top of this there are a large number of additional procedures and working procedures acting as practical day-to-day guidelines for people at all levels of responsibility, enabling them to steer human resources policy.

An additional benefit of these HR-policy frameworks is a snapshot effect of the key intangible asset. With this in mind USG intends an ongoing update of cultural, mutual and individual aims within the Group's diverse community.

Another key point on the human resources agenda for 2003 was to realise a standard policy of conditions of employment. Start was the only organisation within the ABU (Dutch temp-employment industry body) that operated with its own collective labour agreement (CAO) that diverged in several aspects from the CAO for the rest of the USG organisation. In principle a uniform CAO for current Start personnel was agreed in mid-2003, with provisos on several points. However, the most important aspect here is that the final pay scheme for accruing pension rights was converted into an average pay arrangement. New personnel accrue rights via a defined contribution system, just as other personnel of United Services Group. This type of pension plan is considered to be more in line with the dynamic of the company.

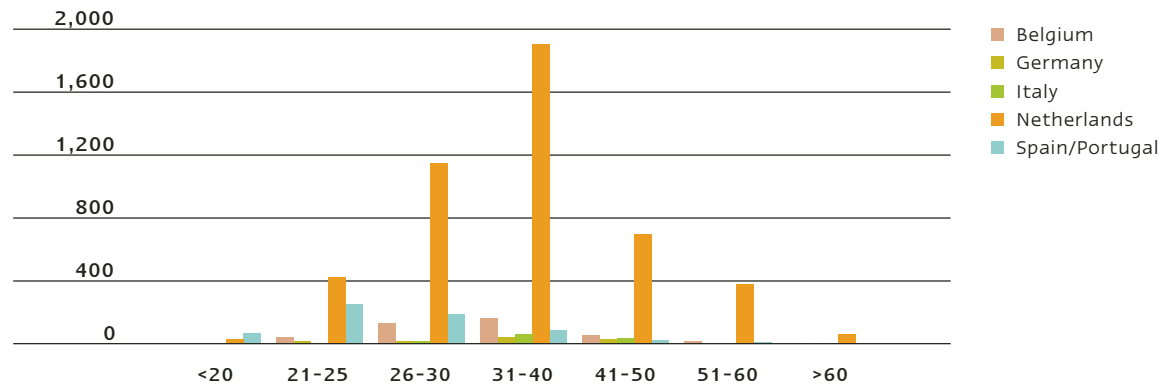
A new CAO was also agreed for direct employees during 2003 and this will come into force effective 1 April 2004. The general view is that agreements made within this framework represent greater pliability than prescribed under the 1999 Flexibility and Security Act.

### Sick leave

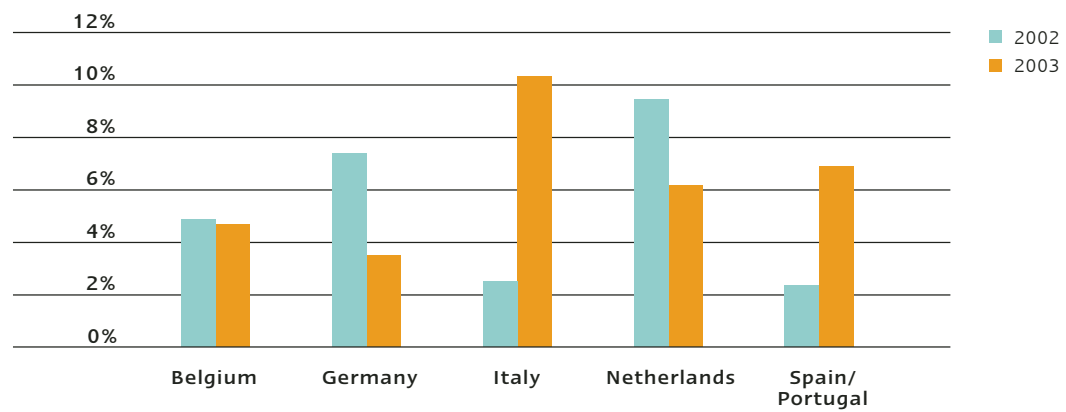
United Services Group believes that conditions of employment are important contributory factors for the level of sick leave. Given this conviction developments around sickness levels give cause for concern, here and there.

The average level of sick leave in 2003 (including maternity leave) stood at 6.32% (2002: 9.5%). It should be borne in mind here that temping organisations employ a large number of women, hence the high level of maternity leave and its impact on overall sickness figures. It is certainly true that 2003 saw a substantial improvement on the previous year, with the average level of sick leave practically in line with the market, however, the average level is considered too high for a company that seeks to offer a healthy working climate.

Age spread per country 2003



Sick leave percentage per country including maternity leave 2002 versus 2003



In 2003, partly under the impact of new and to a degree renewed legislation and regulation, United Services Group set out a more stringent policy on absenteeism. Measures to avoid people reporting sick were given a greater priority. Supervisors keep in close contact with people who are ill or otherwise unable to work. The development of sickness figures is also weighed up when evaluating the performance of branches and operating companies. Moreover, we take the attitude that being sick is not necessarily the same as being unable to work.

A pragmatic approach to these guidelines has already made substantial improvements in registered sick leave. Added to the fact that the integration of Start has progressed faster than expected (thus removing an important cause of rising illness in 2002), it is reasonable to expect a further decline in sick leave in 2004.

### **Investing in training**

In a working scene marked by rapid shifts in market development, technological and social trends and individual preference, knowledge ages fast. Moreover, United Services Group is itself a highly demanding organisation. With this in mind there are ample training opportunities right across the company. Investment here is well above the market average.

A clear policy underlies education and training in our company. Training needs are charted at each of the operating companies and translated into programmes.

Investment in education and training has led to a wide range of courses dedicated to commercial aspects, marketing, management and management development, automation and communication skills. We also provide various courses dedicated to specific fields. One example is the special familiarisation course on the new CAO. The underlying principle for developing these activities is that ongoing education has major strategic values.

### **Personal involvement**

Involvement is a priority at United Services Group and its operating companies. This means involvement at the personal level and with the organisation. Lines are short and the distance between management and personnel is minimised. It is normal to "pop" into someone's office, infor-

mally, and there is a lively exchange of information. People here say the atmosphere is direct, open, informal and people oriented.

The culture of personal involvement also has a significant outgoing function. When employees willingly identify with their company, this also provides commercial potential. They radiate enthusiasm and motivation. They are more likely to come up with plans. They are loyal to the company and they stay longer. The personal atmosphere is reflected in the way that staff interact with clients.

Providing a service can only succeed with above-average knowledge and involvement, a proactive stance, sense of responsibility and "muscle". These concepts all found the basis of the culture of United Services Group and hence of the various types of service.

### **The art of motivation**

Art is an intrinsic element in our image to the outside world and our culture within United Services Group. Art in the offices motivates personnel and creates a pleasant working environment. Studies show that art in the workplace has a positive impact. Personnel and clients of United Services Group and its operating companies appreciate the focus on art. Rather than the usual end-of-year hamper, they receive lithos, art books and other items relating to art. In this United Services Group distinguishes itself in-house and the wider world: Art motivates. In a word, art says "professional".

### **Communication and information**

Communication is vital for an organisation seeking change and growth. Within the company we do everything to keep everyone updated on plans and developments. This covers both our own organisation and issues in the labour and temping markets, such as conditions of employment and legislation and regulation. Hence, we have regular briefing meetings for personnel and informal monthly familiarisation gatherings for new people. These events are thanks to the input and presence of many personnel, including members of the Group Executive Committee.

Information is also available in the various bulletins. United Clippings is the internal newsletter for everyone at

United Services Group, as well as a summary of this report, in local languages. Directors in all countries also receive a monthly info-bulletin.

Operating companies also have their own newsletters, like Unique Update (for temps) and Unique Mensen (for the permanent staff), Insight (for contacts, permanent and seconded personnel) at United Capacity, Start Sein (for permanent and flexi-personnel). Secretary Vision and Plus News (for contacts and employees of Secretary Plus) and the contact magazine U2US by United Technical Solutions.

### **Employee participation**

The consultative structure of United Services Group comprises three Joint Works Councils for temping, technology and general (United Communications, United College, United Independent Services, United Services Netherlands, United Services Group) and a Group Works Council resulting from the three work councils at Start, this was installed as per 14 January 2003. The Group Works Council comprises delegates of the works councils of United Restart and flexi- and permanent employees at Start.

In consultation with the various works councils it was decided – alongside delegates from the Joint Works Council (GemOR) – also to allow representatives of the United Temping Services division to sit on the Central Works Council (COR) of United Services Group.

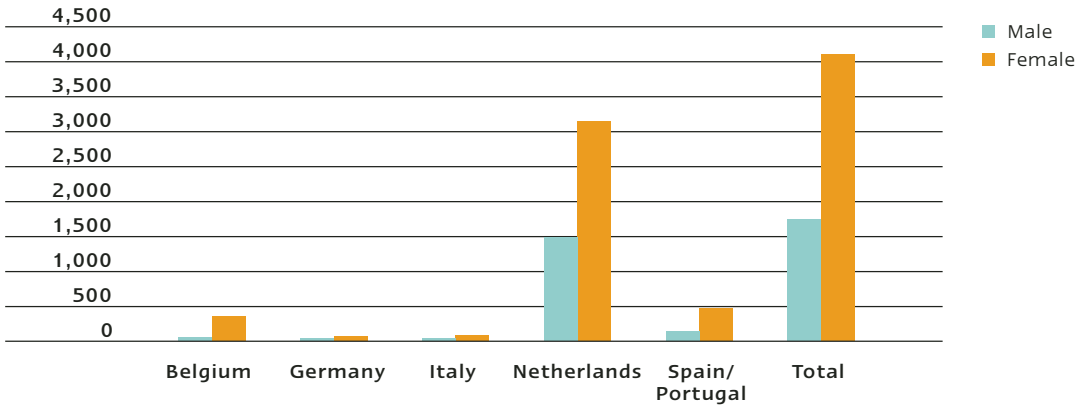
During the year under review the Joint Works Council and the Group Works Council met on several occasions with the relevant members of the Executive Board. Issues dealt with in these meetings included relocation arrangement for Start's staff departments to Almere, departmental reorganisations, the (re)location of Medi Interim and Start Transport & Logistiek, the equipment of United Restart and the integration of the Start back-office with United Services Netherlands. Other matters covered were general employment aspects, the reorganisation of Call-IT, policy on sick leave, and policy on smoking.

The Joint Works Councils publish a regular newsletter to communicate with employees on topics raised.

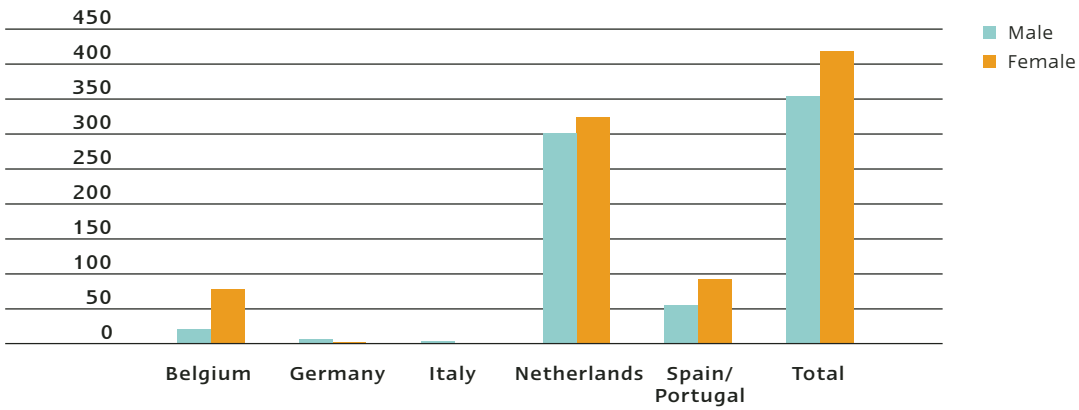
During 2003 the Central Works Council had five formal meetings with members of the Executive Board. Items on the agenda included the financial status of the organisation and the installation of the new Central Works Council with the addition of the Start works councils.

The new members of the Central Works Council also made the acquaintance of the Supervisory Board during the year under review.

Female/male personnel per country 2003



Female/male managers per country 2003



## INVESTOR RELATIONS

Important objectives of investor relations policy at United Services Group are to enhance name awareness and to ensure ongoing attention for the company among financial target groups. Meaningful communication via personal contacts with analysts, institutional and private investors widens insights into the strategy and methodology of United Services Group. An ongoing approach to the financial media is another key aspect of our investor relations policy.

[www.unitedservicesgroup.nl](http://www.unitedservicesgroup.nl), the United Services Group website, shows a large volume of "hits". The site offers up-to-date financial information, new developments and news on group activities and also features information on corporate governance. The year 2003 also saw a number of successful road shows providing information on the latest developments, and our related vision, to institutional investors and analysts.

Enhancing name-awareness of United Service Group will once again be a core policy item in 2004. There will be a focus on the special market position of the group. It was agreed in 2003 that in the future all operating companies would feature a standard mention of their membership of USG, in all printed and other statements. A priority in the current financial year will be to examine how to better communicate the links between the various units and the group – to the market – and how we can boost name awareness both for labels and the group.

## CORPORATE GOVERNANCE

Over the course of the past year it was with considerable interest that United Services Group took note of the various ways in which the concept of corporate governance was given substance around the world. Self evidently this was particularly the case for the Dutch code for corporate governance as drafted by the Tabaksblat Commission and published in draft form in July 2003, then as a definitive version on 9 December 2003. United Services Group has complimented the commission for its work.

United Services Group fully underwrites the underlying principles of the code, i.e. good entrepreneurship (including honest and transparent dealings by the Executive Board), together with supervision thereon (together with taking responsibility for the supervision carried out), but also the higher objective to be served here, i.e. the recovery of the trust of investors and the general public.

However, United Services Group does place a proviso against what we regard as a less positive angle of approach taken by the Tabaksblat Commission in certain areas. United Services Group is less satisfied here, as it believes that the principle of checks and balances should be given shape from a positive viewpoint. This applies all the more in that United Services Group believes that the vast majority of listed Dutch companies are managed correctly and competently, whereby this also applies to the supervision thereon. Moreover, the Group considers that there is a risk of the code becoming lost in an attempt to regulate matters at the level of detail, whereby this can easily play into the hands of over regulation.

The code comes into operation as from the financial year starting on or after 1 January 2004. For the annual report on the year 2003 the Tabaksblat Commission recommends dealing with the code in a separate section and to indicate here which, if any, divergences are expected from the best practice stipulations. The Executive Board and the Supervisory Board attach considerable importance to the fact that United Services Group already complies with the overwhelming majority of the code. However, the following stipulations of the code are still under discussion:

Marie-Christine Heintze, Branch manager Unique Nederland.  
'Unique is entrepreneurial. Results really matter and they lead and encourage you to score. Prizes, a pat on the shoulder, a bunch of flowers at the branch. That really gives a boost.'

- II.1.1  
Maximum four year period of appointment for members of the Executive Board
- II.2.6  
Limitation on private investments of members of the Executive Board
- II.2.7  
Maximum termination payment for members of the Executive Board
- III.7.3  
Limitation on private investments for members of the Supervisory Board
- IV.3.1  
Prior notice of all IR meetings with all shareholders being able to attend these at the same time

Brief notes to these items:

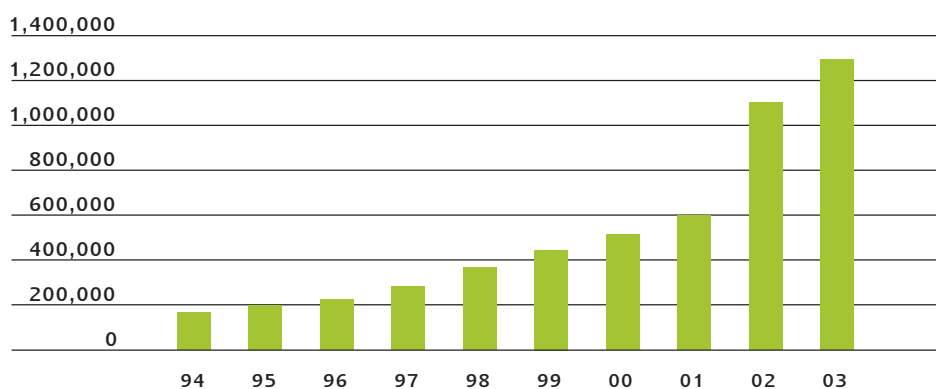
- Ad II.1.1  
In the opinion of United Services Group the continuity factor in particular could clash with this stipulation from the code. Particularly in United Services Group's situation, continuity is safeguarded by the individual members of the Executive Board, the vast majority of whom come from its own ranks, i.e. there is a policy of internal recruitment. It does not make sense here that the people who know the standards, values, ins and outs of the company like no other, can only be appointed for four years. Moreover, the proposed four year appointment entails the risk that the Executive Director will focus more on short term interests, so that a healthy to and from with the Supervisory Board may lapse.
- Ad II.2.6  
In the view of United Services Group this concerns a very hard to implement regulation which could also breach the confidentiality of the parties concerned. The impracticability creates a real risk of "accidents". United Services Group considers that this regulation should only apply within the peer group's own environment. Herewith justice is done to the prevention of the risk of conflicting interests and insider trading while also defusing the 'old boys' network' argument. Moreover, the Group is also investigating the possibility of having registration of private investments entrusted to an outside party.

- Ad II.2.7  
In virtually all cases executive directors at United Services Group are long service employees, which is encouraged in view of the continuity factor (also refer to best practice stipulation II.1.1.). In the view of United Services Group if a departing executive director had to be content with one year's salary, whereas normal employment law would entitle him/her to more, this would clash with the integrity of the company. This particularly applies where an executive director was obliged to leave for no fault of his/her own, due to a change of control situation. However, at the moment consideration is being given to setting a maximum for termination pay.
- Ad III.7.3  
United Services Group hereby refers to the notes to the best practice stipulation II.2.6.
- Ad IV.3.1  
As yet it is neither financially nor organisationally possible for United Services Group to enable all shareholders to attend all IR gatherings at the same time.

