

The Mazars book

*Roots
to our future*



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Foreword

The Mazars adventure

Discussion with Patrick de Cambourg, Chairman of the Group Executive Board, Frédéric Allilaire, John Mellows and Jos van Huut, members of the Group Executive Board, and Jean-Louis Lebrun, Chairman of the Group Governance Council.



Why this book?

The idea for this book came to us when we decided to celebrate the ten-year anniversary of our international “partnership”. This was a pivotal step in our adventure! The firm initially resulting from the merger between Mazars and Guérard Viala has now grown by a factor of five, and we wanted to formally recognise this milestone.

The company’s “changing of the guard” is another motivation for this book, just as important as commemorating our expansion. Of the current partners, nearly one third will no longer be with us in ten years. In order to best secure Mazars’s future, we felt the urgent need to share our history and our roots with the generations who will continue to manage the firm’s progress, today and in the future.

With this book, we have chosen to commit to paper a piece of our collective memory and to remember the values which today make up the soul of Mazars, for those partners and employees who will be called on to build Mazars in the future. It is to the company as a whole, and to each individual, whatever their position or nationality, that we address this testimonial to the vibrancy of our past.

Here we are able to express our satisfaction at a good job well done. Where so often we only have the opportunity to perceive the day-to-day management of the organisation, this book attempts to demonstrate the strength and depth of our work together, and our sense of the adventure which we all share every day at Mazars.

How did the idea take shape?

We can envision Mazars as a tree, always growing, in good health, with its roots, trunk, branches, and leaves all working together to nourish the whole... In this book, we wanted to describe our Mazars tree and how it has evolved over time.

This is why we begin by studying our roots and the values which unite our energies and shape our identity today: independence, expertise, ethics and integrity, and customer service... The code of behaviour arising from these values is not immutable. It evolves over time and through experience, but it is important to point out that these are the values which nourish “the Mazars spirit” in this beginning of the 21st century.

We then chose four major themes from our history which structured our action and our development, and so make up our trunk and our branches: resolute beginnings, the challenge of succession, the out of marriage and the pursuit of permanence. This section of alternating narratives and contributions reflects Mazars’s ever-present desire to reconcile stability and dynamism.

The guiding thread throughout this book is human experience. The men who speak in these pages represent, each in their own way, all those who have participated, participate today or will continue to participate in building Mazars. This is what gives the book its character. Each of us should find elements which inspire our own genius: to become innovators ourselves; to know how to receive as well as to give; to contribute to team cohesiveness and to the unity of Mazars; to be vectors for common sense and calm reflection, but also for movement and growth, just as the branches of a tree, in its different seasons, are covered with leaves, flowers, or fruit.

What message to you hope to convey?

Our generation participated in an adventure which began before us, and now it is up to us to transmit our own vision to the next generations. That is the message of this book. Mazars is an adventure, with its twists and turns, successes and failures, with its vision and its measured risks, demonstrating humility, but also pride... To those who bring this adventure to life with us today, and to those who will write the next chapters, we want to impart the confidence that comes from being true to ourselves... and always remaining open to the world around us.

Any undertaking derives its meaning from its relation to others: the people we work with, the people we work for, and also the society in which we live. Beyond our responsibility to develop what we have received from our elders and transmit it to the younger generation, we believe that our organisation has a citizenship role which is essential for the future.

And finally, there is the message of tolerance! We must learn to really look at others, to understand them, to find the paths and the means for common action. This is not so easy! We should not confuse constructive tolerance and apathetic indifference. At Mazars, our European culture leads us quite naturally to accept one another's differences and view them as a gift, fostering vision and progress, and certainly not as an insurmountable barrier. Too many organisations become closed to the outside world from a misguided sense of superiority. Mazars must always remain open and in osmosis with society, and contribute to its development. We should never forget the nobility of the verb "to serve"!

In a few words, how would you define Mazars's goals today?

It is impossible to predict the future in a world undergoing profound change. In fact, everyone will participate in filling the blank page. Still, our strongest aspirations are clearly apparent.

Mazars is a young organisation and must continue to reinforce its strength and unity.

To grow stronger means each day further carving out its European niche and developing its presence in the rest of the world, particularly in emerging markets. To progress also means envisaging and expanding every market, from large corporations to small and medium-sized companies, including the public and partnerships, for every activity – auditing, chartered accounting, tax advising, or consulting – and imagining solutions which contribute to the quality of service we expect from a distinctive and innovative organisation.

To unite further and fully benefit from the wealth of ability and experience we have brought together means making every one of our teams truly international. Rare are the successes in this area, and Mazars has the potential to be one of the first to bring this level of unity to its activities.

Mazars must also, and above all, continue to contribute to the efficiency and the security of companies and markets.

This is our *raison d'être*! From the start of the 1990s we had sensed the looming credibility crisis which threatened the “assurance” responsibilities exercised in management and in our own profession, without realising the amplitude it would take. Today this crisis is a reality and we must overcome it. This will be possible. Mazars can contribute its own brush strokes to the new canvas – by remaining open-minded and observant, by staying true to our values, our honesty and our transparency, and to the spirit of service which defines us.

Biography of Jean-Louis Lebrun

Graduate of HEC Business School, chartered accountant and auditor, Jean-Louis has been a partner with Mazars for 26 years. He is an international expert in accounting standards, both public and private.

Member of the Committee for Public Accounting Norms and of the Transnational Audit Committee of the IFAC, he also became a member last February of the International Financial Reporting Interpretations Committee (IFRIC) delegated to the IASB to interpret the IAS/IFRS. He is responsible for the PPP working committee of the National Council of Auditors.

He was commissioned by the French Ministry of Finance to establish the initial consolidated balance sheet for the State's public sector companies; he also participated in the working group on the consolidation of the accounts of the national health insurance system (*Sécurité sociale*) and the opening balance sheets for La Poste and France Télécom.

The first auditor in charge of statutory audit for the Banque de France, he supported the implementation of a new accounting reference for the bank, and its later transposition to the rules of the European Central Bank.

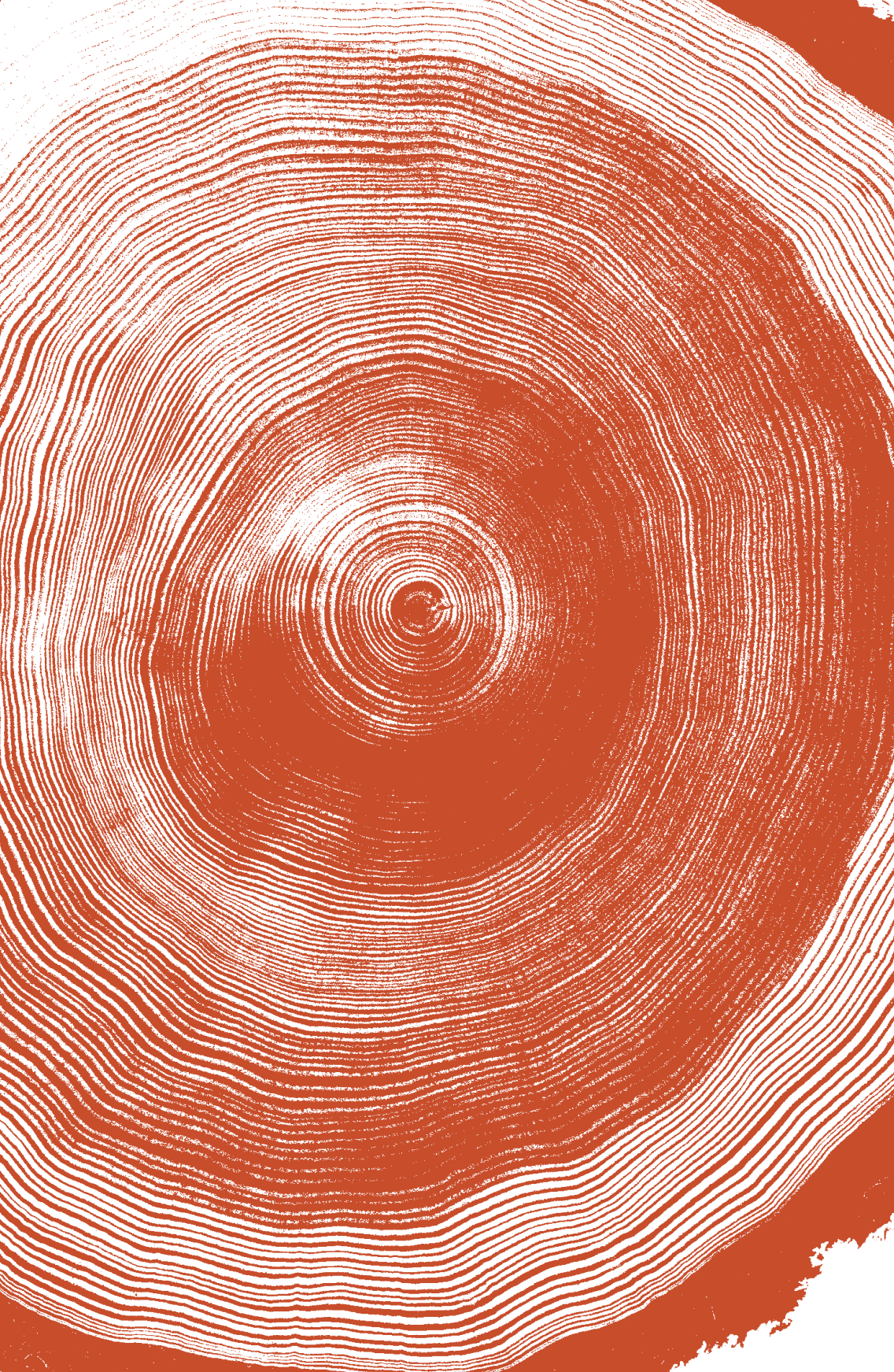
Biography of Frédéric Allilaire

Chartered accountant and auditor, with post-graduate degrees in both applied mathematics and economics, Frédéric began his career with Peat Marwick where he worked for six years in the auditing department. He joined Mazars in 1977.

A partner in the firm since 1981, he is a member of the Group Executive Board and he manages and coordinates the international network which Mazars has been developing for more than 23 years. He is now in charge of all non-European developments.

His clientele is to be found in numerous business sectors, in particular spirits, advertising, transport, distribution, pharmaceuticals and cosmetics, and engineering.

The biographies of Patrick de Cambourg, Michel Rosse, John Mellows and Jos van Huut appear on the page preceding their interview or contribution in the second part of the book.





The Mazars Character

The four principles which govern participation in the Association, and its functioning, are composed of (...) moral and intellectual values (...) and rules for association. They are:

- *the independence of Mazars, Member Firms and Correspondents vis-à-vis third parties;*
- *a high level of expertise ensured by a permanent programme of ongoing training and by consistent quality control of work undertaken;*
- *rigorous intellectual, moral and ethical standards and complete integrity for all in the exercise of their profession;*
- *a strong sense of client service, which dictates in particular being open and available to the client.*

(Excerpts from Mazars's Charter of Association)

Powerful principles to nourish our growth

The values which make up the “Mazars spirit” have developed over time into a full-fledged code of ethics, a central component of our company’s culture. Each of these principles may encompass several characteristics, and they are not to be understood separately, but rather taken as a whole. While they have been refined and enhanced through experience, they are remarkable in having resisted the dual pressures of everyday management exigencies and the passage of time. By implementing mechanisms to guarantee the application of these basic principles, such as a democratic management system or the fact that partners do not “own” their clients, Mazars has sought to create a space of freedom, in which the governing rule is respect for others, whether they be client, colleague or partner.

To designate four principles as fundamental, as we do in this chapter, is a perilous undertaking! We should all be conscious of its limitations, and particularly of the fact that each one of us not only receives, but also lives out and even creates values, which are not frozen in time but rather in constant evolution.

These values are lived out in each of us. The “code” which we have developed to guide our professional lives, and which we present here as a simple synopsis for practical reasons, is in fact applied by each of us according to our own culture and personal experience. The human element is what enriches and expands these values, and is the “principle of principles”. It is the subtle interplay between shared and individual values, unique for each one of us, which creates the depth and vibrancy of the whole.

Our values also have a collective existence. Over time and throughout the development of our organisation, our “code” has evolved, and it will continue to evolve in response to new challenges and goals. We all sense the new dimensions which are emerging today, coming to maturity in the collective consciousness, even if they are not yet formulated with as much certainty as our four basic principles. Such dimensions include, to name a few: our social awareness role; the extraordinary wealth to be found, and which we continue to explore, in the diversity of our European roots; an increasingly global vision and goals; the necessary reconciliation of team spirit, partnership spirit, desire for equality and leadership... So many paths for us to explore together!



The first principle: **Independence**

According to Robert Mazars, “independence is absolutely necessary; this principle alone is what give opinions their value.”

This idea is not purely theoretical, but is strongly anchored in Mazars’s practises and in a code of ethics which gives Mazars its identity.

Financial independence

The goal of management at Mazars is to guarantee the financial independence which allows the organisation complete freedom of opinion. A few very simple principles have been applied from the beginning. First, careful attention to the company’s financial health, beginning with prudent cash flow management, because an organisation’s stability depends on its ability to pay its expenses and its employees. Added to this is the necessity of not becoming overly dependent on a single client and of not relying too greatly on external financing. Mazars finances its development using equity drawn from partners’ contributions.

Independent thinking

This idea concerns Mazars as an organisation and the people who work there.

- *In terms of money*

Profit is not a goal, but a tool. This is expressed, first of all, in the constant desire to open up investment capacity: “Development costs money, but we must not hesitate to invest aggressively in order to advance and create a place for ourselves in Europe,” says Robert Mazars. And we know that in the service sector, investment is often intangible and is therefore considered... an accounting cost! The idea of sharing is also at the heart of things: partners do not “own” their clients, and can neither buy nor sell their client base. And remuneration should depend as much on collective as individual

performance; for Robert Mazars, “A person’s pay should not depend on the commission received for a specific contract, but on the overall results of the company, to which each has contributed for those projects assigned to them.” The notion of partnership is at least as important as technical, marketing or financial skill.

Solidarity at the international level was put to the test a few years ago, when financial support was provided to three countries which were in difficulty. Mazars is not “a group of countries, but an organisation of people pursuing common goals and a joint vision for progress, and sharing risks and benefits” which ensures “equality between countries,” emphasises Patrick de Cambourg.

• *In terms of power*

The company has opted for a democratic system based on “an organisational model in which Mazars is not owned by outsiders; partners are shareholders in the company, and the controlling power of the group is the central Mazars entity, which is under the control of its partners,” explains Patrick de Cambourg. The Chairman and other members of the Group Executive Board, as well as the Group Governance Council, are elected every three years by all the partners. In the same way, all important decisions – co-opting new partners, new mergers or partnerships, major organisational trends... – are taken during the annual meeting. This creates a solid, lasting relationship between partners, and also reinforces the ideal of service, as opposed to a potential “diva system” which would contradict the very idea of a democratic partnership. This rare form of sacrifice was visible in the way that Robert Mazars left the company when passing it on to his younger partners, and also later, when Guérard Viala or Neville Russell and Paardekooper & Hoffman gave up certain prerogatives to contribute to the development of the shared organisation.

- *In terms of conformity*

Mazars firmly intends to keep its identity and work outside of pre-established, often imported models (for management, governance, accounting standards): “the market tendency is towards normalisation through excessive standardisation; we prefer customised solutions. Within the framework of globalising trends which have many positive aspects, we want to maintain the proximity and flexibility of a skilled professional. This is what allows true relevance and responsibility,” remarks Patrick de Cambourg.

The Mazars CARL entity was created to support the principle of independence, based on the ideals of sharing and democratic governance. “As early as 1995 we created a system, the Limited Liability Cooperative (in French, *Coopérative à Responsabilité Limitée* or CARL), symbolically headquartered in Brussels, which coordinates the activities of the national structures controlled by their partners, all of whom together make up the international association. This organisation sets game rules and administers and oversees national firms using a certain number of prerogatives: the right to inspect national entities as a guarantee of stability; “policing power” to ensure quality and the respect of fundamental principles; correspondent agreements in order to organise operational unity and development dynamics; the right to set performance-sharing rules to guarantee a true association...”



The second principle: **Expertise**

Independence is simply a framework, an idea expressed as a system of institutions which would be meaningless without content. This content, for Mazars, is expertise, the firm's only true "business asset". For Robert Mazars, in his profession of auditor and financial advisor, the first rule is that "everyone must master the rules and principles of accounting". This maxim can be applied in every profession.

Professional expertise

Mazars ensures this expertise through a diversity of skills and cultures, envisioned as bringing enrichment through dialogue and the interaction of varied talents, ideas and experiences. Expertise in the fields of auditing, accounting and professional services is reinforced by ongoing training and through staff's international experience.

Claude Guérard remembers the era of "daddy's accountant", when the profession was in its infancy, and admits that "our profession has changed considerably. Auditing principles have remained fundamentally the same, and computers have been in use for some time, but the field overall has become more complex. Still, while government auditors today require an enormous number of documents, the process can be approached calmly with the proper expertise in terms of people and tools, particularly software."

Because Mazars's areas of expertise – auditing, appraisal and assessment, tax advising, and professional services – are linked to companies' management, strategic decision-making, and risk and profitability assessments, "consulting is a natural part of our profession, even in a simple 'certification' process; a purely 'rubber-stamp' accountant, beyond the 'disempowering' aspect of his job, greatly underestimates the strategic influence which has always been held by chartered accountants and auditors," adds Patrick de Cambourg.

Cultural diversity is another component of Mazars's expertise. The firm's recruitment has always reflected a diversity in education and training, including business, scientific, and general university degrees, and given preference to open-minded candidates with good communication skills. Many partners studied law, literature or science before turning to auditing. The firm's European dimension, fosters openness to dialogue and debate, and also makes it possible to adopt best practises from each country, and avoid their mistakes.