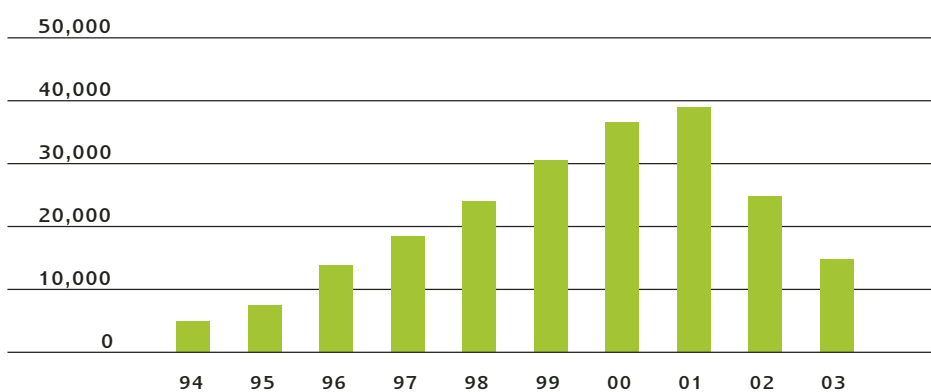
Over the next several months implementation of the code will be substantiated, where necessary.

As from the annual report on financial year 2004 a section will be included every year explaining how corporate governance is being given shape at United Services Group. This will also be included as a separate agenda item for discussion at the Annual General Meeting of Shareholders in 2005.

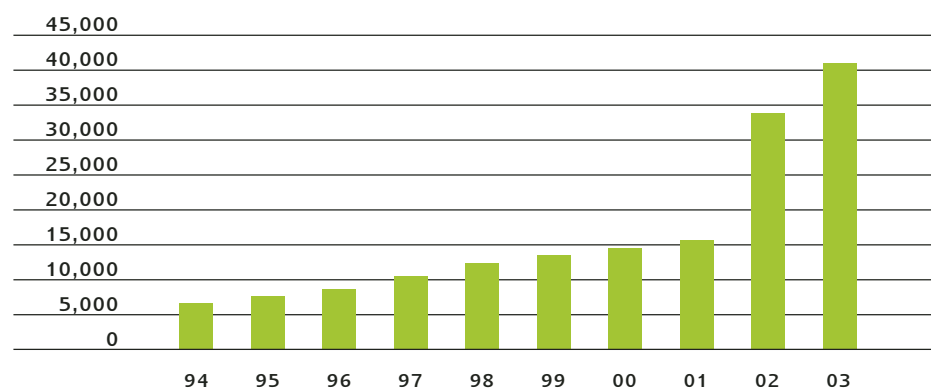
Net Turnover 1994-2003 (in thousands of euros)



Net profit 1994-2003 (in thousands of euros)



Average number of (direct and indirect) personnel 1994-2003



## FINANCIAL DEVELOPMENTS

### Operational comparison

Financial year 2003 marks the first time that the financial effects of the acquisition of Start Holding B.V. have been fully incorporated. The acquisition of the 51% interest took place on 23 May 2002. The comparative figure for 2002 in the profit and loss account of the annual accounts shows a profit and loss account for the year 2002 in which Start is incorporated for seven months.

The remaining 49% interest in Start was acquired on 4 March 2003 by the exercise of the call option. As in preliminary reports, in order to provide a meaningful analysis of the operations, the comparison below shows Start for twelve months in 2002.

Amounts in millions of euros	Pro forma		
	2003	2002	Changes
Turnover	1,298	1,463	-11.3%
Gross margin	383	447	-14.3%
Gross margin as %	29.5%	30.6%	
Operating costs	332	386	-14.0%
Operating result before amortisation of goodwill	51	61	-16.0%
Operating result before amortisation of goodwill as %	3.9%	4.2%	

The autonomous decline in turnover amounted to 11.3% and is largely due to strongly diminished demand in the Netherlands. Despite margin pressure, the margin decline in the Dutch market was limited to 1.1%.

The € 54 million decline in operating costs resulted from a combination of synergetic benefits and the merging of the back-offices of Start and United Services Group, as well as further organisational adjustments. Thanks to this strong reduction in costs the decline in the operating result before amortisation of goodwill was limited to € 10 million.

### Financial comparison

During the first five months of 2002 Start Holding realised a negative operating result of € 8 million. Taking this into account the operating result before amortisation of good-

will totalled € 68 million. In contrast to 2002 the amortisation of goodwill is presented in the operating result. Hence, the consolidated operating result in the annual accounts amounts to € 68.6 million, less € 9.2 million amortisation, equals € 59.4 million.

Interest charges over 2003 increased by € 2.1 million and totalled € 10.3 million. This increase is due to interest on the subordinated loan arising on the acquisition of the 49% interest in Start.

The tax rate stood at 35.2% (2002: 33.2%) and is virtually the same as nominal local tax rates.

The share of third parties in 2002 mainly concerned the 49% interest in the result of Start Holding.

Net profit in 2003 stood at € 14.7 million and is € 10.1 million lower than profit in the year 2002 of € 24.8 million. Earnings per share stood at € 0.65 (2002: € 1.14). With full exercise of all option rights this stands at € 0.64 (2002: € 1.12).

### Balance sheet, investments and financing

The price of € 100 million for the acquisition of the remaining 49% interest in Start Holding was financed with a subordinated loan for the same amount. The loan was closed at 4% fixed interest for a period of ten years and will be repaid in eight annual instalments of € 12.5 million, starting in 2006.

Start's goodwill was also reflected due to the definitive acquisition. This was calculated on the acquisition price less the share of third parties on 31 December 2002. Recomputed on the basis of fair value, the total adjustment totalled € 10 million. With the acquisition of the total interest in Start the item third parties virtually lapsed in 2003.

Whilst processing of the goodwill for Start represented the most important change in intangible assets, the value of tangible fixed assets declined from € 67.1 million in 2002 to € 57.8 million. Investments totalled € 16.7 million.

An investment level of € 10 million is expected for 2004.

A significant part of the item depreciation comprises the depreciation charges of € 10 million on Start's automation system.

Trade debtors declined from € 283.5 million to € 256.2 million. The above-mentioned amount for outstanding trade debtors includes € 51.9 million from Fa-med. The profit and loss account for 2003 only includes the € 15 million in turnover that Fa-med charged in commission to its clients for 2003. Not counting Fa-med, the DSO (total days before an account is settled) has dropped from 50 to 49 days.

In 2003 the cash flow from operations totalled € 74.6 million (2002: € 49.1 million). Partly thanks to this amount the ratio of loan capital to shareholders' equity was virtually unchanged. At the end of 2003 the solvency ratio of United Services Group stood at 30.4% (2002: 30.5%).

In 2003 the return on shareholders' equity stood at 7.6% (2002: 13.0%).

On two occasions in 2003 United Services Group purchased its own shares. In 2003 as in preceding years an option dividend was proposed to shareholders. This amounted to € 0.50 per share. In view of the low share price the Executive Board prior to availability for payment and within its mandate, with the due permission of the Supervisory Board, purchased shares of United Services Group. A total of 442,234 shares were purchased at an average price of around € 10.

As contracted the retrospective payment for Call-IT was paid in shares, which were purchased for this transaction in March.

In March 2004 the agreements and other conditions relating to the syndicated loan and the financing at current account were adjusted. This was partly due to intertwining of cash flows between Start and United Services Group. In regard to the agreements, only the ICR (Interest Coverage Ratio) was altered. Interest cover must be at least 5 and is calculated from Ebitda (previously Ebit).

The completion of the sale of Fa-med, which is expected in March 2004, should have a significant effect on the financing ratios of United Services Group including ending of the independent bank financing for € 7.6 million and, to a significant degree, the positive effect of the selling price.

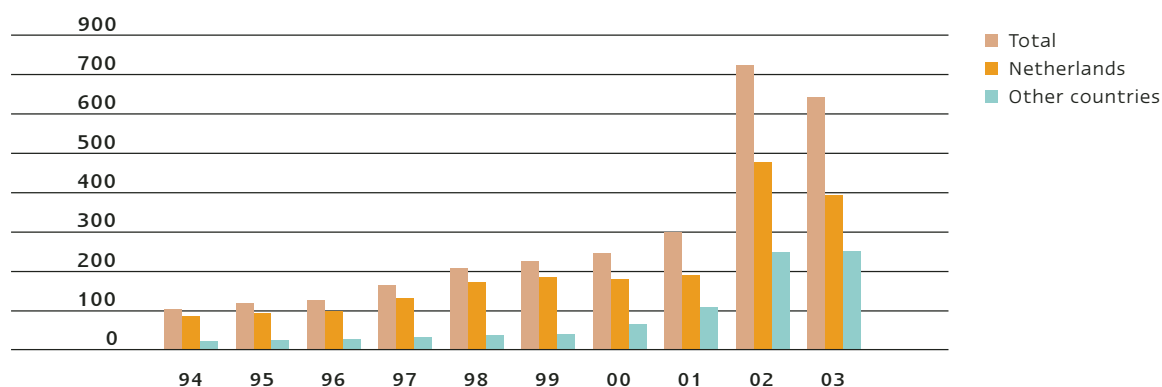
### Personnel

In 2003 the average number of indirect personnel (FTE basis) decreased from 5,691 (2002 pro forma) to 5,134. The number of temporary and project personnel on a fulltime basis decreased from 40,799 (2002 pro forma) to 36,010.

### Dividend

For the financial year 2003 it is proposed to pay a dividend of € 0.40 per share, in cash. The amount involved in the dividend pay out is € 9.1 million. Based on a dividend policy covering a large number of years, a pay out of 33% of net profit would amount to € 0.22 per share. Given strong cash flow it is proposed, contrary to policy, to make a non-recurring increase to the dividend to approx. 62% of net profit.

### Number of branches 1994 - 2003



## PROSPECTS

With the acquisition of the remaining 49% of shares, on 4 March 2003 United Services Group became the 100% owner of Start Holding. This acquisition marks another step on the road to desired upscaling and internationalisation.

The desired innovation of business processes and service offering will enable a wider spread of R&D costs. Moreover, internationalisation has been given a powerful boost thanks to the input of a broadly complementary international network. Alongside countries where United Services Group already had a presence – the strongly growing market position in Belgium and Germany's potential growth market – once the restructuring of Start has been completed, there will be a strong presence in the second home market, from every angle, in Spain, plus attractive bridgeheads in the potential growth markets of Italy and Portugal.

The agenda for the next several years prioritises a gradual expansion of international network, starting with Germany, Spain and Italy. We are also investigating potential in France and the United Kingdom.

Despite positive expectations in the medium term, the short-term economic picture in the Netherlands is dominated by uncertainty. Hence, at present, it is not feasible to make a meaningful profit forecast for 2004. However, it is safe to say that USG's market position, geographic spread and cost position spell benefits at an early stage of any market upturn.

### **Almere, 18 March 2004**

#### **Executive Board**

Alex D. Mulder (CEO)

Ron Icke RA (CFO)

## SUPERVISORY BOARD & EXECUTIVE BOARD

### Profiles Supervisory Board:

**Cor J. Brakel** (1937) has chaired the Supervisory Board since mid-1998. He chaired the Executive Board of Wolters Kluwer N.V. up to the end of 1999. Before this he held positions with companies including Shell and Elsevier. An economist by training, Mr Brakel sits on the supervisory boards of companies including Aalbers Industries N.V., Athlon Groep N.V. and Kappa Holding B.V. His period in office ends in 2006.

**Prof. Marc H. Battaille de Stappens de Nieuwenhove** (1934) joined the Supervisory Board in 1998. He holds a number of supervisory and executive board positions with companies including Inex Group Belgium, Van Beveren Aluminium Belgium and Acacia Holdings (USA and Hong Kong). Prof. Battaille is also involved in the Executive Programs faculty of Pennsylvania State University. His period in office ends in 2006.

**Joost H. van Heijningen Nanninga** (1946) joined the Supervisory Board in April 2001. He is a partner in Egon Zehnder International and hence has broad expertise in the field of personnel and organisation. Mr Van Heijningen Nanninga sits on the supervisory boards of companies including Exact Holding N.V. and Krauthammer (Brussels). He is also an active member of various foundations and associations, including the United World College Foundation and the Vereniging Rembrandt. His period in office ends in 2005.

**Marika M.E. van Lier Lels** (1959) joined the Supervisory Board in December 2002. She graduated from technical college in 1983 and from Delft Technical University in 1986. Since then she has held a number of executive directorships with companies including Koninklijke Nedlloyd, Van Gend & Loos and Deutsche Post Euro Express. Ms Van Lier Lels is Executive Vice President and COO of the Schiphol Group, a member of the Supervisory Board of KPN, the Supervisory Commission of Delft Technical University, the advisory board of Rabobank Nederland and USG's Innovation Platform. Her period in office ends in 2006.

**Prof. Cor N.A. Molenaar** (1949) joined the Supervisory Board in April 2000. In January 1997 he gained his PhD in application potential for information technology in marketing. In March 1999 he was appointed to the chair of

e-marketing at Erasmus University Business School, Rotterdam. Prof. Molenaar is an independent consultant in internet and e-marketing applications. Prior to this he was managing director and founder of One2one interactive marketing and Ogilvy & Mather Dataconsult. His period in office ends in 2004.

**Prof. Bert de Vries** (1939) joined the Supervisory Board in December 2002. He graduated cum laude in economics in 1964 and gained his PhD in 1975 at the Vrije Universiteit, Amsterdam. From 1989 to 1994 he served as Minister of Social Affairs and Employment and currently holds a number of supervisory and executive directorships. In addition to the chair of bodies including Stichting Start and Start Foundation, he is a supervisory director of Imtech N.V., F. van Lanschot Bankiers N.V., Eneco N.V., and Quest International Nederland. His period in office ends in 2006.

### Profiles Executive Board:

**Alex D. Mulder** (1946) set up Unique Uitzendburo at the age of 26. Between 1972 and 1996 Unique developed into a leading player in the employment market with 114 branches in the Netherlands and Belgium. In 1997 the company merged with Goudsmit N.V. becoming the publicly listed United Services Group, with Alex Mulder as CEO and President on the Executive Board. His responsibilities include strategy, human resources and acquisitions. Mr Mulder also chairs the Group Executive Committee.

**Ron Icke RA** (1957) was an accountant with PricewaterhouseCoopers (as it is today) for 14 years. He qualified with the Dutch accountancy body NIVRA as chartered accountant in 1986. Alongside general auditing this period mainly focused on acquisition investigations. In 1991 Ron Icke made the transition from accountancy to Goudsmit where he was appointed director. Since the 1997 merger between Goudsmit and Unique International, as CFO, Ron Icke has been responsible for finance and administration, acquisitions, legal affairs and investor relations. He is also a member of the Group Executive Committee.

### Profiles Group Executive Committee:

*The Group Executive Committee comprises the Executive Board and:*

**Hans H.W.H. Coffeng** (1967) was an intern with Unique Netherlands in 1993 as the final stage of his course in Sociology at the National University of Groningen. After a career running from intermediary to general manager of Unique Nederland in 1999, in 2001 he was appointed director heading the United Office Services division. Effective 1 January 2003 he became a member of the Group Executive Committee and Executive Vice President of United Services Group. In this position he is responsible for the Dutch and German operating companies of the United Office Services and United Technical Services divisions.

**Yvan L.M.E. Dierckxsens** (1961) has been with United Services Group since 1989 as managing director of the Belgian temporary employment operations. As from 1999 he was divisional director Belgium with responsibility for around 25% of annual group turnover. Yvan Dierckxsens has chaired the Belgian industrial association Federgon

(temporary employment, recruitment & selection, outplacement, projects, training, secondment and interim management), since 2001. He has been a member of the Group Executive Committee of United Services Group since the year 2000 and as its Executive Vice President is responsible for the operating companies in Belgium, Spain and Portugal.

**Leo W. Houwen** (1949) held a number of commercial posts after leaving high school. In 1975 he joined Interlance Uitzendburo as a district manager. In 1980, by then commercial director, he was appointed managing director of Interlance (later acquired by Vedior Holding). In 1989, as managing director of Vedior Uitzendbureaux he made the transition to Unique Uitzendburo where he has been part of the Executive Board since 1992. Leo Houwen joined the board of the Dutch Association of Temporary Employment Companies (ABU) in 1994. He is now the association's vice chairman. As Executive Vice President within the Group Executive Committee of United Services Group he is responsible for corporate marketing, communications, development and investor relations.

**Erwin van Iersel** (1962) started his career in the temporary employment industry in 1989 as a branch manager with Start. He went on to fill positions including district manager, regional director – and managing director of Start Nederland and then Start Holding. His academic record includes technical college qualifications in Technical Business Administration and an MBA. Effective 1 January 2003 he was appointed to the Group Executive Committee as Executive Vice President. His responsibilities include the United Temping Services division (Start-operations) in the Netherlands and Italy.