This richly diverse culture which today is a significant part of the "Mazars character" has deep European roots and now exists across fifty-eight countries. But remember, expertise cannot be decreed; it results from the respect and trust of those with whom, and for whom, we work!

People's expertise

Individual expertise must be maintained and supported. There is no miracle solution: only hard work brings people to the highest levels of competence. Robert Mazars was an impressive example of this work ethic, and also of the desire constantly to educate himself and to evolve with the market and with businesses.

Attracting talented people means offering them true responsibilities and real scope for progress through strong projects, good pay and international mobility. For Patrick de Cambourg, growth means "offering young colleagues responsibilities which are at least as important as those which we had at the same age."

In exchange, Mazars can rely on their creativity. The difficulty lies in finding the right balance between individual approaches, which may lack rigour and strategic vision, and the group interest embodied in an active and demanding leadership.

It is also essential to recognise the value and contribution of partners and staff in financial terms: Robert Mazars dreamed of "creating a service cooperative" and paid his first young partners only ten percent less than his own salary! This system has evolved to one in which remuneration is based on peer evaluation, but its spirit remains essentially unchanged.

Behind Mazars's obsession with expertise lies a clear strategic objective, which is far from idealistic. The cultivation and recognition of its expertise is what allows the company a unique existence on the world market – from its European market, it is creating its own references and is an active force in global evolutions, and from the very concrete possibility of promoting the emergence of quality global actors and expanding service offerings, compared to the ever-present “Big Four”, who will themselves have to adapt to the “Best Six” or “Best Seven”.

The focus is on competence rather than size. After the Enron scandal and the upheaval in the profession which followed, culminating in Andersen's demise, Patrick de Cambourg believes that the best way to re-establish market confidence is to support the emergence of new players. With six or seven international consulting firms, of which two or three are specifically European, able to establish a balanced relationship with the United States and to reinforce the European market's independence through interdependence, the playing field will be calmer, and players' entrepreneurial spirit will blossom in a restored atmosphere of trust and in the successful work relationships which guarantee performance and security.



The third principle: Ethics and integrity

Integrity is the premier quality of a consultant or an auditor. For the latter it is the *sine qua non* of his professional credibility. The “incorruptible” Robert Mazars set the tone, and his reputation, “Assets with no value disappear, when Mazars is near..”, has without a doubt been one of the firm’s most important resources. During the upheavals caused by major financial scandals in recent years, it seemed that moral codes had imperceptibly slackened. Many of those who normally turn to auditors to guarantee the integrity of their financial information and guide the management of their enterprises became understandably mistrustful.

The seemingly abstract and volatile notion of integrity refers in reality to a set of ethical rules which leave little open to interpretation. Leaving aside the pursuit of profit, which Mazars monitors through a policy of institutional transparency and a philosophy of sharing, two main threats remain. The first, of course, is becoming too dependent, for example on a large client whose defection would imperil the firm; the second is an unhealthy attachment to the client which can occur when familiarity grows beyond the necessary relationship of trust, leading to a situation where unpleasant truths are avoided.

A good auditor, like a good consultant, must always speak the truth to a client. This takes a level of courage which is generally in direct proportion to the client’s importance. Robert Mazars remembers how difficult it was for him to “contest positions taken by the President of Hachette”... Imagine also the partners’ state of mind when the firm refused to certify accounts for Credit Lyonnais, which became a direct cause of the bank’s restructuring. In difficult cases, it can be useful to lend support to the responsible party through a form of complementary, collegial or managerial, authority, such as Robert Mazars has applied in the past. But it is essential to believe – and experience has also shown – that clients eventually come to accept unpleasant truths when they are imparted within a trusting relationship.

Errors are still possible, even if expertise reduces this risk to a minimum. Robert Mazars reassured his troops by declaring: “The only superiority we can claim is to be wrong less than half the time!” When an error is found, the best solution is to admit it immediately and openly: “One of our golden rules is to admit our mistakes right away, rather than trying to hide them or fix them on the sly, and everyone respects this honesty,” explains Patrick de Cambourg. Without going so far as to encourage them, errors can have two positive effects: they give Mazars a reassuringly human face, and they breed tolerance, a virtue which Robert Mazars regrets not having “written into” his personal code of ethics. “If I were formulating them now, I would add tolerance as one of the principle values. No one person holds the whole truth. The client can also be correct, and other partners have the right not to share your opinion!”

In reality, ethics and integrity are the practical application of the principles and code of conduct progressively developed by Mazars since its inception. They are also a major point of pride for those who have adopted them. Thus, Jos van Huut can state that “transparency” is Mazars’s greatest asset: “When I look back, I think one of our most important achievements was in creating an organisation which is transparent. We are what we say we are, and we can prove it.”



The fourth principle: Customer service

The values listed above have no meaning except through their contribution to the positive management of companies and markets, through their support of the clients with whom close personal relationships often develop. Following his retirement, Robert Mazars continued to work for a stretch of time and returned his earnings to the company, out of loyalty not only to his partners, but to his closest clients as well.

Respect for market expectations is the foundation for all decisions taken at Mazars. Thus for example, Paardekoooper & Hoffman merged with Mazars to serve better its Dutch clientele by acquiring the international experience which had become necessary even for medium-sized companies.

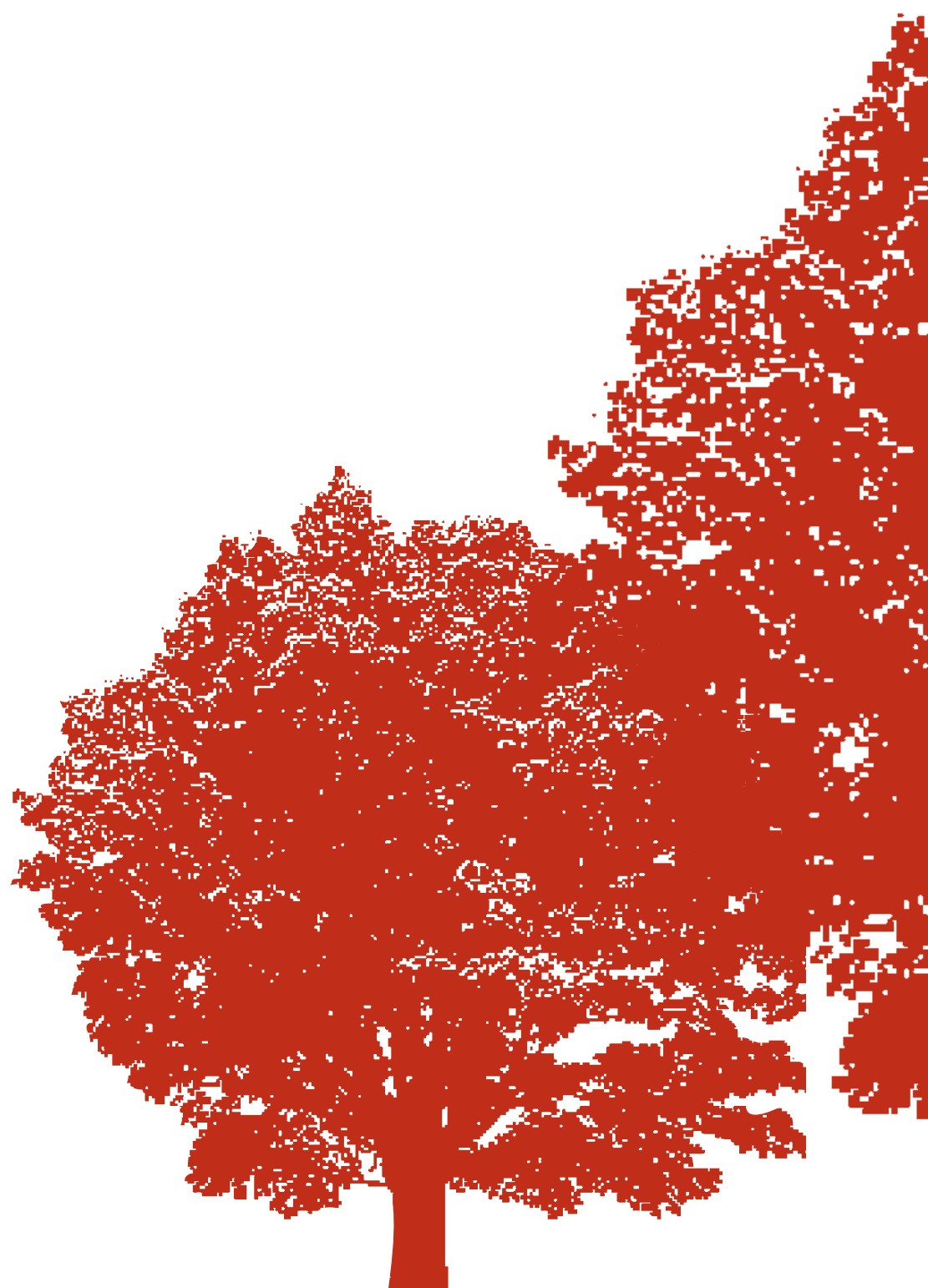
The quality of all participants, staff and partners, is a key factor in responding to these expectations. Recruitment is based on the notion of competence, because auditing and consulting are technical disciplines, but also on human relations skills, concise thinking and the general ability to understand others and their needs. Personal relationships with clients reflect this desire for rapid response, proximity, personal availability... and of course honesty! Keeping in mind that one can always be courteous and respectful, even when unpleasant topics must be addressed. “We always strive for dialogue and a sense of freedom and innovation in our relationships,” observes Patrick de Cambourg.