# MANAGEMENT

## **United Services Group**

United Services Group	L. van Bekkum	Corporate Director Sales & Operations
United Services Group	Ms L. Belonje	Corporate Director Special Projects
United Services Group	Ms E. de Boer	Corporate Director Human Resources
United Services Group	J. van Duijn	Corporate Director Finance, Administration & ICT
United Services Group	A.J. Jongsma	Corporate Director Legal & Acquisitions
United Services Group	Ms S.L. Kleijn	Corporate Director Corporate Affairs
United Services Group	D. Verbruggen	Corporate Director Financial Research & Development

## **Netherlands**

### **United College**

BTO, InterCollege, Luzac College,  
Nieuw Abel Tasman College,  
SWZ, Zorgcollege

A.L.J. Busselman      General manager

### **United Communications**

Call-IT International  
Telecom Direct Almere

G.J.W. Vintges      General manager  
Ms C. Bosman      General manager

### **United Independent Services**

United Independent Solutions

Ms D. Bekhuis      General manager (interim)

### **United Office Services**

Ad Rem  
Secretary Plus  
Unique Netherlands  
United Capacity

Ms K. Korstanje      General manager  
Ms J.E. Steenveld      General manager  
Ms D. Bekhuis      General manager  
M. de Lassacquère      General manager

### **United Restart Services**

United Restart

W.B. Altena      General manager

### **United Technical Services**

Technicum  
United ICT Solutions  
United Technical Solutions  
United Technical Solutions Energy

P.P. van der Ploeg      General manager  
N. Totaro      General manager  
N. Totaro      General manager  
J.H.W.H. Coffeng      General manager (interim)

### **United Temping Services**

Medi Interim  
Proflex  
Start Netherlands  
TopStart

L. van Bekkum      General manager (interim)  
J. Bolt      Commercial director  
A.F.E. de Jong      General manager  
J. Lodewijks      Director

## Belgium

### **United Office Services**

Secretary Plus	Ms C. van den Eynde	General manager
Unique Interim	F. Sepulchre	General manager
United Capacity	X.A.J. Vandewiele	General manager

### **United Technical Services**

United ICT Solutions	X.A.J. Vandewiele	General manager
United Technical Solutions	X.A.J. Vandewiele	General manager

## Germany

### **United Office Services**

Secretary Plus	J. Harder	General manager
Unique Personal	R. Deichert	General manager

## Italy

### **United Temping Services**

Start	M. Gamberini	General manager
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## Portugal

### **United Temping Services**

Start Portugal	G. Soria	General manager
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## Spain

### **United Office Services**

SYS	S. Invernon	General manager
Unique	Ms G. Opdebeeck	General manager (interim)

### **United Temping Services**

People	G. Soria	General manager
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## GROUP COMPANY ACTIVITIES

### **Ad Rem**

*(Netherlands)*

Regional temporary employment operation active in general temping, recruitment & selection, payroll services, secondment and projects focused on the office segment and higher-level personnel

### **Buro Transport Opleidingen**

*(Netherlands)*

Technical training and courses in related employment conditions and the transport sector

### **Call-IT International**

*(Netherlands & Belgium)*

Customer contact center offering comprehensive service in telephone sales, personnel recruitment, information provision, complaints and e-mail response processing and related direct mail campaigns

### **InterCollege**

*(Netherlands)*

Business school at college equivalent level focusing on management, marketing and communication

### **Luzac College**

*(Netherlands & Belgium)*

High school education

### **Medi Interim**

*(Netherlands)*

Specialist temping activities, secondment and payroll services in the medical sector

### **Proflex**

*(Netherlands)*

In-house organisation of flexi-labour for employers

### **Secretary Plus**

*(Netherlands, Belgium & Germany)*

Agency specialised in placing, training and coaching of secretaries and management-support personnel

### **Start**

*(Netherlands, Belgium, Italy  
Spain & Portugal)*

General employment operation including temping, secondment, payroll services, reintegration, training and career intervention. Also focusing on specific markets including transport & logistics, technical, construction, hotel and catering, care, call centers, education and governmental

### **SWZ and Zorgcollege**

*(Netherlands)*

Training and refresher courses for healthcare personnel, and short courses for maternity, home- and childcare

### **SYS**

*(Spain)*

Outsourcing for the administrative, commercial and industrial segment, also consultancy services for human resources

### **Technicum**

*(Netherlands)*

Temporary staffing and secondment for technicians of lower and intermediate educational level

<b>Telecom Direct</b> (Netherlands)	Customer contact center providing comprehensive service around telephone sales, recruitment, information provision, complaints and e-mail response processing and related direct mail campaigns
<b>TopStart</b> (Netherlands)	Intermediary for recruitment, selection and secondment of higher trained personnel in several branches/industries
<b>Unique</b> (Netherlands, Belgium, Germany & Spain)	Temping, payroll services, recruitment & selection, secondment, projects and mediation for ending of employment in the office and technical sector, specialising in secretarial, financial, telecoms and medical personnel, and other-language office staff
<b>United Capacity</b> (Netherlands & Belgium)	Secondment, recruitment & selection of supervisory personnel in marketing, communication and sales, plus finance, legal and human resources management
<b>United ICT Solutions</b> (Netherlands & Belgium)	Specialist in project support, consultancy and secondment of experienced IT-professionals
<b>United Independent Solutions</b> (Netherlands)	Support and enabling for independent operators without personnel
<b>United Restart</b> (Netherlands)	Job coaching, career intervention and reintegration
<b>United Technical Solutions</b> (Netherlands & Belgium)	Technical specialist in projects and secondment focusing on construction, civil engineering, mechanical engineering, electro technology, petro/chemicals and telecoms
<b>United Technical Solutions Energy</b> (Netherlands, Germany & United Kingdom)	Technical specialist in projects and secondment focused on oil and gas, shipping and related engineering firms

# Committed, cost-aware and innovative

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Supervisory Director Marike van Lier Lels:

## 'USG is a learning business (for me too)'



She is a member of the Management Board of the Schiphol Group and a Supervisory Director of USG. As such Marike van Lier Lels has seen the synergy grow between Start and USG. 'At Start they now have a better idea of marketeering. Vice versa, at the old USG they're aware that procedure isn't another word for bureaucracy - it's also saying that it makes you work more carefully.'

After a year as a Supervisory director at USG it's still an inspiring experience. 'At the end of a meeting I still go away a bit happier than when I arrived', laughs Marike van Lier Lels. 'What surprised me most is the dynamic of the company. Decisions are actually implemented within a couple of days. There's a dominant atmosphere of getting a move on, of doing what you've agreed right away. Sometimes I get the feeling that the company is still in a pioneering phase - and I mean that as a compliment. 'Part of my explanation for this is personal. The presence of Alex Mulder as founder and main shareholder always makes a difference, to my mind. He's CEO, but quite differently to the way I know. Much more hands on and direct result oriented. I feel this is very refreshing. Obvi-

# 'In special cases we reserve the right to diverge from the code'

ously, at the same time you have to be aware that the scale of the company has increased since the acquisition of Start. So you also have to secure Alex's qualities – the entrepreneurial focus, approachability, rapid reaction, flexibility. They must be embedded into the organisation. That is the chief challenge for executive and supervisory directors in the years ahead.'

## Glass ceilings

Marika van Lier Lels is also something of a pioneer. Ever since she was voted Dutch businesswoman of the year in 1998 she has been seen as the vanguard of excellent women who have broken through the notorious glass ceiling of the business community.

Not only has she won a place on the executive board of the Schiphol Group (Amsterdam International Airport) but she has also penetrated the last bastion of the old boys network of supervisory directors. USG is at the top of her list of supervisory directorships.

The choice was deliberate: 'Bert de Vries and I made the step from the executive board of Stichting Start. Even back then I was thinking along the lines that led to collaboration. And, it's proven to be a good decision.'

She underlines this with the synergetic benefits realised and shifting demand in the marketplace. The big customers in particular want one-stop-shopping for employment mobility issues. 'As a provider you need sufficient scale. And you need to be strong on the volume side and in the specialist segment. The Start-USG business case approach works across the board. On top of this Start's early-cyclical activities now help USG to benefit from cautious market recovery. Personally I have the feeling that it's also boosting cultural integration between the two companies. For a long while the folk at Start tended to look up a bit at their new colleagues. And now that they're the ones doing the pioneering it gives a good feeling.'

Walking around the territory Van Lier Lels senses growing solidarity. 'The technical integration, like clustering

support services and the choice for a single automation system has been largely completed. Also, I'm getting more and more signals of increasingly warmer collaboration between what are by nature differing cultures.

'This is no sinecure. It is a people business. It has to slot in strategically. If the people who have to make it happen don't have a good feeling about it, you're stuck. Sure, here and there you detect the pain of assimilation. But the initial mistrust has gone. Everyone is starting to learn more from the other. At Start they know much more about marketeering, and that has boosted their enthusiasm. You get feedback on this from all sides. The other way around, at the old USG they see that procedures are more than a mass of bureaucracy. It also means that you can take more care about your work, and that it can often make work easier – as long as you don't go too far, obviously!'

## Hazards

Alongside integration issues, during the year under review the recently published Tabaksblat Code on corporate governance also featured high on the agenda of the Supervisory Board. Van Lier van Lels stresses the potential 'danger of over-eating' around USG's cross border activities. 'Particularly after a major acquisition like this you need to take the time to get your strength back. Management needs to be reinforced, the back offices merged, own success formulas to be introduced in the new country you've settled in – there's a whole list. To do it well costs time, and that is what you must give yourself. It is one of the Supervisory Board's jobs to step on the brake occasionally.'

Notwithstanding, she is right behind the previously deployed growth strategy for the next five years. 'USG aims to go on playing a leading role as a broad service provider in the employment market. This demands high potential in personnel and the ability for constant innovation. Looking ahead, at some point this will not be feasible with the current rate of scale-growth, and ongoing growth is a must. This is not possible through autonomous growth alone. It means taking to the acquisition path again, given that USG cherishes its independence above all. But, once again, I say: be controlled about it.'

'This theme is hammered-in again and again during our conversations with the Executive Board and the Group Executive Committee. Keep asking what your added values are and the best way to maintain them. Where are the scale effects? Are you counting the advantages too quickly just because you're keen to do the deal? Keep asking if the growth is always the best formula given the changing scene.'

## Tabaksblat

Obviously, another hot potato was the introduction of the

controversial Tabaksblat code on corporate governance. Speaking personally Marike van Lier Lels has major concerns about the effectiveness of the peremptory recommendations for good corporate governance. Sitting in her office at Schiphol International Airport she reckons that: 'It's all turned into a bit of a circus. It should be about the standards and values observed by the directors of public companies. About the basic principles you agree for this. How you establish them and the measures or sanctions you can take for non-compliance. This is not a once-off controversy – in a healthy company it is ongoing. First and foremost good governance is about decency. And you don't get that by listing it all in rules and procedures. In my humble opinion the commission has listened too much to US and UK ideas on corporate governance, and too little to what in our cultural territory we expect in terms of decent and transparent company management.'

Despite these critical notes from Van Lier Lels the supervisory and executive directors at USG unanimously decided to adopt the majority of the recommendations of the Tabaksblat Commission. There were only provisos in a few cases and explanations have already been sent to the commission. For practical considerations it was decided to appoint all supervisory directors to the audit and remuneration commission. The mandatory registration of private investments by supervisory and executive directors has been delegated to an external party, and an exception has also been made for fees on termination of employment.

'In special cases we reserve the right to diverge from the code,' explains Marike van Lier Lels. 'And what exactly would those circumstances be? It is not inconceivable that one of these days we make a very large takeover. And then the two executive boards would have to be merged. Logically a couple of people would have to move on and make room, and in our view it would not be responsible to send them away with a maximum of one year's salary and emoluments, as set down by Tabaksblat.'

### ....that extra mile

Looking back over her first full year as a supervisory director of USG, Marike van Lier Lels is unreservedly positive. 'I do things because I myself want to be wiser. That's certainly what's happened in this case. USG has also been a learning company for me in the sense that it has never rested on its laurels. They always feel compelled to go that extra mile – for one position higher – even if they are a big name, like now.'

As she reiterates, the real challenge is to hold on and expand. 'The power that now mainly comes from individuals has got to be embedded in the company. So this year I'll be reporting the same message to Alex and the other executive directors: 'write down your ideas, that way we can all benefit from them.'



NAME Marjan Verrijzer, 33. FUNCTION Commercial manager. OPERATING COMPANY United Technical Solutions Netherlands.

## 'Eventually we had 43 people in place'

How long have you worked for USG?

More than nine years at various parts of USG. You can call me an old retainer – but I still work here with pleasure.

What are the key characteristics of your operating company?

United Technical Solutions is a people business. Over the course of time you get a real family feeling. Career openings are good too, if you make it clear that you want to get on and you have what it takes, you get the openings. This means a high rate in-house thru-flow. And, naturally, we are a big organisation in a flexible market and that produces a dynamic atmosphere.

What was the most striking event in 2003?

We acquired a big new client, Cycle Systems. They are a large environmental agency that had just won a large commission relating to the Kyoto protocol reducing on greenhouse gases. Cycle Systems was going to advise a number of local councils and housing cooperatives on cutting power consumption in rented homes. And that's why they hired us.

We set up the entire project organisation with United Technical Solutions. In January 2003 this was still three people, but in the last quarter of the year we had 43 – mainly college equivalents in construction (Dutch hts and mts). The job came in via one of my contacts. You can imagine that I'm really proud – but, naturally, we did the job together.

A firm grip on the reins: Executive Vice President Hans Coffeng

## In quest of new work formulas



Hans Coffeng is Executive Vice President of USG and a member of the Group Executive Committee. His portfolio includes United Office Services and United Technical Services in the Netherlands, plus the USG activities in Germany. His judgement? OK results but not an easy year.

At face value there is reason to be happy. Thanks to a focus on cost controls, more intensive marketing and series of measures to stem the underutilisation, United Technical Services and United Office Services were in the black again this year.

All the same, according to the executive director holding the portfolio – Hans Coffeng – it was not an easy year. No way did the originally hoped for market recovery materialise yet. The administrative market segment also came under pressure due to a strong drop in demand. Hence, United Office Services in the Netherlands posted some 10% lower turnover – albeit this was rather better than the overall turnover drop in the market. While the third quarter saw a cautious recovery, the last reporting period of the year under review saw demand down again.

'The simple fact is that the business community is largely doubtful about the sustainability of economic recovery. So, people are hanging on before they hire our specialists,' concludes Coffeng. 'Indeed, I also expect turnover at United Office Services to stay under pressure again in 2004 and then to show – accelerated – growth again for a longer period.'

The same reasoning applies to the technical specialities in his portfolio, although United Technical Services has started to show cautious turnover recovery. 'The manufacturing industry has cautiously started to invest and innovate again, and we are benefiting piecemeal from that. But, here again, sustainable recovery is only expected at the end of 2004.'

### Occupancy rate

Once again in 2003 Coffeng and his staff took a firm grip on the reins. Further reducing underutilisation was a high priority at United Technical Services. New procedures were implemented to minimise inter-project wait-

ing time for technical specialists. This cut the total of temp or secondment personnel without an assignment to 25% of the previous year.

Meanwhile, the year under review saw energetic efforts to launch new work-formulas to refine the occupancy level, plus enhancing the marketing position. As a good example of this Coffeng cites the Plus Method launched by Secretary Plus. 'This method makes service provision transparent, in every form. Secretaries and customers can see right away just what Secretary Plus can do for them and how its own staff act day to day, in practice, to maximise all the strong points. Sometimes you can miss your own plus-points, and this way they're burned on everyone's cornea. The fact is that Secretary Plus has plenty of strong points – like its training programme. All secretaries train or go to a workshop, for at least one day a quarter, at our expense. This updates and hones their skills. This way, not only can our clients count on us for plenty of quality-support, but they also know that our people are at home with the latest developments in their field.'

Alongside innovation of existing forms of work it is also essential to analyse actual added value per company unit. To this end the Short Track branches were integrated into Unique.

All in all Hans Coffeng concludes that the specialist part of the group has taken the contrary weather conditions as an opportunity to hone its own competitive position. As soon as market demand picks up both United Office Services and United Technical Services will be in excellent position to benefit above average.

Small to medium enterprises in particular – believes Coffeng – display a number of developments that will continue to boost demand for flexible labour. 'The way small to medium enterprises organise is different now. They are part of networks. They're developing new products and services with a constantly shifting pattern of partners. At the same time there is a call for temporary support by specialists who can offer the added value. This spells special opportunities for us. We've always been strongly focused on the business category and we can deliver the customised work they want.'

## Germany

While definitive recovery in the Dutch market is still to emerge, turnover loss in Germany's still developing flexi-market was relatively limited. Unique Personal and Secretary Plus saw turnover decline by just over 5% but successfully realised a strong result improvement thanks to an increased gross margin (due to cost reductions). A slight increase was realised over 2003, and in 2004 USG's German activities are expected to post a further improvement in results.

The upward trend is partly explained by the successful introduction of marketeering techniques developed by

the group, and a new industry-wide joint labour agreement (CAO) for the temping industry; this significantly boosts the prestige of flexible employment and provides a base for pricing and conditions of employment for German temp personnel. 'In the past the potential of the German market was strongly slowed-down by the poor image of flexible employment. This CAO also helps boost the positive image.'

For all these reasons Coffeng sees good growth perspectives in the German market for USG. 'Given a new IT-system as well in 2004, you can bet we'll be ready. Our aim is strong expansion of the number of Secretary Plus and Unique Personal branches over the next five years.'

NAME Marie-Christine Heintze, 32. FUNCTION Branch manager Eindhoven. OPERATING COMPANY Unique Nederland.

## 'Turnover has risen strongly'

How long have you worked for USG?

Five years, just over three as Branch manager.

What are the key characteristics of your operating company?

Unique is entrepreneurial. Results really matter and they lead and encourage you to score. Prizes, a pat on the shoulder, a bunch of flowers at the branch. That really gives a boost.

What was the most striking event in 2003?

We got a whole lot more clients in 2003 and turnover rose strongly. So we went all out to meet our goals for 2004. The first goal is to protect or increase the gross margin, that's what we are going for. The second goal is to retain two out of three clients from 2003 in 2004. And that's going to happen partly thanks to an enhanced external focus. That means the in-house team contacting clients more often. Number three is gaining one new relation per week – that should be feasible. In 2003 we had 82, but we are keeping on networking, that includes being part of a local *business-bourse*. Goal four is increased turnover per placement, and longer placements. The placement aspect is tough as here in Eindhoven they tend to be many and short. Plus, we want higher productivity per intermediary. Here again we will need to work hard, but I'm quite confident. Careful team coaching and our motto *Think Smart* is sure to pay off.

Erwin van Iersel and USG's early-cyclical activities

## 'We kept firm'



Erwin van Iersel is USG's Executive Vice President and a member of the Group Executive Committee. He is responsible for Start, United Restart and the Italian activities. 'All in all we look back on a difficult year.'

In the fourth quarter of last year the turnover and results of USG's early-cyclical activities showed a slight increase. Demand for flexible labour, particularly in the manufacturing industry, has intensively developed since then. Once again this proves that Start benefits from an economic upturn (however brittle) as one of the first players in the marketplace.

However, Erwin van Iersel, who has the early-cyclical organisations in his portfolio, detects another side to the coin. Over the past year the volume section at USG has been impacted extra hard by general temping's continued dependence on economic shifts. Indeed, the first move by an employer in difficulties is to cut the number of temps on the production side.

'Overall, it was a tough year,' concludes Erwin van Iersel. 'However, the extra focus on cost reductions and the drip-through of the synergetic benefits have substantially reduced our back office costs in particular. On top of this, our commercial effectiveness has improved strongly over the past year.'

### Competition

In 2003 the general temping market was notable for a strong increase in price competition. Fearing more loss

of turnover some market parties accepted a strong loss of margin to secure orders. 'In this regard we kept a firm back. This was certainly difficult when it came to tendering for volume contracts, also because many large organisations had imposed a halt on hiring and this further distorted the vision of market recovery.'