Customer service reaches beyond business relationships, and Mazars is attached to “the idea of the global value of a company, including shareholders’ interests but also those of its clients, suppliers and employees, its market placement and its code of ethics. Europe has need of thoughtful businesses which are fully integrated into a dynamic society.” In a way, Patrick de Cambourg sees customer service as an antidote to idealism. “We can always congratulate ourselves for being the best, and having an irreproachable moral code, but this makes no sense if the market doesn’t recognise us.” Service also means being conscious of our collective responsibility,

towards companies but also towards the profession, the European and global marketplaces, economic and political decision-makers, and citizens.

Participation in professional institutions, teaching, publishing, meetings, discussions and conferences... Robert Mazars set an example from the beginning, and his successors have continued this commitment to the institutions of their profession, in addition to participating in debates such as those concerning sustainable development or better evaluation of intangibles. This activity is gaining a distinctly European aspect: “Auditing and consulting are catalysts in the emergence of a European business culture, based on the development of a newly ‘domestic’ continental market, and made possible by the introduction of a common currency in a number of countries,” concludes Patrick de Cambourg. For John Mellows, “Mazars has succeeded in imposing a long-term global vision around its brand, presenting a model for an integrated, worldwide organisation. This strategy is clear and easy for all our clients to understand, particularly those across the Atlantic for whom the European market is gaining importance. Mazars understands this and has created a novel, attractive and cohesive structure which allows each of us to position ourselves as market leaders.”







All for one
and one for all

All for one
and one for all

“**A**ll for one, one for all!” This was the motto of an elite corps, the Musketeers of King Louis XIII of France, whose exploits were recounted by the novelist Alexandre Dumas.

Our whimsical reference to heroic fiction is meant to recall the unity of the Mazars Association and the solidarity between partners. These two “virtues” of successful organisations have supported Mazars’s progress. To cultivate them is to continue patiently together our forward march.

Every participant in our common project deserves to be personally cited here, Mazars’s five thousand partners and staff in 38 countries, as well as the five thousand partners and employees of our associated firms in twenty countries. Such an undertaking is impossible here. To symbolise this human dimension which breathes life into Mazars each day, we will therefore hear from those who are partners in Mazars CARL as this book reaches completion. We thank them for their commitment, often over many years, and for their community spirit. They hold positions which, when the time comes, they will hand over to the next generation and, for the moment, can speak for everyone, from the most senior to the youngest on our teams. And thanks also to all those who work alongside them each day!



Mazars organisation partners

Ian Nicholas ABREY	United Kingdom	2000
Lieven ACKE	Belgium	1993
Derek Williams ADAMS	United Kingdom	1995
Roberto ALBERTAZZI	Italy	2002
Frédéric ALLILAIRE	France	1979
Christian AMELOOT	France	2001
Robert AMOYAL	France	2001
Christopher Rodney ASHURST	United Kingdom	1988
Michel ASSE	France	1977
Michael ATTENBOROUGH-COX	United Kingdom	2001
Thierry de BAILLIENCOURT	France	1990
Norman Keith BAKER	United Kingdom	1989
Bruno BALAIRE	France	2000
Timothy Colin Hamilton BALL	United Kingdom	1998
Jean-Marie BARBEREAU	France	1975
Michel BARBET-MASSIN	France	1985
Jean-Luc BARLET	France	1996
Antonio BARREIRA	Portugal	1987
Bernard BARRON	Ireland	2000
Danièle BATUDE	France	1984
Nabil BAYAHYA	Morocco	2003
François BELIN	France	1982
Pierre BELUZE	France	1991
Loris BERETTA	Italy	2002
Catherine BERGAUD	France	2003
Jacqueline Mary BERRY	United Kingdom	2000
Mathieu BIDEGARAY	France	1998
Olivier BIETRIX	France	2000
Ludwig BINDEMANN	Netherlands	2003
Samir BITAR	United Arab Emirates	1999
Thierry BLANCHETIER	France	1990
Hervé BLAZEJEWSKI	France	1999
Charles de BOISRIOU	France	1999

Géjan BOLINK	Netherlands	1991
Sijt de BOOM	Netherlands	2000
Karen BOROWSKI	United Kingdom	2003
Alain BOSCHER	France	1981
David Richard Arden BOTT	United Kingdom	1996
Xavier BOUCHER	France	1986
Philippe BOUILLET	France	1983
Antonio BOVER	Spain	1999
Hazel Margaret BOWMAN	United Kingdom	1999
Franck BOYER	France	1998
Rens BROOIMANS	Netherlands	1999
Cyrille BROUARD	France	1992
Ton BROUWER	Netherlands	1990
Ted van BUCHEM	Netherlands	1988
Jean-Michel BUCLET	France	1988
José Luis BUENO	Spain	1999
Gerrit BUIJSERD	Netherlands	1980
José Manuel CALAVIA	Spain	2001
Phillip CALLOW	United Kingdom	2001
Patrick de CAMBOURG	France	1978
Antoine CAMPAGNA	Italy	2000
Joe CARR	Ireland	1985
Santiago CASADEJUS	Spain	2000
Ignacio CASANOVAS	Spain	1998
Anita de CASPARIS	Netherlands	2000
Philippe CASTAGNAC	France	1988
Serge CASTILLON	France	1994
Serge CASTRO	France	1998
Isabelle CATUSSE	France	2001
Adel Mohsen CHAABANE	Tunisia	1996
David George CHAPMAN	United Kingdom	1995
Xavier CHARTON	France	1984
John Garner CHASTNEY	United Kingdom	1985
Pascal CHAVOUTIER	France	2001
Gustavo CHESTA	Argentina	1989
Pierre CHEVALLIER	France	1984
Daniel CHMIELEWSKI	France	1979
Thierry COLIN	France	1986
Carlo CONSONNI	Italy	2001
Leon Aslan COSKUN	Turkey	1977

Odile COULAUD	France	1993
Simon COYLE	Ireland	1996
Alejandro CROSTA	Argentina	1994
Noël CUNNINGHAM	Ireland	1987
Raf DANNEELS	Belgium	1993
Bruno DAUPHINÉ	Madagascar	2001
Olivier DEGAND	Poland	2001
Simone DEL BIANCO	Italy	2001
Jean-Marc DESLANDES	France	1996
Pierre DESTEFANIS	Italy	1989
Abdou DIOP	Morocco	2003
Mayréad DIVILLY	Ireland	1997
Timothy J. DOHERTY	United States	1985
Gert DON	Netherlands	1994
Max DONGAR	France	1995
Jacques DOS SANTOS	Portugal	1994
Robin McKenzie DOWNIE	United Kingdom	1981
Xavier DOYEN	Belgium	1995
Christine DUBUS	France	2000
Daniel DUMESNIL	France	1982
Max DUMOULIN	France	1979
Walling DYKSTRA	France	2001
Alan Thomas Henry EDWARDS	United Kingdom	1981
Walfried van EGERAAT	Netherlands	1999
Pascal EGO	France	1998
Christian EINHORN	France	1989
Jean-Maurice EL NOUCHI	France	2002
Mohamed Ali ELAOUANI CHERIF	Tunisia	1996
Sebahattin ERDOGAN	Turkey	2004
Bernard ESPANA	France	1987
David John EVANS	United Kingdom	1987
Patricia FANDIÑO	Argentina	1981
Armand FANDOHAN	Ivory Coast	1992
Jeroen FEENSTRA	Netherlands	2002
Jean-Claude FERRÉ	France	1975
Erik FLAMANT	France	1992
Patrice de FOLLEVILLE	Germany	1996
Cécile FONTAINE	France	2002
Frédéric FOURNIER	France	1998
Alistair John FRASER	United Kingdom	1999

Pierre FRENOUX	France	1980
Didier GABRIEL-SABATIER	France	1981
Philippe GALLIENNE	France	1990
G�rard GENTIT	France	1972
Jacques GIARD	United States	2002
Andrew James GOLDSWORTHY	United Kingdom	1997
Carlos GONZALEZ	Spain	2000
Jean-Paul GORET	France	2001
Paul van GORP	Netherlands	2002
Thierry GOSSET	France	1989
Lionel GOTLIB	France	1988
Guido GOTTSCHALG	Germany	2001
Andrew Jonathan GREEN	United Kingdom	1996
Frank GREENE	Ireland	2000
Markham John GRICE	United Kingdom	1989
Denis GRISON	France	1980
Nigel Charles GRUMMITT	United Kingdom	1999
Enda GUNNELL	Ireland	2003
Herv� HELIAS	France	1995
David HERBINET	United Kingdom	2001
Alan Mitchell HIGGINS	United Kingdom	1977
Nicholas Henry HOLMES	United Kingdom	1988
John Carless HOLROYD	United Kingdom	1990
Richard Arthur HOPKINS	United Kingdom	1988
Peter HOPSTAKEN	Netherlands	2001
Alan Peter HOWARD	United Kingdom	1995
Andrew John HUBBARD	United Kingdom	1990
Timothy William HUDSON	United Kingdom	1999
Kim Barbara HURST	United Kingdom	1990
Brian Peter HUTCHINSON	United Kingdom	1982
Jos van HUUT	Netherlands	1980
Peter Robin HYATT	United Kingdom	1983
Peter van IERSEL	Netherlands	1990
Guy ISIMAT-MIRIN	France	1991
Alain ISTAMBOULIAN	France	2001
Martine JAKUBOWICZ	France	1989
Thierry JANUS	France	1994
Peter Bernard JIBSON	United Kingdom	2000
Glen Brian JONES	United Kingdom	1992
Jacques KAMIENNY	France	1984

Edgar KANNEKENS	Netherlands	1997
Wico van KEMPEN	Netherlands	2002
Jacques KIES	Netherlands	1991
Michel KIVIATKOWSKI	Poland	1997
Jan KLAASSEN	Netherlands	1987
Eric KLEIN-HESSELING	Netherlands	2000
Ton KOENDERS	Netherlands	1997
Jean-Louis KOESSLER	France	1989
Herman KÖSTER	Netherlands	1994
Cor KROES	Netherlands	1987
Ruud KROUWER	Netherlands	1989
Thierry LABARRE	China	2000
Jean-Pierre LADOUCE	France	1983
Bert LAMAN	Netherlands	1994
Rüdiger LANG	United Kingdom	2004
Julie LAULUSA	China	2004
Olivier LE BERTRE	France	1983
Jean-Louis LEBRUN	France	1979
Jean-Guy LECOUTEUX	France	1989
Jan van der LELIE	Netherlands	2000
Olivier LENEL	France	2002
Estéfano LLONCH	Spain	2000
Victor van LOON	Netherlands	1995
Wim LUBBEN	Netherlands	1996
Paul Martin LUCAS	United Kingdom	1994
Victor LUCIO DA SILVA	Portugal	1987
Juan LUQUE	Spain	2004
Stefan LUTZ	Germany	1993
Pierre LUTZ	France	1989
Philip Michael LYON	United Kingdom	1997
Jacques MAAS	Netherlands	1983
Eugène MAC MAHON	Ireland	1995
Gilles MAGNAN	France	2003
Julien MARIN-PACHE	France	1989
David MARTIN	United Kingdom	2001
Didier MARTIN	France	2000
Jean-Luc MARTINET	France	1980
Luc MARTY	France	2001
Pierre MASIERI	France	1993
Abdelkader MASNAOUI	Morocco	1996

Isabelle MASSA	France	2000
Jan MATTO	Netherlands	1998
Frédéric MAUREL	France	1991
Jean-Marie MAURIOT	France	1976
Taïbou M'BAYE	Senegal	2003
Derek Mc GOWAN	United States	2000
Ton MEESTERS	Netherlands	2001
Kees MEEUWSEN	Netherlands	1977
John Stanley MELLOWS	United Kingdom	1979
Antoine MERCIER	France	1979
Yves MERTZ	Luxembourg	1995
Richard METCALFE	United Kingdom	2002
Vincenzo MICELI	Italy	1989
Philippe MICHALAK	Poland	1997
André MIGNOT	France	1979
Kenneth MORRISON	Hong Kong	1999
Katherine Mary MOSS	United Kingdom	1996
Philippe MOUTENET	France	1999
Dominique MULLER	France	2001
Michel MULLER	France	1985
Dominique NEZAN	Brazil	2000
Ton de NIJS	Netherlands	2000
Jacques NOACH	Netherlands	1980
Henny NUIJTEN	Netherlands	2001
Nike van NULAND	Netherlands	2002
Robin Geoffrey OAKES	United Kingdom	1985
Gérard OCQUIDANT	United Kingdom	1991
Steven Henry OLLECH	United Kingdom	1989
Onno OPZITTER	Netherlands	2000
Louis OSMONT	United States	1996
Pascal PARANT	France	1994
Jean-Claude PAULY	France	2002
Lindsay Roy PENTELOW	United Kingdom	1997
Maurice PEREZ	France	1980
Claude PETREMANT	France	1992
Raymond PETRONI	France	1994
Marie-Laure PHILIPPART	France	2003
Martin Dominic PICKARD	United Kingdom	1997
Guillaume POTEL	France	1985
Josep POU	Spain	1994

David RABENORO	Madagascar	2001
Herman RADEMAKER	Netherlands	1997
Alain RAHOBISOA	Madagascar	2001
Gilles RAINAUT	France	1988
Jean-Gabriel RANGEON	France	1979
Eugène RAZENBERG	Netherlands	1996
Bruno RENAUT	France	1985
Patrick RENY	France	2000
Irene van RIJN	Netherlands	1994
André RINGELING	Netherlands	1985
Jorge RIUS	Spain	1999
Marcel ROBBE	France	1989
Nicolas ROBERT	France	1992
Patrick ROCHAS	Luxembourg	1996
Pascal ROLET	France	2001
Justino ROMAO	Portugal	1995
Olivier ROMBAUT	Italy	2000
Michel ROSSE	France	1979
Amand RUFIN	Germany	1990
Jacques SAADE	Lebanon	2000
Jean-François SALZMANN	Czech Republic	2001
Jean SAOUD	France	1992
Isabelle SAPET	France	1996
Pierre SARDET	France	1989
Jürg SAUDER	Switzerland	2001
David SAYERS	United Kingdom	2001
Craig Anthony SCARR	United Kingdom	1997
Helge SCHÄFER	Germany	2003
Rob SCHEEPBOUWER	Netherlands	2000
Jean-Louis SIMON	France	1992
Adrian SIMPSON	United Kingdom	1995
Andrew SIMS	United States	2003
Philippe SLENDZAK	Luxembourg	1996
Harry SMIT	Netherlands	1990
David SMITHSON	United Kingdom	1992
Frans SONNEVELDT	Netherlands	1996
Ian SPARSHOTT	United Kingdom	2004
Paul STEMAN	Netherlands	2000
Jean-Paul STEVENARD	Germany	1997

Piet STOUT	Netherlands	1986
G�rard TATRIE	France	1993
Claudio TEDOLDI	Italy	2000
Jacques TEMPELAARS	Netherlands	1987
Pascal THIBAUT	France	2001
Miguel THIBAUT	Belgium	1995
Ray TIDBURY	United Kingdom	2004
Lucio TORRES	Spain	1999
Ton TUINIER	Netherlands	1996
Jean-Brice de TURCKHEIM	France	1988
Francisco TUSET	Spain	1984
Gonzalo URIEN	Argentina	1981
Hugo van PASSEL	Belgium	1987
Gionvanni VARRIALE	Italy	1995
Michel VAUX	France	2001
Anne VEAUTE	France	1996
Gerrit VEENEMAN	Netherlands	2003
Renato VERCELLONI	Italy	1996
Philip Andrew VERITY	United Kingdom	1999
Sam VERMEER	Netherlands	1988
Eric VERMEULEN	Netherlands	2001
Alain VERMONT	France	1982
Fernando VIEIRA	Portugal	1989
Jean-Marc VIN	Brazil	1996
Charles VINCENSINI	France	1980
Hans VISKIL	Netherlands	2000
Riccardo VOGLIOTTI	Italy	1996
Herman de VOS	Netherlands	1991
Lo�c WALLAERT	France	1995
Philip WALLER	United Kingdom	1998
Brendan WATERS	Ireland	1995
Aureel van WERSCH	Netherlands	1980
Glyn Mark WILLIAMS	United Kingdom	1990
John David WILSON	United Kingdom	1992
Valentin WITTMANN	France	1997
Alistair Steven WOOD	United Kingdom	1994
Patrick ZIRAH	France	1998
Peter van ZON	Netherlands	1997
Johan ZUIDERWIJK	Netherlands	1999





Our history: the major motifs



Resolute beginnings

Our history: the major motifs



We all have a founding role! This is the lesson apparent in the stories of Robert Mazars and Claude Guérard, which each “wrote” with his own intelligence and personality. Every one of us, with our values, beliefs and strengths, but also our weaknesses, contributes our own founding acts to the common story. These contributions are usually modest, but provide us with that sense of adventure and of composing a personal and a shared saga which guide our actions and transcend a life which some might mistakenly qualify as “stuffy” or banal. And the final result is being able to say, “I am part of it,” or later, “I was there!”

Every story begins with a blank page, and filling it can take courage and resolve. The pages begun by Robert Mazars and Claude Guérard were, for the former, during World War II, and for the latter, the post-war economic euphoria. These two founders both began their enterprises during a phase of unprecedented economic, social and international flux. Over time, as their respective firms gained importance and their profession underwent transformations both in practise and in terms of its values and rules, Robert Mazars and Claude Guérard consistently demonstrated their adaptability and their talent for anticipating change, particularly in the auditing profession in which they were so influential.