Van Iersel's judgement is that the chosen way has proven to be the right one. 'In our second year with USG we have taken some giant steps with Start on the way to the lean and keen status. By merging the support services with the rest of the group they have become more effective and cheaper.'

'At the same time we are becoming masters of the proactive marketing skills of our colleagues. In-house courses are starting to pay off. And the activity planning, which has come from USG, is taken as a method requiring a fresh attitude and not just a handy software tool. As a result we now make 5,500 client visits a week. This is an almost four times increase. All this makes us more energetic and visible in the marketplace.'

The fact that the organisation has had to say farewell to a large number of people is still a daily heartache for Van Iersel. 'On the other hand, you have to be realistic. You have to establish that without making that move,

everyone's job would have been on the line. The slim-down was a must in terms of business economics. And, in my view it was an exemplary operation.'

### Small units

Asked how far Start has made it through the transformation Van Iersel estimates that enough growth potential can be opened up in the next several years. 'We were a monolithic organisation. Too introverted. Now we have taken this body and divided it into smaller units with profit-responsibility. Each with a strong personality, attraction and focus on one or more market niches. This means that we can react directly to market developments and tune our offering better to demand in the market place. The biggest benefit of this approach is still ahead. 'We are also starting to adopt that specific USG culture as our own. It's notable for pragmatism and result-focus, steering for shareholder value and transparent, fast action. I can see now how the Start organisation understands this better – with more and more people actually taking on board the basic principles. This is a major plus point. From my own perception as an old Start-guy I know that it takes time to digest this sort of abstract concept, particularly if the economic tide is also against you. But when you've got it under your belt, it's all systems go!

'That's my most important lesson from the past year. I've come to realise that, in principle, the earning capacity of a giant is ...enormous. With the combination of these basic principles and the input and commitment of our personnel I reckon that it won't be long before we realise Start's full potential.'

### Italy

With the Dutch section of United Temping Services finishing 2003 with mixed feelings, in Italy the USG components Start LT, Collocare and TopStart made overwhelmingly positive noises. Despite an economic situation comparable to the rest of the EU, they posted an almost 50% increase in turnover.

This turnover growth was realised by professionalising activities. Intensive sales training courses were backed up with the well-polished implementation of the management info systems used in the rest of the group, plus the previously mentioned activity planning. Moreover, management will get an extra quality boost with the arrival of a financial director and a business development manager drawn from other parts of the group.

Summarising, Erwin van Iersel considers the time ripe to think about expanding the USG network in the European Union's third economy. 'Right now our market share is only just 2%. If we want to expand that, above all, it will mean more branches in the big cities of northern and central Italy. If this positive trend continues we'll be doing just that in the medium term.'

## A single counter for reintegration: United Restart

As part of group-wide strategic reorientation Start Kans' job coaching activities have been clustered with reintegration and career intervention services under the Start Reïntegratie, Start Loopbaaninterventie and Start Werk labels. The outcome has been given the name United Restart. This new operating company has 40 branches and 500 personnel.

An important consideration underlying the redeployment is the importance to the actual reintegrating or restarting person. He or she can now go to a single counter. United Restart mediates for many people who are more widely separated from the employment market and so have an additional need for integrated support. In turn, the employer prefers to do business with a single partner. One supplier to look after the entire re-entry and career-counselling package.

A contributory factor was that the Dutch integration market has more than doubled in the past year. A recent study showed that last year 15% of companies hired in an external reintegration firm, as opposed to 6% in 2002. Moreover, growing competition is boosting the professionalism of the providers.

The thinking behind United Restart is that to stay visible and ahead in the competitive climate and alongside optimal quality you also have to provide greater efficiency. Putting the companies under a shared label enables the back offices to be merged and deployed more efficiently. That spells a much smoother exchange of knowledge and experience.

Yvan Dierckxsens and growth markets abroad

## 'I'm proud of my colleagues'

Yvan Dierckxsens is Executive Vice President of USG and a member of the Group Executive Committee. His portfolio covers USG activities in Belgium, Spain and Portugal, where positive results have been posted. 'We focus on a market niche where we develop solutions that slot in with current demand.'



From several angles Belgium stood out positively last year. Supported by an economy showing limited growth the Belgian branches of United Office Services and United Technical Services saw their turnover take a slight rise. This increases the contribution to the result. Both activity types performed better than the market average (which shrank somewhat).

However, the responsible director, Yvan Dierckxsens, believes it is equally important that the Belgian USG operation develops more and more as a centre of innovation. The past several years have seen a whole range of new concepts and products in Belgium. In the meantime these concepts have also caught on elsewhere. 'This is an important development. Take one example, Front Desk Solutions, developed in Belgium. There's a pool of experienced receptionists whose skills are trained regularly, and who are on call instantly if a company is not happy about its "calling card", or the counter is temporarily undermanned.

'We focus on a market niche and develop solutions there which slot in with current demand,' says Dierckxsens summarising this approach. 'Another example. There are Unique Finance's eight branches specialised in temps with a financial profile. It's an activity we have also

recently implemented in the Netherlands and Spain. This is evidence that as one of the top players in the Belgian flexi-market we can keep on shifting further up the professional chain. The relationship with these clients imposes increased heavy demands on our innovative powers, and the ability to think in tandem with them towards the best solutions. There is room here to think beyond the routine parameters and we have the professionals in-house to make it happen.'

## Demand recovery

The third quarter of 2003 showed visible recovery in the Belgian marketplace. Back then Dierckxsens and his colleagues were already noting a striking upturn. In the administrative segment of Unique Interim and Secretary Plus the second half of the financial year brought substantially more placements. In the technical segment there was also an end to the months' long downturn in demand.

Maintaining margins was also a major priority for Belgian management during the past year. 'We streamlined our back office activities in such a way as to further reduce the cost structure. Meanwhile, we put in extra heavy effort to further boost the return on our commercial activities. We are proud that in 2003 this led to a further increase in the scoring percentage and the number of customer visits that converted as actual orders. We can also score by further streamlining our automation. To take an example, if we introduce functionalities like e-billing – that's electronic sending and processing of invoices – we stand to boost efficiency substantially.'

## Spain and Portugal

The most important event in USG's second home market, Spain and Portugal, was successful completion of integrating all back office activities, centrally, in Madrid. 'This way we were able to reduce our level of fixed costs by 10%. Days Sales Outstanding – average days before a bill is paid – were also strongly reduced.

'You also see how our 600 personnel at the Spanish operation have rapidly picked up the specific USG approach. In particular their marketeering is increasingly energetic, and this is due to implementation of activity planning at all branches. That also pays off. What I want to stress here is that I am really proud of them – looking at their willingness to change and drive to do better, without prejudice.'

With the low grade of penetration Spain is still a flexi-market in development, but Yvan Dierckxsens predicts strong growth in the next several years. 'Sure, we need to increase our visibility in the marketplace, and expand our branch network – particularly in Unique's specialist segment. Just think of new offices in the big cities. Right now we're marking time with Start People. The present number of branches is adequate for nationwide cover.'

NAME Sabijn Visser, 33. FUNCTION Key Account manager. OPERATING COMPANY Start Nederland.

## 'I look back over the fowl pest crisis co-operation with a real feeling of satisfaction'

How long have you worked for USG?

Six years for Start, and since last year for USG.

What are the key characteristics of your operating company?

A dynamic, innovative organisation, with an open culture and a quarter-century track record. On top of that I don't know any other company, which has made the switch from foundation to listed company so fast and so successfully.

What was the most striking event in 2003?

The fowl pest epidemic without a doubt. In early March I had a request from our biggest customer, the agriculture ministry, to operationalise the crisis scenario we developed together. Within one day we had a project organisation with 24-hour availability, at the crisis control centre in Stroe. We oversaw the deployment of personnel, working closely with the ministry. In two months we put over 1,500 people to work. This included clearers, office workers, secretaries and veterinary students.

It was certainly hectic and I spent a lot of time at the crisis control centre and the ministry. Obviously, with "agriculture" as a client you build up experience – I had already been through the Foot-and-Mouth and BSE crises. All the same, you have to be creative in finding people. Putting up posters in surrounding towns, ads on local radio and TV. But we did it! -and the client was happy, and so was I. In fact, our performance here helped secure the ministry contract for Start again, with a total value of € 22 million a year.



Smooth restructuring of back offices

## 'A new building spells new élan'

Jan van Duijn and his fellow director Evamaria de Boer are responsible for the Dutch back office of United Services Group. In Van Duijn's view, slotting together the support services of Start and USG has been one of the most important priorities of the past year. This really brought to light the synergetic benefits of the Start acquisition. The preliminary outcome of the necessary restructuring operation is that the back office runs with half the previous workforce.

From his workplace in Start's old office Jan van Duijn saw his colleagues regularly jumping on their bikes and touring offices. Up to mid-2003 the local office of this USG operating company in Gouda was spread across six different locations. It was inconvenient and hampered internal communications. According to Van Duijn the situation also led to a grey, almost apathetic feeling.

'Maybe it's dangerous to say this but the old offices were so shabby and dark that it was only logical that they had this effect on some people,' continues the corporate director of finance, administration & ICT. 'In fact, now that we've moved into a single, new office building, where all Start's back office activities are centred, the primary benefit is intangible. Every day our people actually assemble again – physically – in a more inspiring environment. So, what you get every time is a pleasant working atmosphere. You feel it happening. I'd go as far as saying that in these light, modern surroundings my co-workers are happier and therefore more productive, than they were. A new building spells new élan. I believe

that's more important than the fact that fewer square metres of office space means that we save on accommodation costs.'

### Halfway

The lion's share of synergetic benefits in a merger or acquisition is achieved by merging support services. Together with Evamaria de Boer (Corporate Director Human Resources) Jan van Duijn is responsible for slotting together the back offices under the United Services Netherlands (USN) umbrella. This reorganisation also demanded major effort from the two colleagues again last year.

'Back then the financial objective was quite clear. We aimed at ten million euros in synergetic benefits. This includes merging our back-office operations and then having them work more efficiently. In the meantime we have realised that amply – in fact more than amply.'

'Among other things the cost savings were realised by rubbing away the doubled-up functions. And by merging departments we soon realised a significant increase in



efficiency. To streamline internal processes and the achieve standardisation we had to moderate cultures at both companies.'

## Solidarity

'We made it a major priority to get people to work together better.' Apparently Start already had a very useful tool in the cupboard. During the past several months USG's people went through the BBDE programme; these are the Dutch initials for Accessibility, Reliability, Service Oriented and Efficient. 'We held workshops and one-day training sessions around the issue of: "how do I further boost service to my in- and external clients?" That produced some interesting results, like suggestions on enhancing working processes. And there was a real sense of solidarity.

'We also organised exchange programmes for middle management. People from Gouda exchanged to our Almere office for a while, and vice versa. They saw how the other half worked. Got to know each other, and cleared up any mutual misunderstandings. The Start

people absorbed some of the entrepreneurial spirit and their colleagues learned from the painstaking approach to work in Gouda.'

Evidently, integration is taking on a concrete form. But Jan van Duijn reckons on further upward efficiency potential. Firstly, he has high expectations around the new automation system to be implemented. 'Working with uniform systems for the financial and administrative organisation will mean a major step forward. For example you can fully centralise purchasing. I reckon that will yield some more, interesting savings in that area. And there are more fields of application, like far reaching automation and digitalisation.'

Van Duijn also estimates increased benefits to be realised at the operating companies. 'If they mesh better with our procedures, and the other way around, and - with our help - they configure their support more efficiently, then we will be well on the way to our final objective. I'd go as far as saying that our current cost levels could eventually go down some more. Over the next several years we will be doing everything to make that happen.'

USG and Start each had its own automation system, each with its own strong and less strong points. A new IT system was developed to solve this, offering new potential. 'We keep asking ourselves the same question: what's the solution that will boost our commercial clout in the relevant sector?'

Uniform automation system saves nine million in five years

## How USG found the way out of the IT maze



Wilco Kragt, process manager at United Services Netherlands

The weak points of the imminent collaboration between Start and USG were localised right at the early stages of exploratory talks. Certainly the partners were complementary on many points, but on automation systems it was very clear that there was a mismatch. Not only was it impossible to share data in a uniform manner, but there was a maze of applications, whether or not developed in-house. And nobody knew the way. 'At Start alone they had just under a hundred different applications running alongside each other,' recalls CFO, Ron Icke, the person with final responsibility for automation at USG. 'On top of that the applications used by the two companies proved to be non-compatible. Now, consider that in the context of a service provider where speed in exchange of data and relevant information is mandatory. On top of that, Start had delegated control to a series of suppliers and had lost grip on costs and quality. If we wanted to enhance efficiency and at the same time increase the grip on our organisation, then we had to go for one new system.'

### Bureaucracy-heaven

For the newly formed automation project group this presented a very clear challenge. 'We went for a solution that slotted in best with the organisation's dynamic and way of marketeering. At the same time it had to deliver the targeted savings,' says Wilco Kragt, process manager at United Services Netherlands and one of the pioneers of the project. Very logically, the project group started by

listing the pros and cons of the various systems used. Start's NBO/Trigon was designed to support Start's full service concept whereby a mix of labels and products could be used by one and the same sales organisation. This approach no longer matches with the current strategy where key niches are approached by a dedicated brand. Wilco Kragt: 'And, during development a lot of time was devoted to purely functional salary issues, and much less to commercial objectives like matching supply and demand. You were spending too much time on inputting a social security number and other irrelevant data for matching, before you could get down to work. Walking into a Start office could seem more like a visit to bureaucracy-heaven.'

Another item on the agenda was that Start had developed and implemented a lot of applications under its own management while over at USG development, management and implementation had been outsourced. One effect of this was a much higher cost price for the Start system.

The most obvious move, to transfer everything to FMS, which was the successor of the Flexis package used for so long by USG, needed closer examination. Certainly, FMS was more adroit than NBO/Trigon, but it also had its internal critics. A major minus was that FMS also provided insufficient support for the commercial process, like USG Belgium's Agency-system, for instance. A newly acquired system would have to optimally capitalise on the new dynamic in the temping market. Kragt: 'Alongside matching supply and job seekers for vacancies, with the current Flexi-Act (legislation on flexible employment) it is important to manage labour capacity. This requires quite different functionalities like managing temp personnel who are jobless for a while, but still have to be paid a salary.

Moreover, a multi-niche player like USG is expected to deliver customised services across several segments. Hence, in the top segment it is important to be aware of the exact competencies and experience of the candidate; and you must be able to effectively match this data with the client's demands. In the volume segment efficiency and planning for larger groups of employees are crucial. This demands functionalities per segment which are not supplied by existing systems.'

## E-billing

Following in-depth consultation the decision fell on an updated and strongly expanded version of FMS. 'We use the standard FMS application as a basis with extra functionalities where required, like e-billing. By using internet standards the exchange of data and applications becomes really simple, both mutually and with parties outside the organisation. To get better linkage with the commercial process we are jointly developing

a new user interface with the supplier of FMS. The motto here is "keep it simple unless you really need to make it complex."

'We want to be able to serve the various segments better. That means volume, middle sector of flexi-office workers and the top comprising the very specialised secondments. We pose ourselves the same question across the board here, namely what's the right solution to boost our commercial clout in a given segment?' Obviously, another condition was that the celebrated, own Management Information System (MIS) and the activity planning could be embedded hassle-free in the new system. A phased approach was agreed for implementation of the FMS, with the old USG first in line. 'This way we avoid the possibility of a mishap paralysing the entire organisation.'

Without counting his gains before they materialise, Wilco Kragt is prepared to estimate cost reduction and efficiency gains. Five years from now he sees a minimum of € 9 million savings in operational, management and maintenance costs. And that, of course, is pure automation profit.



CFO Ron Icke

Anton Busselman, general manager  
United College:

'Our strength is  
in steering  
for success'



Together, USG's educational institutions, clustered in United College, form Holland's largest private schooling provider. Turnover development was on course again in 2003. We are the biggest in a fight market, and the challenge is to stay that way.'

**T**he criticism is hardly new: United College, USG's educational arm, may be an outsider in terms of target groups and marketeering. The only tangible link with the USG network is the stable contribution to net profit. General manager Anton Busselman regularly fields this sort of opinion from analysts and other market gurus. His counter-argument is that they miss out on at least one powerful link – the development of talent.

'Certainly United College recruits fifteen hundred young students to follow courses every year. And we take them from the private market. And we are more than just training for business,' he says.

'But the similarities are much more than outsiders seem to think. The core competence of United College is finding out what individuals are good at – what empowers and energises them. We then take those talents and give them space to develop in a way that meshes with United Services Group's specialised operating companies.'

Once again last year United College showed little vulnerability to economic shifts. Holland's largest private educator saw its turnover rise some more while profit stabilised at a high level. The good results were carried by Luzac College and the Abel Tasman College (secondary education, the latter on Curaçao), while InterCollege

(business school/higher vocational training) again incurred a modest loss.

'Together we are the biggest in a fight market, and our challenge is to stay number one,' says Busselman. 'We do that by investing in the expansion of our network and by holding tight to our success factors. Looking at the network, in 2004 we will be increasing the Luzac branches from seventeen to nineteen, and from two to three at InterCollege. Obviously, this sort of upscaling puts extra demands on your support and management, but over the past several years we've built up a sufficiently solid base for this.'

'Within this division we have an unambiguous management structure, and everyone knows our financial objective. At the same time our culture seeks to give individual instructors and the other staff the maximum possible freedom in their work. We also believe in a rapid thru-flow. So, for example, after a few years, you expect a principal to surface somewhere else in the organisation. It's this dynamic that separates us from the other suppliers. And combined with the capital clout of our parent company, it gives us a head start in the education market.'

## Six hundred instructors

If United College stands out because of its strong organisational structure and recognisable culture, its competitive power is largely determined by the personal input of the some six hundred instructors. 'Our strength lies in steering for success. In society today you are constantly marked down when you do things wrong. So, our approach is not focused on disciplining people. Instead, together, we search for the things and the areas of knowledge where the student is good, and we build on that. We cut through the negative spiral, and that helps us get such good results as educationalists.'

Anton Busselman reckons that United College's success formula will also work out in the business-to-business market. 'A very promising growth market is developing there. Companies learn how best to deal with talent. That means their in-house potential and the people they bring in from outside. How do you keep life interesting and challenging for your high potentials? Right now we are looking into ways of providing direct support in this area.'