Their paths inevitably crossed over the course of their careers, and in spite of their differing backgrounds and personalities, Robert Mazars and Claude Guérard always shared three common traits: their profound attachment to humane values, their desire to provide a service of high quality, attentive to companies’ needs and to social evolutions, and their belief in an international future. Three essential components for any founding act, from the most everyday to the most exceptional!





“I never wanted anyone to have to pay to enter the company, or receive goodwill when they left. Others allowed themselves to be bought for considerable sums by the ‘Big Eight’, but I have always felt that our company’s success was due to the exceptional quality of the team. I passed on the reins at age sixty-three because I recognised the excellence of these people, and knew I would have failed at something important if I didn’t allow them to fully achieve their potential.”

Robert Mazars

Robert Mazars is a remarkable personality! Orphaned “Pupil of the Nation”, his father, a former tax collector, was invalided in the First World War. Avid athlete, he has earned the highest skill-level from the Chamonix Mountaineering Guild. Brilliant student with a passion for foreign languages (at age twenty he was already fluent in English and German), he chose a profession in his most difficult subject, accounting, and, with his talent and strength of character, went on to contribute to the transformation and modernisation of the auditing profession in France... Robert Mazars is both a proponent of classic values (hardworking, honest and “incorruptible”) and a wholly independent spirit, provocative even, describing his firm as a “service cooperative” within the hallowed realm of finance, exhibiting curiosity and open-mindedness towards everything – though strongly opposed to any form of sectarianism, whether political, professional or in other areas – and often a visionary in his field. Starting from nothing, he eventually left his very valuable firm to his much younger partners, almost overnight and with no financial compensation. Of his past, he says with a smile: “I am conscious of how lucky I was... but also of how I was able to seize this luck and use it to build something solid.”

Following his career path is a bit like the mountaineering to which he is so devoted: conquering the unknown meant accepting strenuous efforts and calculated risks. Such is the price of courage.

Narrative:

From Rouen to Paris, a founder's tale of the Cabinet Robert Mazars

Beginnings under the Occupation

In 1940, following the military collapse which cut short his second year of business studies, Robert Mazars decided to set up shop in Rouen in the modest locale donated by his father, a tax advisor himself since the 1930s in Yvetot, a small town in Normandy. Although he greatly preferred economics, law and foreign languages to accounting, Robert Mazars launched himself at the age of twenty in the then unregulated field of accounting “with absolutely no experience – simply in order to make a living!”

His clientele was made up of less than a dozen small businesses and artisans, for whom he prepared the documentation needed for their tax declarations. Robert Mazars added a variety of legal services, which were much appreciated during the phase of great regulatory complexity which followed the occupation and the creation of the Vichy government. By 1941, his agency was growing and Robert Mazars hired two young accountants.

When what would eventually become the French Institute of Chartered Accountants (*Ordre des experts-comptables*, OEC) was created in France in 1942, membership became obligatory for practising accountants. This required a diploma or professional credential in accounting. Robert Mazars lacked this qualification and had been practising for too brief a time to benefit from transitional measures. He accepted a proposal by the President of the Regional Council of the Order to enter his firm as an intern, which allowed him to acquire the necessary credentials. It is also at this time that Robert Mazars entered the Resistance, joining a network run by his former youth scout leader, Maître Montier, now a corporate attorney. This network provided intelligence to the Allies. Rouen is one of the region's major ports, particularly affected by air raids, and Robert Mazars's proficiency in English and German was a particular asset.

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This period was one of extreme difficulty, but also, day-to-day, a source of valuable lessons: Lessons in life, such as when a young person must take on the work of a colleague killed in an air raid; or when, while auditing a bakery, everyone must take shelter in the cellar, only to discover upon re-emerging that everything is gone, the bakery, the surrounding buildings... the only thing remaining is relief at “still being alive”.

There also remained, beyond his determination to continue to work and build something up whatever the effort, a moral conviction and sense of solidarity which expressed themselves in Robert Mazars's commitment to the Resistance. His young family shared in the risks that this involved, sometimes in unexpected ways. When Maître Montier's apartment building was bombed in May of 1944, he and his American wife moved into the house in which Robert Mazars lived with his wife and two young girls. They were joined in June by the Cabinet Director for the Prefect, who had just been appointed by General de Gaulle's Liberation Committee and arrived with his all the accessories of his office. And finally, on 30 August, the Prefect himself, Monsieur Bourdeau de Fontenay, knocked on the door in the middle of the night and ended up sleeping on the living room sofa!

At the end of 1945 he left in one of the first ships bound for the United States, a “liberty ship”, on a joint mission of the Ministries for Agriculture and Industry. The aim was to re-establish Franco-American trade in designer clothing and high-end alcoholic beverages, dormant for the past five years.

Maitre Montier became Mayor of Rouen and brought in Robert Mazars as deputy mayor in charge of the budget and “relations with Allied authorities”, again thanks to his knowledge of English. His office was located next door to the high ranking British and American civil authorities, and “for almost a year, I spent all my time with the local authorities of the various Allied troops”, totalling almost half a million men stationed in Rouen and the surrounding area. This close contact with the Allies during a “particularly stimulating period” was “decisive” for Robert Mazars’s professional future.



Opening up to Anglo-American practises

Robert Mazars left the Mayor's office after the first post-war elections in 1945 and returned to "normal" life with his consultancy, which now employed almost a dozen people. His contact with the Allies during and after the war was quickly put to use: at the end of 1945 he left in one of the first ships bound for the United States, a "liberty ship", on a joint mission of the Ministries for Agriculture and Industry. The aim was to re-establish Franco-American trade in designer clothing and high-end alcoholic beverages, dormant for the past five years. Privileged to travel in the company of Vercors (whose autographed first edition of *Silence of the Sea* Robert Mazars continues to treasure), he received "a fabulous welcome" from the Americans upon arriving in New York, and created two companies, including one called "Haute Couture Incorporated".

Later, in 1951, Robert Mazars participated in a "mission" which spent six weeks visiting some thirty companies in the major industrial cities of the United States, "in order to reduce the significant gap in productivity between European and American companies, within the framework of the Marshall Plan," which he considered to be "an unimaginably generous initiative". New York, Washington, Louisville, Fort Wayne, Toledo, Buffalo, Niagara, Rochester, Boston... He took note of the considerable differences in the organisation and roles of French and American accountants: "Where French accounting, influenced by the obligatory accounting plan, ignored essential problems of budgetary control and of cost pricing, we discovered in America a completely different world which we summarised in our report titled 'Accounting, measuring and supporting productivity', which was widely distributed in economic circles."

When he eventually received his chartered accounting degree, with a thesis on American companies, Robert Mazars began teaching in his free time. He taught Finance and Accounting at the Rouen Business School for twelve years, as well as evening classes at the Institute of Business Administration in Rouen and Paris. The intense work involved in preparing his classes allowed him to expand his own knowledge, leading to increased recognition among his peers. He began writing articles, participating in seminars, and publishing books, of which three (*Cost Pricing*, *Financial Management* and *Accounting*) would be reissued regularly in the years that followed. He was becoming a well-known specialist in a quickly evolving profession. In 1959 he was awarded the Academic Palms, an honorary title for devotion and accomplishment in teaching and research of which he is “very proud”. He was promoted to Officer of the Order in 1964.

Robert Mazars further impacted the evolution of his profession when he was elected to the Regional Council of the Institute of Chartered Accountants (OEC) in 1952, and became its president two years later. He was nominated Expert Advisor to the Rouen Court of Appeal in 1957 (and would be listed with the National Appeals Court in 1979), and also began a sort of “*tour de France*” for the French Accounting Society, speaking in particular about cost pricing and auditing.



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The birth of French “accounting law”

In 1962, Robert Mazars became a member of the Superior Council of the French Accounting Institute, which at that time was composed of two categories, chartered accountants and “registered” accountants. The French accounting profession overall during this “pre-historic phase” had a negative reputation in both France and the Anglo-American spheres: “At that time, France had no professional organisation to equal those which had long existed in Great Britain, the United States or the Netherlands, whose role would have been to set guiding principles and rules for the drafting and auditing of accounts.”

Since its creation in 1942, the Institute’s (OEC) role had been to ensure the unity of the profession and to defend the rights of its members, for example by prosecuting those who exercised illegally and by setting fee scales. The Accounting Standards Board had the responsibility of defining accounting standards and studying professional accounting plans. The possibility for reform of company law and government auditing was still under study.

The Institute’s (OEC) Annual Congress in 1963, focused on standards of diligence in accounting work, was an historic turning point: “It is members’ responsibilities, rather than their rights, which came to the fore.” In concrete terms, chartered accountants base their expertise on their tools (and not on their results), so it was “crucial to define the tools for each type of assignment, that is, the standards of diligence.”