In this quest United College collaborates closely with the rest of USG. Other areas also see increasing calls on complementary knowledge and skills of United College. For example, Busselman and his staff are closely involved in plans to establish a P&O Academy. This initiative results from the need of HR managers in the business community to be updated on new developments in their speciality. Agreements had previously been made with Medi Interim, another USG subsidiary. Not only does the care

sector need regular and temp nursing staff but – in particular – people with a specialist background in logistics or purchasing. Busselman: 'At the same time they have to fit in a particular culture. Our training courses take this into account. Suitable candidates know in advance that through Medi Interim they will get work right away – if they want to, of course.'

United College is well on track to show the competition its heels, is Busselman's conclusion. 'Time and again we will have to rediscover ourselves. The biggest danger confronting us as market leader is that we get self-satisfied. So we have to keep on the move. Always discovering new roads. That means that we've also got to keep searching for as-yet undeveloped talent in-house.'

NAME Pietro Nozza, 32. FUNCTION Branch manager Bergamo. OPERATING COMPANY Start in Italy.

## 'We want to get to know clients better'

How long have you worked for USG?

Since June 2002.

What are the key characteristics of your operating company?

What makes Start LT different is that we work in a very relation oriented way. We try to get on with people who work for us in a friendly way. We want to get to know them well so we can be sure that our clients get the temps who perform the way they should. We keep very regular contact with our clients. We phone and visit a lot. We give them the feeling that we are always ready and able, if they need us.

What was the most striking event in 2003?

We were Start's most successful branch in Italy in 2003. When I started we had two temps with one client, a transport company. In line with our philosophy we had intensive contacts with the owners. They really appreciated that. In the meantime we have 26 people at that company. That made them one of the bigger clients on our branch list for 2003. Obviously that was a good result, but it also had a great spin-off. The happy client spread the word and that brought in a whole lot of new orders. Not all were equally big, but my team and I were really happy – and so was my supervisor.

Start Foundation develops projects that provide a fresh outlook on the employment market, for people in a vulnerable position – an outlook on challenging and interesting work. But what is USG's role here? 'Alex Mulder has often stated that USG seeks an employment market where everyone is welcome.'



Jos Verhoeven of Start Foundation:

'USG helps to actually shape plans'

The agreement has been in place since the acquisition by USG. Given the fact that Start Foundation is closely linked to Stichting Start, Start's former sole shareholder and hence the vendor, back then this special initiative had to be positioned outside the parameters of the deal. All the same, director Jos Verhoeven remembers that right from the beginning it was clear that USG was keen to restore and if possible intensify the previous collaboration.

'Start Foundation conceives and develops projects whereby people in a vulnerable position in the employment market are offered fresh prospects of work that are challenging and interesting,' explains Verhoeven from his office in Eindhoven. 'This goal is shared by USG. Alex Mulder, chair of the executive board, has often stated that USG aims for an employment market where everyone is welcome. And he's said that they regard it as a moral obligation to devote part of USG's time and resources to this. Naturally, I am really pleased that midway through last year the undertaking was turned into a formalised partnership. Over the three years ahead we can make use of the network, the people and the resources of USG to really give shape to new plans.'

#### Philanthropist

For Start Foundation the support of USG is an important component in its quest for social payoff. Start Foundation wants to be more than a modern philanthropist and with the sale of Start this goal has come even closer. Previously the activities were financed from an annual dividend that had to come from Start Uitzendbureau, but the Foundation is now financially independent. 'But,

as we've said, it's not just about money,' says Jos Verhoeven. 'Investments and securing returns are also difficult in the social context, and it requires expert partners in collaboration.'

A concrete example is the 2003 Baanbrekersprijs (Pioneer Award). Entrepreneurs were asked to submit business plans for this annual event, showing creative ways to help people in a vulnerable position in the employment market, back into work. The best plans were rewarded with a substantial interest-free credit and pro-active support for realisation. Our partner, Rabobank, ensures the detailing of the rules as far as the credit is concerned. Meanwhile the various USG labels take care of support and guidance. The winners turned out to be a street surfacing company from Emmen which set up a brick works during the winter so that the road-building teams were not out of work until next spring (the interest free credit here totalled € 150,000). Then there was a supermarket in Heerenveen, which is operated by a group of people receiving an invalidity pension (€ 215,000) and an engineering firm that developed a method of road inspection to be carried out by disabled people (€ 100,000).

'USG took on part of the costs of the award, and will help the winners make their plans happen,' explains Jos Verhoeven. 'I have high hopes of the latter aspect in particular. Right now, this is often the stage when it goes wrong. We have also benefited from our collaboration in another way. We wanted to award the Dutch current affairs TV programme *Barend & Van Dorp* a prize for the way they showcased jobless people and tried to get them work. We were invited to go on air on the condition that we could deliver some jobs. Thanks to USG's commitment, that is exactly what happened.'

## Benefits

In the near future Start Foundation expects more concrete benefits of the collaboration to come its way. Verhoeven: 'A couple of days ago I got a call from a regional manager at Secretary Plus. Did I think it was a good idea for secretaries who were non-active for a short while, but who were getting their salaries, as per contract, to act as volunteers for one of the projects backed by us? Absolutely, great! Meanwhile, within USG the search is on for mentors, people with sufficient experience who are willing to devote one or two or more days a month and share their expertise in giving back up to people who are less successful in the employment market.'

In the meantime Verhoeven and his staff already had a whole bunch of new ideas. They are looking into potential for a covenant with training bodies under which education and training places that have been paid for, but not used, would be made available to people with learning difficulties or some other competitive disadvantage in the employment market. 'Maybe United College could help us some more here,' Jos Verhoeven wonders aloud.

NAME Gemma Lahoz, 35. FUNCTION Regional director.  
OPERATING COMPANY Start People (Spain).

## 'People make the difference'

How long have you worked for USG?

Twelve years.

What are the key characteristics of your operating company?

At Start People the most important item of capital is people. Our team is young and motivated. They have vision, perseverance and commitment to the company. We have a great sense of responsibility. We do what we say and we say what we do. Certainly, we are aware that the market is changeable and indeed, we have the ability to anticipate change. Another thing is that we are very focused on results. Our personnel know what's expected of them and they take a proactive stance in realising quite ambitious goals. Client orientation is another strong priority. We have a personal contact with each one and we know their needs and problems. This way we can provide timely solutions. Empathy – putting yourself in the other person's position and acting accordingly – is another key skill at Start People. That goes with a willingness to go that extra mile. In a nutshell, we are very conscious that people make the difference.

What was the most striking event in 2003?

That's hard to say because I see 2003 as a year packed with important developments. We reinforced our focus on the small and medium enterprise sector. There was a flexibility study. We boosted the quality of our telephone techniques and the year was rounded off with a quality survey. I should stress that our investment in training was very significant, it helped enhance commercial clout and taught us to be even more professional every day.



The new Innovation Platform plays an important role in the business philosophy of USG. The principle here is that a great idea is not enough. 'It's the art of stimulating creativity by getting people to talk about their trade, business, profession in constantly changing configurations.'

Innovation Platform takes off

## The need to rediscover your services

Innovation is more than just a way to shift borderlines. A meaningful policy on renewal starts by asking what the client expects from you and how you and your organisation can anticipate this in a way that is outstanding. Or, in the words of Hans de Boer, former chair of the small and medium enterprise organisation, MKB-Nederland, and figurehead of the Innovation Platform set up by USG last year: 'You have to put a system around innovation. Just having a great idea is not enough.'

Leo Houwen, member of USG's Group Executive Committee, and with De Boer the core of the Innovation Platform, adds to this: 'It's the art of encouraging creativity in people in a constantly changing configuration, to talk together about their trade or profession. It's about confronting them with propositions that require them to think differently. On top of this most innovations come about by the creative combination of existing products and services; also by just looking long and hard at each other and the competition.'

'Taking all these reasons together we reckoned it was time for an independent platform. We challenge professionals from in and outside the organisation to look over their day-to-day fences and those of their clients and then come up with new concepts for products and processes. We've been at it along these lines for almost a year, and I am happy to stick my neck out and call the results rejuvenating.'

### Under pressure

Over the past several years there has been an involuntary squeeze on innovation in the temping industry. While the recent drop in demand meant lower priority status for product and process innovation, the negative impact of the Flexibility and Security Act implemented in 1999, reinforced the process. Confronted with an under-utilisation hazard the available person and thinking power was initially deployed in maintaining all contracts. This has been one factor reducing the level of penetra-

tion by flexible employment in the Dutch home market from 4.5 to 3 percent. In a recovering economy the lion's share of this loss is sure to be made good through autonomous growth, but doubt has certainly been sown here and there as to the added value of the service offering provided by the temping industry.

All in all this is good reason to look carefully at innovation, or so believe Leo Houwen and Hans de Boer; all the more reason in that a number of the obstructions noted above have been cleared away in the recent period, or have shrunk in importance. 'The industry-wide labour agreement (CAO) concluded at the end of last year ironed out a lot of the flaws of the Flexi-act. In principle the first eighteen months of the working relationship between temp and temp agency is totally flexible. That is followed by a two year period during which parties are free to enter contracts for a set period,' explains Houwen.

### Payroll

Former protector and advocate of the small and medium enterprise sector, Hans de Boer, sees another perspective demanding new priority status for innovation. 'Right now, medium sized businesses in particular are organising differently. Increasingly you see them as parts of intensive networks where they may have close collaboration with partners in new products, or part-develop these. That imposes new demands on use of capacity. Particularly with knowledge intensive projects they need temporary professional back up. But keeping highly trained experts on the payroll is just too expensive. So here's a great chance for a service provider - if it's able to develop something that the client can really use.'

Clearly, the multi-shifting force field in the flexi-market demands a renewing approach, and the Innovation Platform set up mid-way last year must provide a fresh impetus. And then especially to USG. The preference is for a systematic approach. At the heart of the matter is the debate between clients, temp personnel and own,



Leo Houwen, member of the Executive Committee of United Services Group and Hans de Boer, chair of USG's Innovation Platform

in-house creative potential. De Boer: 'You've got to start by charting out what everybody wants. With the results you can add substance to your agenda for renewal. What's your preferred direction and how do you get there? To make the processes more intensive we have sessions backed by a method aimed at rapid, firm recommendations or decision making.' Hardly a year on the road and the initial results are here, like a plan for a new product, which is further detailed within USG.

### Out-bedding

"Out-bedding" is the creative baby of Hans de Boer, as he explains: 'With the traditional formula, corporations and governmental bodies hired outside practices for their advisory work. At most they appointed a couple of representatives to sit in the overseeing committee, but that was as far as it went with direct involvement in the organisation. As a result you can see upward costs and the actual results of the advice that are tricky to embed in the organisation.

'This made us think. Often with a consultancy commission you need an outsider to keep things moving - like a fresh wind blowing. Sure, you can have your own people do a lot of the implementing and analytical work. But, to do this you need a sort of mobility centre in the main organisation. This centre would seek suitable in-house talent and enable them to function optimally in their temporary setting. A company like USG has experience with all these facets, and we know how to select and

motivate talent. If necessary they take over the entire project management.

'To be short and sweet' says Hans de Boer, 'by out-bedding I mean that, as an organisation, you are more active with your own, in-house, talent, for incidental projects. So, you can take this in a broader context than just consultancy projects.'

Another innovation would be to set up a pool for college equivalent graduates. Here, De Boer refers to the early observation around the constantly shifting organisational change among medium sized companies whereby a network economy will need more incidental support in knowledge intensive areas. Figures back up his conclusions: ten years ago only 10 percent of college equivalent students chose a career in the small and medium enterprise sector, now the figure is half. 'But many companies just do not have the capacity to keep these specialists on the payroll. Apart from the fact that they need a technical guy one minute and a marketing or ICT expert the next. With this in mind we are looking at placing college equivalent students in a pool set up and facilitated by USG, where member-companies could pick and select as they need. That way, depending on the project or their situation, they can be sure of making a temporary call on the talent needed.'

There's no shortage of innovative ideas. Leo Houwen sees another benefit of the Innovation Platform. 'This initiative imposes the discipline on us to maintain renewal. We are forced to keep on re-discovering ourselves.'

Internetplatform United MarketPlace operational

## Temping via the web



For the big companies it is increasingly important that purchase and processing of temp staff is done electronically. United MarketPlace was set up to take care of this requirement. 'The fact that we still treat matching as a people business, and that the system is open for several parties, is seen as important.'

Two years ago saw the breakthrough at Siemens Netherlands. A functioning internet platform was to be developed to streamline and centralise the purchase, processing and administration of flexible personnel. Self evidently, the German electronics manufacturer knew the tales of previously perished initiatives. But, at the end of the day, the estimated efficiency gains outweighed the suspicions. Indeed, a previous try-out with preferred supplier United Technical Solutions, Sieflex, had very clearly proved the point.

Indeed, there are multiple benefits to this type of internet application. First there is purchasing: inputting all requests for temporary personnel, fully-automatically, through a single authorisation channel prevents separate departments from calling the agency independently. As well as giving insights into the actual input and yield of flexible personnel in the organisation, you can ensure that delivery is strictly in line with agreed conditions and processes. This taps into an often neglected potential saving.

Next on the wish list was digitalising the forms showing hours worked. The response time (to CVs presented by the agency) also had to be cut. That is important to secure the best available talent at that time. A further point was that Siemens is anxious to keep working with several suppliers to enable the healthiest possible market mechanism. At the same time they want to be clear of the administrative hassle involved. Ideally, they wanted to be invoiced by a single party, which would also manage all the subcontractors.

As supplier to Siemens the people at United Services

Group had reached virtually the same insight at the same moment in time. 'For larger companies with nationwide cover it is increasingly important to be able to have the processing and purchase of temporary personnel done electronically,' says Caroline Holtgreffe, project manager of what is now United MarketPlace. 'Certainly on the volume side there are multiple benefits. Cost and efficiency benefits also play a key role, alongside the above arguments.

'So, as a service supplier we have to anticipate. And working closely with our strategic client Siemens, an in principle independent internet platform was built which serves clients in all these points.' And that's how United MarketPlace was born.

## The dialectics of progress

For a long while internet applications for flexible employment have suffered from the dialectics of progress. Early initiatives did not get off the ground, the invariable argument given being that costs were too high and the will too low. Holtgreffe: 'This sort of initiative fell down because they themselves matched the supply and demand sides. The world wasn't ready for that just yet and whether it ever will be is an open question. These disappointments mean that the potential of internet to increase the efficiency and transparency of mediation in flexi-employment has been played down for a long time. 'In fact, personal matching by intermediaries is at the heart of our system. This is a core competency; the choice of the right candidate determines the quality of our mediation. But all the surrounding aspects in the volume work can quite easily be done electronically.'

The use of internet standards makes United MarketPlace accessible for all potential users. Irrespective of the systems used, at any time, from any place they can freely exchange data via the XML communications standard. The inbuilt security features provide adequate protection against hacking or other forms of abuse. Moreover, the system is constructed on a modular basis. This is to say that users are free to select their own functionality and hence – on the basis of a standard concept – to select the application that best fits with their operation.

## Module

Project Office, the first module of United MarketPlace, controls the hiring and authorisation process. First, the request is automatically presented to the authorised person or body at the client, for sanctioning. The request is only forwarded to the temping organisation(s) after the required (electronic) signatures have been given.

United MarketPlace is also connected online with the other temping organisations with which the client does business.

The result of the subsequent hands-on matching (complete with CVs and, maybe, photos) is directly sent back to the client's decision-making manager. On this basis he/she can make a rapid selection and – still on line – makes this decision known. A placement contract follows, automatically, as soon as an agreement has been reached. 'Potentially you've saved a lot, time-wise and in transparency.'

The second module, the Administration Project, offers functionalities to streamline administrative processing. The first priority is to digitalise the forms that register working hours – a nest of red tape and misunderstandings. Flexi-workers can then login for themselves (from their own PC and after the installation of a UMTS broadband network possibly via a cell-phone) and input their hours on screen. To verify, the temping companies will do the same. Authorisation is again automatic.

Invoicing will be taken care of by yet another functionality. If preferred, clients can opt for self-billing. This means that one intermediary clusters all invoices and only submits these to the client as a collective bill for all flexible work in a given period. Invoices are also presented in a digital form whereby they can be easily read-in to your own systems.

## Matching is still people work

'It is a fact that there is substantial interest for this initiative in the market. Right now we are talking with several major corporations and institutions and the responses are generally very encouraging. In the meantime, other large organisations have also selected United MarketPlace. What really scores with them in particular is that we still treat matching as a people-activity, and that the system is open for several parties – so that you're not locked in to a single supplier.

However, Holtgreffe warns against potential clients counting the advantages too quickly. 'A cultural turnaround is mandatory for successful implementation. When it comes to buying flexi-personnel your organisation will have to learn to work process-fashion. And here and there embedded rights will have to be surrendered. That takes time.

'To get the necessary backing one has to devote a lot of time and energy to convince everyone of its necessity and to secure the willingness of directors and users to assimilate the processes within the organisation. Only then do you start to collect the benefits.'

Coca-Cola and Proflex

# In-house with the client



Flexi-work at Coca-Cola operates along the in-house concept. Reasons for this include required knowledge. 'In the past, when someone was ill you just called the temp-agency and asked for some names. Now you steer on competencies. This demands intensive support from the temporary employment organisation.'

The deployment of flexi-work at the Dutch operation of Coca-Cola Enterprises is cherished like a strategic gem. More than any other season-related item, consumption of the world's best-known soft drink is determined by the weather. As Jeroen Straathof, HR manager Operations for the production and distribution company, explains: 'If the sun beats down and the pavement terraces fill up, we notice it straight away. To ensure quality standards and service we hold stock for an average of seven production days. As soon as we can't reach that level with existing capacity we call on the flexibility of our own staff and on some extra flexi-workers. And, of course, the existing contingent that is already slotted into our operations.'

Obviously, this requires a different approach than with an inflow of temp personnel while available candidates confront higher demands. 'The production and logistic techniques used here require more than just unskilled labour. For instance, far-reaching automation means that a number of functions in – say – production have been substantially cut, while at the same time these functions are far more complex in terms of content. In the past, when someone was ill or demand was up, you just called the temp-agency for some names. Now you have to steer on competencies. That goes for flexi-workers too.'

'This requires intensive support from your temp-organisation. We expect them to be aware of this, and to be able to find suitable candidates, but we also want them to set up a good pool-management, that they back us up with training and education, and that they guarantee the ability to move with the dynamic of this company. All these reasons make the Proflex in-house concept ideal for our sort of company.'

## Fifty million

From his office in Dongen, a stone's throw from Tilburg, Straathof shows one of Coca-Cola's largest production facilities in continental Europe. Every year some four hundred regular staff here bottle and distribute just under fifty million crates of the Coke, Sprite and Fanta soft drinks in packaging varying from 20 cl-

variants for up-market catering establishments to the well-known one-and-a-half and two-litre bottles. The Dutch locations of Coca-Cola Enterprises also take care of national sales and distribution, as well as maintaining cooling installations. 'We have three shifts in our production operation and four in logistics. The workforce totals just over nine hundred jobs. And, in Dongen we hire temps for around 135,000 hours a year. That volume is more than enough to make the in-house variant interesting for both parties.'

Sure enough, Proflex is just a couple of doors away. Proflex is United Services Group's newest answer to the growing need by large-scale production and distribution companies to get a better grip on the deployment and quality of flexible employment. The difference between in-house and the traditional forms of temping is that the temp-agency literally moves in with the client. The logical benefit is that this enables a direct response to shifts in capacity demand. Moreover, the mediator feels the company culture at first hand and knows just what knowledge and expertise are most needed – and uses this right away to select and train the ideal candidate. The in-house temp-provider will often take over the administration element from the client.

Proflex does all of this – and at a lower price. According to general manager Jaap Bolt, a more sober organisational set up and optimal use of electronic support enable USG's new operating company to provide a more attractive product than the competition.

## Active

Proflex is now in position, in-house at Coca-Cola Enterprises: Straathof agrees that so far the client is quite happy. 'We'd been working towards an in-house solution for a while. But where Proflex really stands out is the enthusiasm and the real commitment of the people there. They empathise with this organisation, and they are pro-active thinkers when it comes to the best planning solutions. Right now they are detailing a proposal to enhance the professional elements in our planning routine. They actually took the initiative for this. From our side what's important is that supervision of activities is in the hands of people who know our market inside out. People with whom we can swap ideas at a strategic level on mobility issues – in the broadest sense. That's a real plus point too.'

But as far as Straathof is concerned, proximity is the number-one advantage of getting Proflex in-house. 'Hiring-in flexi-work has become a regular component of our operation. For the client it is increasingly important that you keep your eye on the action – and exert influence. You need to shift fast, particularly if you get in people who meet our strict hygienic conditions and who slot in with our processes relatively smoothly. Proflex meets these demands.'

NAME Michael Blank, 42. FUNCTION Branch manager.  
OPERATING COMPANY Unique Personal Germany.

## 'If you know where you're going you've got more clout'

How long have you worked for USG?

Since 1 July 2003.

What are the key characteristics of your operating company?

It's a culture dominated by commitment in a big way – plus creativity and its own strategy. And, of course, structure, but not rigid. At each branch, within certain parameters we have a lot of room to manoeuvre and do things our own way. Internal communication is very important in our strategy. The team discusses all the solutions, so we have thought it all out and that shows when we act – we're not impulsive.

What was the most striking event in 2003?

Germany had a difficult time economically last year, just like the Netherlands. And in that sort of situation it is vital to really analyse your strong and weak points. Then you have to ask yourself what you want to achieve. Because, if you know where you want to go, you've got a whole lot more clout.

With this in mind I implemented a new structure when I joined up. It was based on weekly planning. Every week, as a team, we look at what we want to achieve in the seven days ahead, and what we have to do to make it happen. What measures are needed this week to score a win?

This works just great. Since we've started with our first own branch in the city of Limburg, 24 branches of Unique Personal have now adopted the strategy. Generally speaking I reckon that you can call that a step forward.



Ad Rem's HBO Services

## Bridging the knowledge gap



Karin Korstanje

This is an interesting joint project between the Noordelijke Hogeschool (college) in Leeuwarden, the ING Postbank in the Province of Friesland, and USG operating company Ad Rem. A large number of students work as temps in the call center of banking-insurance group ING Postbank. 'It's a win-win situation for the students, the Postbank and for us.'

By coincidence ING Postbank's call center in Leeuwarden is opposite the Noordelijke Hogeschool. Using an in-house construction USG operating company Ad Rem mediates for several hundred HBO (college equivalent) students registered at this school. Many of them cross the road several times a week to work on the helpdesk or carry out the other call center related tasks – as paid personnel.

'We are very happy with the flow of HBO-temps says Karola Cats, manager e-mail and e-commerce who is in charge of technical support and the helpdesk at this ING Postbank branch in the northern province of Friesland. As one of three call centers providing first-line support for just over nine million Postbank clients, this is where complaints are processed and advice is given – as well as being the pro-active support point for direct marketing actions. 'It's a win-win situation for both the students and us. We get motivated, excellently trained personnel who need minimal time for internal training and can be deployed across a broad front. And, they are keen to stay with us a little longer. From the other angle, we offer the students an attractive and permanent extra income in an environment they like, with people they get on with. For some courses they actually get grade points for the practical work experience.'

An added bonus is that Ad Rem HBO Services (the name for the joint effort by Ad Rem and the Noordelijke Hogeschool) handles all administration for the flexi-workers, as well as scheduling: 'So, there's no hassle for us there. If someone's sick HBO Services gets a replacement who is familiar with the work. We also stipulated that, in principle, right up to one hour before starting time, we can cancel without penalty. This way we build up flexibility guarantees for optimal use of capacity. With the present, massive work supply there's no need to use it. But it gives us extra certainty. Added to the attractive pricing this makes Ad Rem's service offering stand out, particularly from competitors.'

### Yawning gap

It is a neat way to close the still yawning gap between the business community and knowledge institutions. Some years back the plan started to ferment at Ad Rem to bridge the gap between the needs of the local business community and students at colleges or universities. Even back then the aim was to profile the company as the temping agency for starters from colleges of higher education, Ad Rem contacted the Noordelijke Hogeschool Leeuwarden.

'An insurance company approached the Noordelijke Hogeschool suggesting collaboration whereby students would be made available. The school authorities were interested. They realised that the students would be better off doing part-time work that meshed somehow with their studies, rather than, say, filling shelves in a

supermarket. They needed a partner with an entrée to business, plus experience with recruiting, selecting and training college students. And that's how they came to us,' says Ad Rem's general manager, Karin Korstanje. 'Ad Rem is active in the top segment of the temping market. That means mediating for people with a college-equivalent background or with roots in science. We know how to appeal to people and what sort of work attracts and challenges them. And we have the support apparatus for fast administrative processing at relatively low costs. Altogether this got us an invitation to set up a joint venture with the college. They offered us an on-the-spot location and we took care of the vacancies and actual mediation. In this way the college facilitates work experience -and there's a really lively exchange between knowledge and experience between students and instructors, and the business community. Moreover, the school gets a percentage of revenues. This is used to finance other educational projects.'

### Innovative branch

The outcome is Ad Rem HBO Services, an innovative branch off the Ad Rem tree. 'We have been at it for some years now and the collaboration is successful. Generally we have around three hundred students working as temps. We opted for an in-house construction because we want to be seen in the school entrance hall. That way you lower the threshold and keep in contact, on a daily basis, with the student community for which

you are mediating. Personally, I feel it's an enormous advantage. We speak the same language and we're seen as an extra school service. An extra bonus of this approach is that we have wonderful insights into a magnificent pool of talent. This way we have been able to mediate for graduates nationwide.'

In view of the success it has been decided to launch the concept in other cities with significant student populations, across the country. Initial talks are already underway with knowledge institutions in the west of the Netherlands, and Korstanje expects good news in due course. 'What really inspires me is that we are helping solve a social problem, albeit in a modest way. Everyone knows that Dutch competitive clout is under pressure, and one way to boost it is to ensure know-how is transferred from knowledge institutions to the business community.'

NAME Joanne Spruyt, 26. FUNCTION Branch manager Utrecht. OPERATING COMPANY Secretary Plus Netherlands.

## 'We're staying positive even if the market is contrary'

How long have you worked for USG?

With Secretary Plus since September 2000. In August 2002 it became part of USG.

What are the key characteristics of your operating company?

An open organisation, pleasant and accessible. Working with passion, fun and energy - that's our motto. Our team is really wired - management keeps us that way. For example, the branch that scores best on certain targets can win a trip to New York. That keeps you buzzing. And we are always positive, even when the market is contrary, like last year. Here in Utrecht our clients include a lot of business service suppliers. It's an industry that doesn't pick up as fast as production.

What was the most striking event in 2003?

That had to be the opening of the Amersfoort branch, in August. Sure, it's great to open a new branch, but it meant that here in Utrecht we lost a lot of our territory. At one swoop we lost twenty working personnel. I set our branch the target of making good half the loss within two months. We moved fast and hard: networking, re-checking your database, brainstorming about whom do we place where? And we succeeded. At the end of September we had another ten secretaries working. That's some performance.



Karola Cats

The Unique Call team aims at service for call centers

## 'This is high-grade work'

There are a whole lot of misunderstandings about call centers. To work in a call center demands much more skill than people often think. And this was a chance for the Unique Call team in Belgium. 'We decided to jump in this gap in the market.'

The initiative has its roots in misconceptions around working in call centers. The trend to outsourcing client contacts – like with a help desk or other after sales service formulas – is a well-known trend. Indeed, there has been an explosive increase in the number of specialised call centers.

Strangely enough, the perceptions of the outsiders have not kept pace. Or, in the words of Kathleen van de Kerckhove, manager of the Brussels branch of Unique Call team: 'There is a perception problem across a whole lot of points. To start with, the actual call centers have a poor reputation as employers. That's not really deserved, to my mind. But, there's an enduring caricature of call center work, where you have to bother people late at night with smart telephone sales talk. Sure, that does happen, but most of the work is on a higher level. If you're supporting the clients of an IT company you need to know about the latest technological advances and convey these. The financial sector in particular is a heavy user of call centers, and for that you need basic awareness of the relevant products. Obviously, you also need to keep up to date.'

Because of the misconceptions and the lack of awareness of the methodology of these new service providers, you get another mismatch around provided temp and other staff. Van de Kerckhove, herself once a call center staffer, follows this up: 'It struck me that we were constantly being given a faulty profile. Partly this was because people didn't really know what was involved in the work. But it was also because the mediators were reluctant to commit to filling the job. So, we decided to jump into this gap in the market.'

### Selection process

A couple of years back, Kathleen van de Kerckhove was asked to set up a project, with a few staffers, within



NAME Dirk Stienaers, 37. FUNCTION Director P&O.  
OPERATING COMPANY Unique Belgium.

## 'The people here mesh together really well'

How long have you worked for USG?

Two and a half years.

What are the key characteristics of your operating company?

Unique Belgium is very result orientated. The underlying values include openness, customer and people-orientation, a sense of responsibility and enthusiasm. The result-focus and passion are evident from the relatively high targets we give our personnel, and the way they lock in on their objectives. You see a high level of willingness to change in this organisation. But what struck me most when I arrived two and half years ago was the way people meshed so well together. They share the key values of the organisation, much more than with other companies.

What was the most striking event in 2003?

In 2003 we ranked five in the poll for best employer in Belgium, and second in 2004. The study was run by an independent management institute at the request of the European Union.

I am really proud of the result. It proves that you can set high targets and be demanding and your personnel will still think you're a good employer.

This has to do with the fact that we don't just impose targets. We motivate as much as possible and we provide plenty of training potential. This gives our personnel the feeling that what is good for the company is good for them. That way we all keep edging forward together. I reckon that's the secret.

Unique Belgium. This would concentrate exclusively on the recruitment and selection of flexi-personnel for call centers. The outcome was called Unique Call team and now has four staff with turnover in excess of the group average per employee; moreover, it posted over thirty per cent growth in the problematic year 2003. 'Things are going OK,' says a euphemistic Van de Kerckhove.

The successful approach is based on a fresh look at the selection process. Special role-playing was developed to test the suitability of candidates for this sort of changeable and demanding functions in the still youthful call center industry. 'We have an inbound and outbound variant. In the first case the candidate gets a call from an imaginary client who wants a GSM subscription. We give the candidate information in advance so that he or she can provide the caller with clear, concise and commercially advantageous advice. The ability to improvise and to get on with people plays a big role in this sort of work. And this brings them out. The role-play with the outbound-variant has a situation in which a former supplier calls our candidate and asks why he/she hasn't placed any orders for two months.'

In turn, so that the candidate also knows what to expect with a potential employer, Unique Call team has designed a cd-rom with a virtual stroll through the workplaces.

These tools are making candidate selection even smoother and there has been a very significant decline in dropouts. Clients also react positively to this exceptional way of marketeering. 'Also very important here is that we totally focus on them, speak their language and know what they want. We are quite familiar with the term *abandoned calls ratio* - meaning the percentage of calls missed because the phone lines are overloaded. Given the fact we supply better motivated and better trained people we now have a very strong competitive position in this market niche.'

### Call-kit

In the meantime it has been decided to launch the concept of Unique Call team in other areas. After an initial market reconnaissance of Belgium several cities have been earmarked - each of which has a number of call centers and a significant student population. In principle the locations under review include Antwerp, Ghent, Hasselt and Leuven for the set-up of separate branch offices or for incorporation into existing activities. Plans are also far advanced in the Netherlands.

Parallel with this Kathleen van de Kerckhove sees potential to distribute the expertise gained along other routes. 'We have developed a "call-kit". This is a training tool comprising our amassed knowledge and insights. This way we can help our colleagues to be more successful in this market segment. Demand for our kit is already booming.'



Women directors at USG

## Beyond the glass ceiling



Gina Opdebeek

One of them has already been called the new wonder-woman of the Dutch temping industry and the other two are special talents in their own right. Dinette Bekhuis moved from being general manager of Secretary Plus to Unique Nederland; Joyce Steenveld succeeded her at Secretary Plus and Gina Opdebeek recently moved to head Unique's Spanish operation. 'Women tend to want to excel in every area.'

**U**SG's three women directors are evidence that in the temping industry at least, that infamous glass ceiling just does not exist. Or, at any rate it is less of a hindrance to women than elsewhere. At least this is the first proposition on which the three women agree during a round-table conversation at the head office in Almere.

Dinette: 'That glass ceiling is a popular topic, but it does not apply in this organisation. I've never felt anything like a headwind. Anyway, that would be most unwise given the large number of women managers we have here.'

Joyce: 'Obviously it is a fact that women face more barriers than men. That's no different here than elsewhere. As a working woman you are faced by a constant succession of choices. Whether of not to have children is a major determining factor in career planning later on. Women tend to want to excel in every area. We don't just want to succeed in our work, but also to learn to cook with a star, to build up an entertaining social life, and to get a degree. In the meantime we have this sense of responsibility for everything. Quite simply, this gives us a higher risk factor.'

Dinette: 'So, why haven't women got through to the

very highest levels of governance? That's a time issue. Our generation has the training and the networks. All we need now is solid executive experience. But in a couple of years we'll see that happening, in this country and probably in USG.'

### Feminine business

Gina: 'An advantage is that this is by nature a feminine business. Literally. The most important characteristics you need to do this job well are empathy, the skill to act intuitively and the talent to win people's loyalty. Women are by definition good at this.'

Joyce: 'That's what attracted me from the start. I thought it was great that as a young girl I could go to a customer and see exactly what they did, and then to go and find the ideal candidates for them. And, naturally, to get the match just the way they wanted, not less, and preferably better than they expected.'

Dinette: 'Before I came here I'd worked for management consultants, among other places. But, after a while it did not give the job satisfaction I wanted. To close the deals myself, to see the direct result of my work and to take the responsibility. So I started as a sales executive in a

quite different environment. In my present function I'm more at a distance, but I still try to get a feel of where it's all at in this company: getting good people into the right jobs. This gives me a tremendously good feeling.'

Gina: 'I recognise that. In my view what stands out in the USG culture is result orientation with a simultaneous feeling for human capital. In most organisations the two do not go together organically.'

Dinette: 'That reflects the dynamic of this work. You have to unite parties with fundamentally different interests so that everyone benefits. And I agree with what Gina said before: to do a good job you need qualities that are seen as primarily feminine. Putting yourself in the other person's shoes, paying attention, and most of all, gaining trust.'

Joyce: 'In this business it's all about trust. A client gives us a look behind the scenes and tells us where he needs outside help. You have to treat that information with care.'

Dinette: 'At the end of the day a client gives you the business because he trusts you. Not because you offer the lowest price. Sure, prices are not unimportant, particularly in the current climate. But continuity of a relationship is determined by "walking the talk". Keeping to an agreement.'

Joyce: 'You win confidence by radiating passion. Sincere involvement with the client, knowledge of talents, passionate determination to get the best candidate for the job, and certainty of success thanks to the services and qualities of your organisation.'

### Practically oriented

Gina: 'These points are constantly hammered in at this organisation. I started out as a branch manager and the things I learned back then I try to pass on in my work now. From that angle it doesn't matter if you're still in the midst of the operation every day, or if you've got more distance.'

Dinette: 'This will always be a practically oriented business. Even now that we've taken on so much scale. Obviously, the challenge is to hold on to this.'

Joyce: 'For a lot of USG people who were there at the start - like me - it took some getting used to when Start arrived. We had a company culture and we felt that an organisation like Start didn't fit in with it. First there was the rational acceptance that the addition of Start made good sense. Now, we have got to the stage that we regard the Start people as real members of the team. The cultural differences turned out not to be as big as we thought.'

Dinette: 'Our culture is diverse in the sense that we have a whole lot of operating companies with fundamental differences. But that's good, too. Every label must have the freedom to cover the market according to its own insights, and to have its own image that's seen and known by the relevant target groups. These things can

co-exist because we are inquisitive enough to peek over each other's garden fence. That's not something we have to arrange, it's in the nature of the animal.'

Gina: 'We count on the back up that gives us benefits of scale. One example is that each OPCO had to organise its own training and education programme. Now that's done centrally. Speaking personally, USG's present size also spells attractive opportunities, otherwise I don't reckon that I would have reached an international career like this. On top of this, I can take all my past experience and try it out again in a fresh environment. That keeps you alert. It makes you keep on thinking and searching for the best solutions. Because it takes more than rolling out a success formula that's been tried and tested somewhere else. Spain in particular makes you face up



Dinette Bekhuis and Joyce Steenveld

to regional differences, all demanding a customised approach, every time. That's today's challenge.'

Joyce: 'There's so much we can learn from each other. To do that even better we all have to be more open. A smoother sharing of knowledge and experience - that's our biggest challenge ahead.'