Following this Congress, a Permanent Committee on Standards of Diligence was created within the Institute (OEC). The Committee, composed of “highly motivated colleagues, magistrates, bankers, and government officials from the French State Council, the Audit Office, the Internal Revenue Office and, after its creation, the oversight commission of the French stock exchange

**ROBERT MAZARS, A PIONEER
IN FRENCH AUDITING**

The word “revision”, used to describe accounting controls leading to certification, came to be replaced by the term “audit”. The definition published by the Permanent Committee for Standards of Diligence is still valid today: “Auditing is an examination carried out by a competent and independent professional to evaluate a company’s financial situation.” The practise of auditing has since expanded its definition and scope to cover a large range of situations. The oversight commission of the French stock exchange (COB) was created in 1967, and immediately became an essential player in the financial arena, with a particular influence on accounting and auditing principles: “One of the Commission’s first acts was to require

that companies wishing to publicly offer capital on the stock market undergo an official audit of their accounts, based on the standards set by the Institute (OEC) in 1965.” This is how Robert Mazars was led to oversee audits for Publicis and BIC before their introduction on the stock market. “I found myself pioneering the modern conceptualisation of auditing in France, at a time when the ‘Big Eight’ worked almost exclusively with the French subsidiaries of their British and American clients, but had no local clientele.” Following the Committee’s 1975 meeting, Monsieur Donnedieu de Vabre, practising president of the COB, awarded the Legion of Honour to Robert Mazars. He was promoted to Officer in 1995.

(the COB),” had the task of drafting basic doctrinal guidelines. It began its work in 1964, and Robert Mazars remained at its helm as president for 25 years. Around forty recommendations would eventually be published, which today “are recognised as one of the premier sources of what we have come to call accounting law”. Because France exhibited considerable delays in this area, the Congress of 1965 was again devoted to “revision, the theory and practise of accounting control methods”. The term “audit” was not yet in use in France... but the concept had arrived and was coming into general use. It gained a legal basis with the 1966 law on businesses.



The creation of the Cabinet Robert Mazars

In 1962, the firm left the rue de Buffon in Rouen for a new location in the rue Thiers. Its clientele had greatly evolved: “The accounts of the small business owners and artisans of my early days continued to be managed by my highly qualified staff, while our activity as a whole expanded to include judicial and contractual reviews, and audits for some of the largest companies in the region, including some publicly traded firms. In addition, I received several auditing contracts for large companies based in Paris, such as the Groupe de la Compagnie Bancaire.”

The Cabinet Robert Mazars limited liability company was created on 1 January 1965. Its principal clients were financial institutions such as the Crédit Industriel de Normandie and Crédit Agricole de Haute Normandie, companies and cooperatives such as Fermetures Eclair, the Dairy Cooperative of Haute Normandie, Bénédictine, Ateliers et Chantiers de la Manche, etc. Robert Mazars’s partners quickly began to join this company... as well as prestigious clients from the region, such as the Mutuelles Unies insurance group in 1977, which was in fact the starting point for the worldwide AXA group!

His business and other responsibilities frequently brought him to Paris, where the Touche Ross agency, one of the Anglo-American “Big Eight” of that era, provided him with an office in the Boulevard Haussman. This “heroic era”, when Robert Mazars and his colleagues would take the earliest morning train together for Paris, discussing their current projects and each day’s work, “was unforgettable for all those who were part of it; we gave of our time and our efforts unstintingly.” Finally, the auditing team moved to Paris in late 1973, to three rooms in the rue Drouot, while the rest of the firm remained in Rouen.

BIRTH OF THE IASC

The International Accounting Standards Committee (IASC) was created at the International Congress in Sydney in 1973, and has since played an important role in the establishment of international standards. Robert Mazars was the first French member, representing the French Institute of Chartered Accountants (OEC) and the French Accounting and Auditing Institute.

He later refused the presidency due to “a lack of time – I had begun from nothing, was involved in the adventure of building up my own company. My priority was to stay with the young people who were courageous enough to come work for me!” Today the IASC has become the IASB, the setter of standards for accounting worldwide.

The Cabinet Robert Mazars became increasingly well known after 1970. It was entrusted with ever more important contracts, and received regular recommendations from major financial institutions such as the COB, the Industrial Development Institute (IDI), large banks (Crédit Lyonnais, Société Générale, Crédit Commercial de France), the Justice and Budget Ministries, large law firms and legal consultancies (Gide Loyrette, Jeantet, Leblond, Ramin), the French Credit Insurance Society, and important business bankers such as Antoine Bernheim of the Banque Lazard and Paribas's Jacques de Fouchier.



Robert Mazars relied on a solid team to ensure his company's development, "favouring the recruitment of young people with an excellent education (business and marketing, political science and law) who were willing to accept the firm's work conditions.

A PRIVILEGED VIEW OF THE FRENCH ECONOMY

Robert Mazars was granted a unique view of the French business world through his prestigious clientele: official audits for the French electrical and natural gas companies EDF and GDF (1976), audits for the Willot group (1974), for the Bull Machinery Company (1975), during Citroën's acquisition by Peugeot (1976), of L.M. Ericson's accounts when Thomson acquired their telephony activity in France as well as the official auditing of Charbonnages de France (1978), the audit for the merger of the Caisse Nationale des Marchés

de l'État with the Crédit Hôtelier (1981) and auditing and negotiations for the acquisition of Etablissements Boniface by Borden USA (1982).

During this period, the Cabinet Robert Mazars also received government auditing contracts for Aérospatiale and its subsidiaries, Airbus Industries, Thomson, the Compagnie Bancaire and its subsidiaries, the national train company SNCF, Hachette, Publicis, and auditing assignments with Boussac Saint Frères, Chapelle Darblay, Chantiers de la Ciotat, and subsidiaries of Promodès.

An organisation based on trust and sharing

Robert Mazars relied on a solid team to ensure his company's development, "favouring the recruitment of young people with an excellent education (business and marketing, political science and law) who were willing to accept the firm's work conditions."

As the firm became better known, the pool of high quality applicants quickly grew. In addition, during this period, internships with the large Anglo-American firms (the "Big Eight") were not recognised by the French Institute of Chartered Accountants (OEC) for delivery of their diploma. Thus, for example, Peat Marwick France sent five or six employees with a couple of years of training to Robert Mazars... where they remained after their internships.

In 1983 Robert Mazars's firm had ten partners: "I knew that the company's success depended on a solid and loyal team, so I made it possible for young graduates to acquire shares through successive increases in nominal capital value. I was also conscious of the importance of favouring individual initiatives, and tried to delegate responsibility for contracts as broadly as possible. Each partner had to have an equal number of shares and nearly equal pay. Through this process of capital increases, I became a minority shareholder and had to align my remuneration with that of my younger partners, with a differential of only 10%."

The distinct identity of the Cabinet Robert Mazars began to emerge: employees were chosen for their expertise and dedication to their work, but also for their sense of ethics and of solidarity; in exchange, Robert Mazars entrusted them with the responsibility for their assignments, and at the appropriate time granted them partnership status through acquisition of shares in the capital. “I never wanted anyone to have to pay to enter the company, or receive goodwill when they left. Others allowed themselves to be bought for considerable sums by the ‘Big Eight’, but I have always felt that our company’s success was due to the exceptional quality of the team. I passed on the reins at age sixty-three because I recognised the excellence of these people, and knew I would have failed at something important if I didn’t allow them to fully achieve their potential.”

In September 1983, Robert Mazars resigned the presidency of the firm: “Choosing my successor was difficult, as every member of the team was so qualified. The overwhelming majority of the partners supported the promotion of Patrick de Cambourg both for his educational background (literature, law, political science) and his great human and professional qualities. I tried to weigh in as little as possible on the firm’s management after my retirement. Within two years, I had put several hundred kilometres between us, although I continued to come to the office regularly once a week to carry out my own assignments, the fees for which were paid back to the firm. These were clients who knew me well and to whom I felt deeply attached.”

THE THREE FOUNDING VALUES OF THE CABINET ROBERT MAZARS

- “Expertise: Everyone must master the rules and principles of accounting
- “Independence: Absolutely necessary; this principle alone is what give opinions their value.
- “Sharing: A person’s pay should not depend on the commission received for a specific contract, but on the overall results of the company, to which each has contributed for those projects assigned to them.”

From his chalet in Chamonix, Robert Mazars expresses great pride in Mazars’s evolution: “The profession has changed completely, and I am conscious of how lucky I was... but also of how I was able to seize this luck and use it to build something solid!” In his heart, he “always knew that the firm would become international” and find a place alongside the “big” Anglo-American firms. “The Big Four dominated the market, and the British and Americans have a competitive edge because the American economy is the largest in the world. But they have an Achilles heel. Because they are so widely dispersed, they have more trouble guaranteeing the quality of their work, and can make serious mistakes! And their inter-personal relationships are too weak.”





“Clients had to be convinced that our work was substantially more than to simply supply a signature – and that it therefore necessitated a substantially higher budget, sometimes twice what they had paid in the past. Our professionalism, still a rarity in the field, allowed us to win some important assignments.”

Contribution:

A pioneering vision of a brand-new profession

Claude Guérard

How did the Guérard Viala firm get its start?