Dinette: 'If you are with more players, it forces you to be more recognisable. Over the next several years we will have to be more empathic in the way we position per label. A strong personality, one everybody recognises, gains confidence. And, once again, confidence is what it's all about in this business.'



## ANNUAL ACCOUNTS

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## Principles for balance sheet valuation, calculation of results and consolidation

### General

In drawing up the annual accounts of United Services Group the corporate profit and loss account makes use of the exemption pursuant to article 402 Book 2 of the Dutch Civil Code.

### Intangible fixed assets

Intangible fixed assets incorporates goodwill arising on acquisitions. Goodwill is taken to mean the difference between the acquisition price and the market value of the identifiable assets and liabilities of the companies acquired. Goodwill is capitalized and is subject to linear depreciation over a period of 20 years. Costs of other fixed assets, including establishment and development costs, are valued at the price of acquisition or manufacture and are subject to linear depreciation over a period of 5 years. Account is taken of impairment on balance sheet date. This is the case where the book value of the assets (or the cash flow generated by the unit to which it belongs) exceeds the realisable value thereof.

### Tangible fixed assets

Tangible fixed assets are valued at purchase price less depreciation charges, determined on the basis of estimated economic life span. The depreciation charges amount to a percentage of historic cost price. Account is taken of impairment expected as of balance sheet date.

### Financial fixed assets

Participations in group companies are valued at net asset value calculated in line with the company's valuation principles. Receivables from group companies are shown at nominal value. Other receivables are almost all incorporated at par. Account is taken of impairment expected as of balance sheet date.

### Receivables, cash at banks and in hand, debt and transitory assets and liabilities

Receivables, cash at banks and in hand, debt and transitory assets and liabilities are included at par. Where required provisions are formed for potential bad debts.

### Provisions

Provisions are formed for concrete or specific risks and obligations at balance sheet date whereby the scale can be reliably estimated. Pension provisions are calculated on actuarial principles. Deferred taxation is calculated at the relevant rate for the difference between commercial and fiscal valuation of assets and liabilities. Other provisions are valued at par.

### Deferred tax claims and obligations

Deferred tax claims and obligations are included for temporary differences between the value of assets and liabilities according to fiscal regulations on one side and the business principles followed on the other. Deferred tax claims and obligations are calculated according to the tax rates applicable at the end of the financial year or according to the rates applying in the years ahead, in so far as these are established by law. Deferred tax claims, including obligations for loss compensation carried forward, are valued where it can be reasonably assumed that these will be realised.

### Result

The result is determined as the difference between net turnover and related costs for the year, with due regard to the above-mentioned valuation systems. Profit on transactions is taken into account in the year in which such profit is realised and losses in the year in which provisions can be formed.

### Net turnover

Net turnover designates the return on services supplied (exclusive of group services) after deduction of turnover tax and discounts to customers. These services mainly comprise:

- Temping and secondment services: provision of personnel whereby hours worked relating to this financial year (at pre-arranged rates) are incorporated in turnover;
- Call center services: handling telephone traffic for third parties. Turnover comprises units/calls (phone-call units of phone conversations) relating to this financial year, at the agreed rate;
- Training services: providing secondary education whereby fees are calculated per lesson period;
- Recruitment and selection services: recruitment and selection of personnel for third parties whereby candidates placed relate to turnover incorporated in the financial year.
- Reintegration services: supervising reintegration services for third parties based on an hourly fee for the hours worked relating to the financial year.

Due account is taken of amounts still to be invoiced.

### Costs

Costs are determined on an historical basis and allocated to the relevant financial year.

## Taxes

Tax on result is calculated on the basis of the result before taxation in the profit and loss account after deduction of fiscally compensatable losses from the previous financial years and exempt profit components, and after addition of non-deductible costs. Current tax rates apply.

## Translation of foreign currency

Monetary assets and liabilities in foreign currencies are translated at the rates pertaining on balance sheet date. Resulting exchange rate differences are booked to the profit and loss account. Assets and liabilities of non-Dutch group companies are translated at the rates pertaining on balance sheet date. The profit and loss accounts of non-Dutch group companies are converted at the average rate for the financial year. Currency exchange differences on assets and liabilities resulting from differences on balance sheet date between exchange rates at the start and end of the year are incorporated in other reserves.

## Consolidation

In addition to the financial figures of United Services Group, the consolidated annual accounts for 2003 also comprise the financial details of participations in which it exercises decisive control. The (most important group) companies to which this refers are listed below (100% shareholding unless otherwise stated). Group companies are taken to be companies in which United Services Group has direct or indirect decisive control. The full list of participations has been submitted to the Trade Register.

Where control is gained or lost during the course of the financial year, by acquisition or disposal of shares, the financial details of the relevant company are included in the consolidation from the moment control is acquired or lost.

- Ad Rem, Andelst
- Call-IT International, Weert
- Fa-med, Amersfoort
- InterCollege Business School, The Hague
- Luzac College Nederland, The Hague
- Nieuw Abel Tasman College, Curaçao (51%)
- Sesa Start España, Madrid
- Secretary Plus Management Support, The Hague
- Secretary Plus Management Support, Brussels
- Secretary Plus Management Support, Frankfurt
- Start Empresa de Trabalho Temporale, Lisbon
- Start Societa di forniture di Lavoro Temporaneo, Milan
- Start Uitzendbureau, Gouda
- Technicum Uitzendburo, Almere
- Telecom Direct Almere, Almere
- Unique Interim, Barcelona

- Unique Interim, Brussels
- Unique Nederland Beheer, Almere
- Unique Personal, Bornheim
- United Capacity, Amsterdam
- United ICT Solutions, The Hague
- United ICT Solutions, Antwerp
- United Independent Solutions, Almere
- United Restart, Almere
- United Technical Solutions, Almere
- United Technical Solutions, Antwerp
- United Technical Solutions Energy, Beverwijk

On 4 March 2003 United Services Group acquired, retroactively as from 1 January 2003, the remaining 49% interest in Start Holding B.V. Corresponding to actual control the financial details of Start were fully consolidated effective 1 January 2003. Start's details as from 1 June 2002 are incorporated in the profit and loss comparison for 2002. Mutual claims and debts as well as mutually provided services are eliminated for the purpose of consolidation.

United Services Group has declared several liability on behalf of the majority of its Dutch subsidiaries for debts arising from legal actions, pursuant to article 403 para 1f of Book 2 of the Dutch Civil Code. The full list may be consulted at the company's offices.

## Statement of cash flow

In principle the statement of cash flows is compiled based on the comparison between the net starting and end figures for the relevant financial year. The cash flow from operational activities is determined according to the indirect method, whereby the reported result is adjusted for result components that have not led to revenues and/or expenditures during the financial year. The item acquisition of group companies comprises the total investment in acquisition of the participating interest, hence inclusive of goodwill paid. The cash resources present in the consolidated participations are added to the purchase price.

## Consolidated balance sheet at 31 December 2003 before profit allocation

All amounts in thousands of euros

	2003	2002
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>	185,194	155,166
<b>Tangible fixed assets</b>	57,821	67,089
<b>Financial fixed assets</b>	68,316	55,593
	311,331	277,848
<b>Current assets</b>		
<b>Receivables</b>		
Trading receivables	256,247	283,502
Other receivables	20,729	18,759
Transitory assets	31,304	31,156
	308,280	333,417
<b>Cash at banks and in hand</b>	19,038	17,613
	638,649	628,878

All amounts in thousands of euros

	2003	2002
<b>Shareholders' equity</b>	194,468	191,563
<b>Share of third parties</b>	178	49,544
<b>Provisions</b>	16,989	25,687
<b>Long-term debt</b>	175,862	101,330
<b>Short-term debt</b>		
Short-term part of long-term debt	26,572	15,120
Bank credit	8,385	39,929
Trading liabilities	48,753	42,397
Taxes and social security premiums	55,115	44,389
Debt re acquisitions	1,118	4,232
Advance payments	7,008	7,463
Pensions	15,683	11,325
Other debt	68,773	79,950
Transitory liabilities	19,745	15,949
	251,152	260,754
	<b>638,649</b>	<b>628,878</b>

## Consolidated profit and loss account for 2003

All amounts in thousands of euros unless stated otherwise

	2003	2002
<b>Net turnover</b>	1,297,800	1,104,527
Salary costs	1,055,670	859,320
Depreciation charges	33,945	30,281
Other costs	168,671	155,491
	1,258,286	1,045,092
<b>Operating costs</b>		
<b>Operating result</b>	39,514	59,435
<b>Financial income and charges</b>		
Result sale of participation	-83	878
Interest income	752	1,014
Interest charges	11,045	9,190
	-10,376	-7,298
<b>Outcome of financial income and charges</b>		
<b>Result of ordinary operations before taxation</b>	29,138	52,137
Taxation result of ordinary operations	-14,357	-20,377
	14,781	31,760
<b>Result of ordinary operations after taxation</b>		
Share of third parties	-72	-6,932
	14,709	24,828
<b>Net profit</b>		
Earnings per share in euros	0.65	1.14
Earnings per share diluted in euros	0.64	1.12

## Consolidated statement of cash flow

All amounts in thousands of euros

	2003	2002
<b>Cash flow from ordinary activities</b>		
Operating result	39,514	59,435
Adjustment for:		
Depreciation of tangible fixed assets	22,182	21,111
Amortisation of goodwill	10,863	8,427
Impairment of goodwill	900	743
Changes in provisions	240	-10,312
Changes in working capital	41,830	5,193
	115,529	84,597
<b>Cash flow from business operations</b>		
Interest received	564	1,014
Interest paid	-11,045	-9,190
Tax on profits paid	-17,991	-20,377
Paid chargeable to provision	-12,405	
Share of third parties in result	-72	-6,932
	-40,949	-35,485
<b>Cash flow from ordinary activities</b>	74,580	49,112
<b>Cash flow from investment activities</b>		
Investments in tangible fixed assets	-16,718	-22,082
Divestments of tangible fixed assets	3,804	955
Acquisition of group companies	-104,007	-59,339
Bank credit acquisition at moment of acquisition		-49,514
Investments in other financial fixed assets	1,217	-2,488
Result of sale of participation	-83	878
	-115,787	-131,590
<b>Cash flow from financing activities</b>		
Dividend	-11,786	221
Repayment/withdrawal bank credit	-31,544	27,194
Returns from long-term debt	100,000	15,007
Repayment long-term debt	-14,016	-5,644
Issue of shares	10	44,580
Cost of shares	-32	-1,018
	42,632	80,340
<b>Increase/decrease cash at banks and in hand</b>	1,425	-2,138
<b>Changes in cash at banks and in hand</b>		
Cash at banks and in hand at 1 January	17,613	19,751
Increase/decrease cash at banks and in hand	1,425	-2,138
	19,038	17,613
<b>Cash at banks and in hand at 31 December</b>	19,038	17,613

## Notes to the consolidated balance sheet

All amounts in thousands of euros unless stated otherwise

### Intangible fixed assets

	Goodwill	Other intangible fixed assets	Total
Situation at 1 January 2003			
Purchase value	173,623	819	174,442
Cumulative depreciation charges	-17,937	-596	-18,533
Impairment	-743		-743
<b>Book value</b>	<b>154,943</b>	<b>223</b>	<b>155,166</b>
Changes in book value			
Investments	41,754	37	41,791
Divestments			
Depreciation charges	-10,774	-89	-10,863
Impairment	-900		-900
<b>Balance</b>	<b>30,080</b>	<b>-52</b>	<b>30,028</b>
Situation at 31 December 2003			
Purchase value	214,305	961	215,266
Cumulative depreciation charges	-27,639	-790	-28,429
Impairment	-1,643		-1,643
<b>Book value</b>	<b>185,023</b>	<b>171</b>	<b>185,194</b>
<b>Depreciation percentage</b>	<b>5</b>	<b>20</b>	

Valuation of goodwill has been subjected to an impairment check whereby the value of goodwill has been offset against the cash value of future cash flow taking account of the group's usual capital cost threshold. This impairment check has led to impairment of € 900,000 exclusively on the goodwill of United ICT Solutions in Belgium.

All amounts in thousands of euros unless stated otherwise

## Tangible fixed assets

	Buildings and land	Furnishing and rebuilding	Computers and peripherals	Software	Other fixed operational assets	Total
Situation at 1 January 2003						
Purchase value	1,032	53,375	50,913	34,122	41,486	180,928
Cumulative depreciation charges	-208	-30,622	-41,290	-8,794	-25,425	-106,339
Impairment				-7,500		-7,500
<b>Book value</b>	<b>824</b>	<b>22,753</b>	<b>9,623</b>	<b>17,828</b>	<b>16,061</b>	<b>67,089</b>
Changes in book value						
Investments	320	5,227	7,153	688	3,330	16,718
Divestments		-73	-3,623	-28	-80	-3,804
Depreciation charges	-89	-6,940	-5,707	-4,549	-4,897	-22,182
Impairment						
<b>Balance</b>	<b>231</b>	<b>-1,786</b>	<b>-2,177</b>	<b>-3,889</b>	<b>-1,647</b>	<b>-9,268</b>
Situation at 31 December 2003						
Purchase value	1,380	50,840	54,370	35,124	40,978	182,692
Cumulative depreciation charges	-325	-29,873	-46,924	-13,685	-26,564	-117,371
Impairment				-7,500		-7,500
<b>Book value</b>	<b>1,055</b>	<b>20,967</b>	<b>7,446</b>	<b>13,939</b>	<b>14,414</b>	<b>57,821</b>
<b>Depreciation percentage</b>	<b>2.5</b>	<b>10 - 20</b>	<b>20</b>	<b>20 - 33.3</b>	<b>20</b>	

## Notes to the consolidated balance sheet

All amounts in thousands of euros unless stated otherwise

### Financial fixed assets

	Tax claim	Custody account	Total
Situation at 1 January 2003	54,376	1,217	55,593
Addition of interest	188		188
Real value adjustment Start	11,312		11,312
Change other receivables	2,440		2,440
Paid in 2003		-1,217	-1,217
	<hr/>	<hr/>	<hr/>
<b>Situation at 31 December 2003</b>	<b>68,316</b>		<b>68,316</b>

### Tax claim

This item includes deferred tax claims, that are not expected to be settled in the coming financial year. Virtually the entire amount relates to loss compensation, partly due to fiscally deductible goodwill. Due to improvement in likely profit capacity it is reasonable to expect that the compensatable losses at a number of Start units will be settled within a reasonable time.

The temporary differences and the amounts relating to loss compensation can be specified as follows:

Amounts in millions of euros	2003	2002
Temporary differences	18.7	25.9
Loss compensation	49.6	28.5
	<hr/>	<hr/>
<b>Total</b>	<b>68.3</b>	<b>54.4</b>

In addition approx. €25 million compensatable losses have not been valued.

### Trading receivables

Trading receivables are valued at face value with a deduction for possible irrecoverable debt.

### Other receivables

Other receivables include a taxation item of € 7.2 million (2002: € 12.1 million) relating to fiscal loss compensation.

### Transitory assets

This item includes an amount of € 18.0 million (2002: € 24.8 million) for work to be invoiced. The remainder largely concerns prepaid costs.

### Cash at banks and in hand

Cash at banks and in hand includes amounts at banks. These are freely available in full.

All amounts in thousands of euros unless stated otherwise

## Shareholders' equity

For a specification refer to the corporate balance sheet.

<b>Provisions</b>	<b>2003</b>	<b>2002</b>
The specification at 31 December is as follows:		
Reorganisation provision	15,484	22,584
Pensions	15	1,230
Deferred taxation	571	575
Major maintenance	45	45
Other provisions	874	1,253
	<u>16,989</u>	<u>25,687</u>

Analysis of the development of provisions:

	<b>Reorganisation provision</b>	<b>Pensions</b>	<b>Deferred taxes</b>	<b>Major maintenance</b>	<b>Other provisions</b>	<b>Total</b>
Situation at 1 January 2003	22,584	1,230	575	45	1,253	25,687
Paid chargeable to provision	-11,167	-1,217	-4		-17	-12,405
Release from provision					-362	-362
Contribution to provision	600	2				602
Real value adjustment Start	3,467					3,467
	<u>15,484</u>	<u>15</u>	<u>571</u>	<u>45</u>	<u>874</u>	<u>16,989</u>

The reorganisation provision related to costs resulting from the reorganisation at Start and Short Track. A significant part of this relates to a provision for premises not in use.

The real value adjustment for Start is incorporated via goodwill.

The provision for commenced pensions comprises obligations calculated on an actuarial basis at 4% interest.

The provision for deferred taxation is calculated on the basis of the current rates for the difference between fiscal and commercial valuation of assets and liabilities.

The other provisions relate, among other things, to the completion of the discontinuation of a number of companies.

## Notes to the consolidated balance sheet

All amounts in thousands of euros unless stated otherwise

### Long-term debt

Long-term debt includes the following loans:

	Debt 2003	Interest 2003	Debt 2002	Interest 2002
Syndicated loan	75,000	euribor + 1.25%	100,000	euribor + 1.25%
Subordinated loan	100,000	4%		
Fixed-rate loan		6.50%	283	6.50%
Mortgage loan	105	6.875%	141	6.875%
Investment credit	757	4.25%-5.25%	860	4.25%-5.25%
Leasing debts			46	7.75%
	<b>175,862</b>		<b>101,330</b>	

With the exception of the subordinated loan the loan periods are shorter than 5 years. The remaining period of the subordinated loan is 9 years.

#### The conditions for the syndicated loan are:

Principal: € 100 million

Repayment: In 16 quarterly instalments of € 6.25 million with the first instalment due on 28 February 2004 and the last on 28 November 2007

Interest percentage: Euribor + 1.25%

Financial conditions: Interest Cover Ratio, Ebit to Net Interest Expense must exceed 5:1

Total Net Debt to Ebitda must be lower than 2:1, whereby the subordinated loan is not included in the Net Debt position. The financial conditions for the Interest Cover Ratio were adjusted in March 2004. The ratio of 5 is now calculated on Ebitda.

#### Conditions for the subordinated loan:

This concerns a loan from the former shareholder of Start Holding B.V.

Principal: € 100 million

Repayment: In 8 annual instalments of € 12.5 million starting on 5 March 2006 with the last on 5 March 2013

Interest percentage: 4% fixed

The loan is subordinated to all creditors.

The short-term part of the above loans is included under the item short-term part of long-term debt.

#### Interest swap

An interest swap has been completed to cover a large part of the interest risk on the syndicated loan. On 31 December 2003 we will receive interest on an amount of € 56.4 million of 3-months euribor (at the end of 2003 this was 2.12%) and we will pay a fixed interest of 4.55%. The amount of this repayment will decrease by € 4.7 million per quarter. Hence, the final repayment will be on 31 December 2006.

Taking account of interest rates on the money and capital market on 31 December 2003 this swap represents a real negative value of € 1.7 million.

#### Short-term part of long-term debt

This incorporates repayments due in 2004 on the long-term accounts.

All amounts in thousands of euros unless stated otherwise

### Bank credit

This incorporates debit balances at current account at several banks. Average interest due stands at euro-basic rate plus 1.25%. The total financing facility totals € 145 million and in March 2004 this stood at € 110 million. In addition to the noted conditions such as the negative pledge, pari passu and cross default, the same conditions apply as for the syndicated loan.

### Obligations not shown on the balance sheet

The annual amount for real estate lease obligations and for lease and other obligations entered into with third parties totals € 49 million (2002: € 43 million). The periods of these obligations are as follows:

Amounts in millions of euros

	2003	2002
Term up to and including 1 year	11.1	9.4
Term from 1 to 5 years inc.	31.4	25.7
Term 5 years and over	6.5	8.3
	<hr/>	<hr/>
	49.0	43.4

Total lease costs in the profit and loss account for 2003 are € 38.8 million (2002: € 33.0 million).

There are fixed obligations for additional payments for the purchase of Call-IT International B.V. amounting to € 2.7 million (2002: € 3.6 million). This obligation will be met in three annual instalments in the form of shares of United Services Group N.V. The issue price shall be set at the average of closing prices during a period of three weeks prior to the time of payment. In the future this obligation can be financed with by purchasing shares, depending on future price developments of the share of United Service Group.

The Dutch tax authorities are currently investigating the entire temporary employment industry in the context of legislation requiring correct identification when entering employment (WID). In the absence of information on the outcome it is not feasible to make a meaningful estimate of the scope of any obligation.

### Related party transaction

The head office of United Services Group in Almere is leased on market conditions from a 100% subsidiary of Hovu Beheer N.V., which is the major shareholder in United Services Group. The annual lease fee is € 2.5 million with 13 years still to run.

## Notes to the consolidated profit and loss account

All amounts in thousands of euros unless stated otherwise

### Breakdown per activity

	United Office Services		United Temping Services		United Technical Services	
	2003	2002	2003	2002	2003	2002
Net turnover	411,380	428,171	735,812	503,922	104,200	130,249
Operating result	23,051	34,079	10,481	22,670	1,142	1,166
Operating result as percentage of turnover	5.6%	8.0%	1.4%	4.5%	1.1%	0.9%
Assets	199,074	199,821	235,978	220,126	50,644	65,194
Liabilities	40,488	42,581	104,082	104,214	11,836	14,066
Investments	1,568	1,913	48,573	18,915	309	5,093
Depreciation tangible fixed assets	4,069	3,826	15,670	11,702	750	1,960
Depreciation intangible fixed assets	4,465	5,178	2,430	287	2,444	1,410
Personnel on fulltime basis	12,251	12,732	26,078	17,699	2,136	2,780

### Geographic spread

	Netherlands		Belgium		Germany	
	2003	2002	2003	2002	2003	2002
Net turnover	905,207	784,778	152,026	143,168	22,694	25,205
Assets	481,664	465,623	47,135	49,826	27,077	26,781
Liabilities	172,962	160,587	17,174	15,934	2,318	4,630
Investments	54,552	25,872	392	7,516	160	121
Personnel on fulltime basis	24,812	20,912	4,083	3,966	853	860

United Communications		Other Activities		Eliminations		Not allocated to segments		Total	
2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
17,296	15,945	29,112	26,240					1,297,800	1,104,527
-1,792	-1,104	6,632	2,624					39,514	59,435
-10.4%	-6.9%	22.8%	10.0%					3.0%	5.4%
40,658	43,753	75,743	68,757	-72,746	-74,941	109,298	106,168	638,649	628,878
3,750	4,216	42,542	37,256			13,497	3,372	216,195	205,705
1,487	7,315	879	1,308			5,693	1,837	58,509	36,381
1,081	959	612	1,453				1,211	22,182	21,111
1,836	1,796	588	499					11,763	9,170
280	359	183	192			216	207	41,144	33,969

Spain		Italy		Eastern Europe		Total	
2003	2002	2003	2002	2003	2002	2003	2002
191,109	136,104	26,764	11,486		3,786	1,297,800	1,104,527
71,712	78,732	11,061	7,774		142	638,649	628,878
17,491	19,484	6,250	5,038		32	216,195	205,705
3,235	2,664	170	145		63	58,509	36,381
10,288	7,053	1,108	516		662	41,144	33,969

## Notes to the consolidated profit and loss account

All amounts in thousands of euros unless stated otherwise

### Numbers employed

Numbers employed by United Services Group and its group companies in 2003 stood at an average fulltime equivalent of 5,134 (2002: 4,247). The number of temporary and project staff, also calculated on a fulltime basis, totalled 36,010 (2002: 29,722).

During the year under review personnel costs can be further specified as follows:

	2003	2002
Wages and salaries	848,092	682,073
Social security charges	189,960	160,819
Pension charges	17,618	16,428
	<b>1,055,670</b>	<b>859,320</b>

Pension charges relate to pension costs for indirect, temporary and project personnel. For project personnel and some indirect personnel pension build-up is via the defined contribution system. For some of the indirect personnel pension undertakings have been given with partly conditional and unconditional indexation.

For a small established group of indirect personnel VUT (early retirement scheme) obligations have been placed with a foundation.

### Payments to members of the Executive and Supervisory Boards

Individual payments to members of the Executive Board who were in office during the financial year were as follows:

	Fixed payments	Pension contribution	Variable payments	Total	Total options
<b>A.D. Mulder</b>					
2003:	360,000	63,000	79,028	502,028	4,000
2002:	333,528		68,605	402,133	6,000
<b>R. Icke</b>					
2003:	325,000	56,875	79,028	460,903	4,000
2002:	285,881		68,605	354,486	6,000

Hence, total emoluments for the Executive Board in 2003 totalled € 962,931 compared with € 756,619 in 2002. The total of issued options is incorporated in the corporate balance sheet under option rights.

The variable payment concerns 2 promille of the result of the group as a whole.

Under the options plan the members of the Executive Board were granted a total of 8,000 unconditional options (2002: 12,000).

All amounts in thousands of euros unless stated otherwise

At the annual general meeting of 7 May 2003 individual payments to members of the Supervisory Board who were in office during the financial year were proposed as follows:

	2003	2002
<b>Periodic payments</b>		
C.J. Brakel	34,088	27,227
Prof. M.H. Battaille	24,088	18,151
J.H. van Heijningen Nanninga	24,088	18,151
Ms M.E. van Lier Lels	24,088	
Prof. C.N.A. Molenaar	24,088	18,151
Prof. B. de Vries	24,088	
	<hr/>	<hr/>
	<b>154,528</b>	<b>81,680</b>
<b>Taxes</b>		
Corporation tax due on the result	14,070	20,834
Corporation tax re liquidations		6
Corporation tax re preceding years	287	-463
	<hr/>	<hr/>
	<b>14,357</b>	<b>20,377</b>
Average nominal percentage	34.5%	34.0%
Re preceding years	0.7%	-0.8%
	<hr/>	<hr/>
Total taxes as percentage	<b>35.2%</b>	<b>33.2%</b>

The average nominal percentage relates to rates applying in the countries where United Services Group N.V. is active, with due account taken of regulations applying in the relevant country in regard to non-deductible items and/or additional deductible items, together with non-deductible amortisation of goodwill totalling € 11.8 million.

## Corporate balance sheet at 31 December 2003 before profit allocation

All amounts in thousands of euros

	2003	2002
<b>Fixed assets</b>		
<b>Intangible fixed assets</b>	99,137	63,171
<b>Tangible fixed assets</b>	65	90
<b>Financial fixed assets</b>		
Participations in group companies	165,546	102,092
Receivables group companies	112,147	109,524
	277,693	211,616
<b>Current assets</b>		
<b>Receivables</b>		
Other receivables and transitory assets	17,680	15,052
<b>Cash at banks and in hand</b>	6,097	9,799
	400,672	299,728

All amounts in thousands of euros

	2003	2002
<b>Shareholders' equity</b>		
Paid up and called up capital	22,685	22,684
Share premium	69,382	73,829
Other reserves	87,692	70,222
Retained profit	14,709	24,828
	<hr/>	<hr/>
	194,468	191,563
<b>Provisions</b>	64	150
<b>Long-term debt</b>	175,000	100,000
<b>Short-term debt</b>		
Short-term part of long-term debt	25,000	6,807
Other debt and transitory liabilities	6,140	1,208
	<hr/>	<hr/>
	400,672	299,728

## Corporate profit and loss account for 2003

All amounts in thousands of euros

	2003	2002
Result of participations after taxation	24,168	25,469
Result United Services Group after taxation	<u>-9,459</u>	<u>-641</u>
<b>Net result</b>	<b>14,709</b>	<b>24,828</b>

## Notes to the corporate balance sheet

All amounts in thousands of euros unless stated otherwise

### General

Valuation principles for assets and liabilities and for the determination of the result are stated above under 'Principles for balance sheet valuation, calculation of results and consolidation'.

	Receivables from group companies	Participations in group companies	Total
Financial fixed assets			
Book value at 1 January 2003	109,524	102,092	211,616
Result 2003		24,168	24,168
Acquisition of participations		49,582	49,582
Dividends		-20,500	-20,500
Real value adjustment Start		10,204	10,204
Other changes	2,623		2,623
<b>Book value at 31 December 2003</b>	<b>112,147</b>	<b>165,546</b>	<b>277,693</b>

### Paid-up and called-up capital

At 31 December 2003 corporate capital totalled € 96,000,000 divided into 96,000,000 shares of € 1.00 nominal value.

Changes in paid up and called-up capital in 2003 are as follows:

	Number of shares	Nominal value
Situation at 1 January 2003	22,684,302	22,684
Issue due to exercise of options	1,050	1
Situation at 31 December 2003	<b>22,685,352</b>	<b>22,685</b>

## Notes to the corporate balance sheet

All amounts in thousands of euros unless stated otherwise

### Share premium

Developments in 2003 were as follows:

Situation at 1 January 2003	73,829
Purchase shares	-4,424
Issue due to exercise of options	9
Other changes	-32
	<hr/>
Situation at 31 December 2003	<b>69,382</b>

The dividend for 2002 was made payable in May 2003, whereby some shareholders opted for a bonus dividend chargeable to the fiscally recognised share premium,. To prevent dilution shares were purchased also chargeable to share premium. In this context a total of € 4.4 million was charged to fiscally recognised share premium.

### Other reserves

Developments in 2003 were as follows:

Situation at 1 January 2003	70,222
From result allocation 2002	17,466
Other changes	4
	<hr/>
Situation at 31 December 2003	<b>87,692</b>

### Retained profit

Developments in 2003 were as follows:

Situation at 1 January 2003	24,828
Result 2002 added to other reserves	-24,828
Result 2003	14,709
	<hr/>
Situation at 31 December 2003	<b>14,709</b>

### Option rights

Option rights have been granted for shares of United Services Group with an exercise period of five years. In 2003 a total of 93,338 rights were granted on shares of United Services Group. A total of 1,050 option rights were exercised in 2003 while 84,735 option rights lapsed. A total of 316,639 option rights were outstanding at 31 December 2003.

Total options	Statutory management	Executive and Board management	Other personnel	Price	Due date
42,978	12,000	14,750	16,228	€ 25.84	4 May 2004
48,166	12,000	19,500	16,666	€ 25.75	26 April 2005
64,813	12,000	35,000	17,813	€ 21.70	28 April 2006
73,374	12,000	43,000	18,374	€ 23.20	25 April 2007
87,308	8,000	39,250	40,058	€ 9.15	8 May 2008
	<hr/>				
<b>316,639</b>	<b>56,000</b>	<b>151,500</b>	<b>109,139</b>		

**Almere, 18 March 2004**

**Supervisory Board**

C.J. Brakel (chairman)

Prof. M.H. Battaille de Stappens de Nieuwenhove

J.H. van Heijningen Nanninga

Ms M.E. van Lier Lels

Prof. C.N.A. Molenaar

Prof. B. de Vries

**Executive Board**

A.D. Mulder (CEO)

R. Icke (CFO)

## SUPPLEMENTARY INFORMATION

### Events after balance sheet date

On 13 February United Services Group announced that it was in negotiation with Waterland Private Equity Investments B.V. on the sale of all shares in Fa-med B.V. The reason for the sale was that the activities of Fa-med meshed less well with United Services Group's core competence strategy focusing on a broad range of specialised employment markets in Europe.

### Auditor's report

To the Supervisory Directors and the General Meeting of Shareholders.

#### Introduction

We have audited the financial statements of United Services Group N.V, Almere, for the year 2003 as presented in this annual report. These financial statements are the responsibility of the company's management; our responsibility is to express an opinion on these financial statements based on our audit.

#### Scope

We conducted our audit in accordance with auditing standards generally accepted in the Netherlands. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

#### Opinion

In our opinion, these financial statements give a true and fair view of the financial position of the company as at 31 December 2003 and of the result for the year 2003 in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9, Book 2 of the Dutch Civil Code.

**Amsterdam, 18 March 2004**

*PricewaterhouseCoopers Accountants N.V*

## Statutory provisions concerning profit allocation

### Article 27

- Item 1. From profit realised in the last financial year, such amounts shall be reserved as determined by the Executive Board with the approval of the Supervisory Board.
- Item 2. Profit remaining thereafter shall be at the disposal of the General Meeting of Shareholders.
- Item 3. The company may only decide to pay dividends to shareholders, chargeable to reserves not required to be held by law, at the proposal of the Executive Board, duly approved by the Supervisory Board.
- Item 4. The company may only pay dividends to shareholders insofar as its own capital exceeds that part of capital, which is issued and fully paid-up, plus legal reserves.

### Article 28

- Item 3. The Executive Board is authorised, with the prior approval of the Supervisory Board, to pay an interim dividend, with due consideration to the stipulations of article 105, Book 2 of the Dutch Civil Code.
- Item 4. The General Meeting of Shareholders may, at the proposal of the Executive Board, and with prior approval of the Supervisory Board, decide that dividends shall be paid wholly or in part in the form of shares in the capital of the company.

## Profit allocation

A dividend is proposed of €0.40 per ordinary share in cash. With a total of 22,685,352 shares this means a dividend of €9,074,141.

# TEN-YEAR REVIEW

All amounts in thousands of euros unless stated otherwise

	2003	2002	2001
<b>Consolidated profit and loss account</b>			
Net turnover	1,297,800	1,104,527	600,402
Percentage growth on preceding year	17.5%	84.0%	15.9%
Operating result	39,514	59,435	66,542
Percentage growth on preceding year	-33.5%	-10.7%	11.3%
Percentage of net turnover	3.0%	5.4%	11.1%
Result from ordinary operations after taxation	14,781	31,760	39,080
Net profit	14,709	24,828	39,080
Percentage growth on preceding year	-40.8%	-36.5%	6.6%
Percentage of net turnover	1.1%	2.2%	6.5%
Operating cash flow	74,580	49,112	38,554
Dividend	9,074	11,342	13,124
Dividend/net profit	61.7%	45.7%	33.6%
<b>Consolidated Balance Sheet</b>			
Fixed assets	311,331	277,848	183,722
Working capital	76,166	90,276	49,201
	<b>387,497</b>	<b>368,124</b>	<b>232,923</b>
Shareholders' equity	194,468	191,563	122,953
Share of third parties	178	49,544	
Long-term loan capital	192,851	127,017	109,970
	<b>387,497</b>	<b>368,124</b>	<b>232,923</b>
<b>Other key figures</b>			
Shareholders' equity/total equity	30.4%	30.5%	33.5%
Shareholders' equity/capital invested	46.0%	45.3%	48.3%
Current assets/ current liabilities	1.30	1.35	1.37
Number of shares	22,685,352	22,684,302	20,190,918
<b>Per share in euros</b>			
As from 2002 based on average issued shares			
Net profit	0.65	1.14	1.94
Dividend	0.40	0.50	0.65
Shareholders' equity	8.57	8.77	6.09
Operating cash flow	3.29	2.25	1.91

2000 1999 1998 1997 1996 1995 1994

517,969	446,794	367,552	284,108	224,473	199,388	169,464
15.9%	21.6%	29.4%	26.6%	12.6%	17.7%	
59,782	46,045	37,159	26,259	19,274	9,666	6,856
29.8%	23.9%	41.5%	36.2%	99.4%	41.0%	
11.5%	10.3%	10.1%	9.2%	8.6%	4.8%	4.0%
36,661	30,494	24,647	18,824	14,841	7,480	4,905
36,661	30,494	24,083	18,472	13,873	7,404	4,825
20.2%	26.6%	30.4%	33.2%	87.4%	53.5%	
7.1%	6.8%	6.6%	6.5%	6.2%	3.7%	2.8%
42,437	27,109	25,891	21,392	15,385	1,902	4,326
12,208	10,192	8,027	6,131	1,673	2,775	1,726
33.3%	33.2%	33.3%	33.2%	12.1%	37.5%	35.8%

111,524	66,214	13,036	8,673	8,303	7,085	5,005
5,425	8,551	13,010	17,820	14,303	14,935	15,257

**116,949 74,765 26,046 26,493 22,606 22,020 20,262**

86,129	51,450	23,891	24,180	18,255	19,509	17,369
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30,820	23,315	2,155	2,313	4,351	2,511	2,893
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**116,949 74,765 26,046 26,493 22,606 22,020 20,262**

37.9%	31.6%	23.3%	33.9%	26.0%	34.9%	35.7%
65.0%	64.3%	78.1%	84.4%	76.1%	87.3%	77.2%
1.05	1.10	1.17	1.40	1.30	1.44	1.54

19,690,919	19,230,500	18,973,812	17,321,455	16,983,365	16,832,685	16,733,450
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1.86	1.58	1.36	1.07	0.82	0.44	0.29
0.62	0.53	0.42	0.35			
4.37	2.67	1.35	1.40	1.08	1.15	1.04
2.15	1.41	1.46	1.23	0.90	0.11	0.26

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