C.G. – My career started when, along with Maurice Vallas, I joined the Dutch accounting firm Godfrid van Waveren, whose activity in France was focused on auditing for subsidiaries of Dutch companies and monitoring a market-sharing agreement between industrial groups, which was allowed by regulations at that time. The professional landscape was different back then: auditing was not taken seriously, the technique of the “full audit” was rarely implemented in France, the profession was highly dispersed, and the “Big Eight” of that era only catered to subsidiaries of foreign-owned companies.

We opened the Guérard Vallas consultancy in 1962 and began to develop a French auditing clientele, including in particular a contract with the Atomic Energy Commission which was classified top secret! I have saved the first circularisation letter for an audit, dated 18 May 1963, which is probably the first of its kind for a French auditor.

We became interested in government auditing after the July 1966 law on businesses; the market was very small, and still characterised by the old “daddy’s accountant” approach. The profession had yet to be created. We also had to train and educate companies, especially large groups, many of whom had no idea what this work involved. For example, the financial director of a large wine and spirits firm who had hired us thought that all he had to do was sign the accounting report just before the assembly! Clients also

had to be convinced that our work was substantially more than to simply supply a signature – and that it therefore necessitated a substantially higher budget, sometimes twice what they had paid in the past. Our professionalism, still a rarity in the field, allowed us to win some important assignments, including, at the request of the COB, for the Garantie Foncière, in the first big financial scandal of that era.

During the 1960s and 1970s, a number of clients were referred to us by CEGOS, a dominant management consultancy at that time. This firm made frequent proposals for a financial partnership with us, which we always refused. My attitude of wanting to remain an association of independent professionals was vindicated forty years later!

Our profession has changed considerably today. Auditing principles have remained fundamentally the same, and computers have been in use for some time, but the field overall has become more complex. Still, while government auditors today require an enormous number of documents, the process can be approached calmly with the proper expertise in terms of people and tools, particularly software.

When did you begin your international adventure?

C.G. – The Guérard Vallas firm very quickly became international. At that time, there was no real competition with the Anglo-Americans for French companies; this only began much later.

Our adventure began in Abidjan in 1971 for a client who worked in Africa, then continued in London and Geneva in 1973, Milan in 1974 and Barcelona in 1975, which was already a fairly good presence across Europe for a small French firm, the only one with international activity at that time.

In 1977 two offices were opened in Brazil, in Rio de Janeiro and Sao Paulo; the Dusseldorf office opened in 1978, the New York office in 1980. The early 1980s also saw the creation of Euraudit with four other European firms, including the Dutch Paardekooper & Hoffman.

The company had close to a hundred employees by the end of 1976, with eight partners. There were two offices in France and five abroad. Turnover grew from €30,000 in 1960 to €2.3 million in 1977, at the time of our merger with Louis Delbor's Cabinet France Expertise under the name Guérard Delbor Vallas, which was a great success in both financial and human terms. Our relationship with Secor and DRA led to another merger in 1987, when we became Guérard Viala (from the name of one of the partners in Secor).

The Secor and DRA merger involved a small office in Djibouti, and in 1990 we opened an office in Portugal in association with BLC. The opening of Eastern Europe led to a new wave of installations: Hungary in 1991; Poland in 1992; the Czech Republic and Berlin in 1993; Romania as well as Vietnam in 1994.

On the eve of our merger with Mazars in 1995, we were present in fifteen countries and nine cities in France.

How do you explain the success of your merger with Mazars?

C.G. – Our first contacts with Cabinet Mazars were in the 1970s, when Robert Mazars discovered Maurice Vallas's talent for auditing on the Committee for Standards in Diligence created by the French Institute of Chartered Accountants (OEC). He recommended us to the COB in 1972 for an assignment with a large textile company. For our part, we helped Mazars with our offices in Germany and Italy during his work with a large industrial group.

« Our corporate cultures were very compatible; we practised the same profession, auditing, at a time when it was new in France, and we had the same vision of the profession and of the partner relationship (both firms were based on a partnership system). »

We had experiences in common and met frequently on numerous issues outside of day-to-day assignments, the tradition being, then as now, that a single French and British or American firm be selected in each case.

In the 1980s, together with Robert Mazars, we created the French Association for Auditing Development (AFDA), which led to the development in France of international auditing standards, and identified the firms which were able to implement them. There weren't more than four or five!

The idea of a closer relationship came in the 1980s, with a first attempt in 1981. We had also created a link by bringing together the activities of Guérard Viala, Mazars and the Salustro firm in Spain, under the name Guérard Mazars Salustro (GMS).

We merged with Mazars for strategic reasons, the aim being to strengthen our position vis-à-vis our British and American competitors and compete with these large international firms. But another motivation was the human element, as Mazars's team was younger than ours and we complemented each other in this area perfectly.

Both companies were of comparable size, so there was no issue of one dominating the other. It was truly a marriage of equal partners. Our corporate cultures were also very compatible; we practised the same profession, auditing, at a time when it was new in France, and we had the same vision of the profession and of the partner relationship (both firms were based on a partnership system). And our approach to international expansion was complementary. Thus, where our firm was accustomed to sending a team to observe and canvass before opening an office in a given country, Mazars often relied on alliances with local professionals. We shared the same objective of serving our foreign clientele, but

using different methods. Our firm contributed its considerable experience in working with countries whose economic integration was more recent (Africa, Eastern Europe). The merger took place quickly and without any real difficulty. I was, along with Frédéric Allilaire, personally responsible for the merging of the international teams, which was not always easy because they were more in competition with each other than the French teams had been. And I stayed on the Group Executive Board for two years before retiring at age sixty-three, as I felt the ultimate success of this venture required that power pass at the right time to the next generation of managers.





The challenge of succession

Handing over the reins is a delicate and crucial phase in the life of an enterprise. If succession fails, the firm disappears along with its founders! An effective succession has two requirements: being willing to pass on power and implementing the changeover without hesitation.

Being truly willing to hand over power is not as natural as we might think. Examples of failures are legion, from lack of planning, accidents and bad luck, to the egotist's "*après moi le déluge*" or family squabbles, the potential pitfalls are many! This is why the need for responsible succession is written into Mazars's "genetic code", and has been strengthened over time. As, for instance, when the partners from Neville Russell brought the notion of "stewardship" into the merger mix: we are the guardians of a "domain" which does not belong to us and which we must expand and improve upon, before handing it down in our turn to our successors.

Implementing the succession is a difficult task. For a complex organisation such as Mazars is today, succession is never a single, solemn moment, but results from the progressive transmission of power, accompanied by symbolic milestones such as elections. A successful handover process requires patient preparation and coaching, and well-reasoned trust in people. And in fact, we carry out this preparation and demonstrate this trust every day, in every area of the firm's activity, when we transfer responsibility for assignments, functions, countries or sectors within the group... Striking a balance between what we receive and what we create is one of the keys to success.

Our history: the major motifs The challenge of succession

It is the “baptism of fire” succession of 1983, a year when circumstances were more difficult, which has been chosen to illustrate the challenges and the nobility of any succession. Robert Mazars, we must recall, was 25 or 30 years older than his youthful team and was, at 60, at the pinnacle of his career and reputation, while his young partners had yet to earn their stripes! The task was not an easy one, and observers were generally skeptical. Mazars was not yet recognised as an “institutionalised” partnership.

This is where Mazars’s fundamental values served to stabilise the situation, first, because its founder was truly willing to hand over responsibilities, power and financial control to his successors, and also through the team’s commitment to respect the firm’s identity while fully participating in its development and evolution.

Robert Mazars took a gamble on his “greatest source of pride”, this young, unified team, full of ambition for the firm. His confidence was rewarded, and Mazars has kept this desire to make a significant place for itself on the market, while maintaining a philosophy of sharing responsibilities, benefits and risk.

The fundamentals, people and their values, are solid. Because the firm was already strong, it could take an innovative path and grow progressively into the “democratic partnership” that it is today. This structure is a powerful vector for the development of our teams and of the group as a whole.

Let us move on to Patrick de Cambourg’s account of this phase from 1983 to 1994.



“Thanks to the company’s small size, Robert Mazars personally knew each of his clients, but knew how to completely delegate the work. At the beginning of the 1980s, very conscious of ‘the absolute necessity of having an irreproachable code of ethics, which was an integral part of Mazars’s culture and practice,’ Patrick de Cambourg drafted a first text, at Robert Mazars’s request, detailing the firm’s rules of operation.”

Patrick de Cambourg

raduate of the Paris Institute of Political Studies (1971), with degrees in literature, government and civil law, chartered accountant and auditor, Patrick began his career as an assistant with Mazars in February 1974 at the age of twenty-four. He became a partner in 1978, and Chairman of Mazars in 1983. He has since regularly been reconfirmed in his position at the head of the company.

Patrick is or has been a member of a variety of committees among the organisations of his profession (French Institute of Chartered Accountants, Government Auditors' Society, National Accounting Council), and participated in the Le Portz Committee on network ethics. Since 2004, he has chaired the Public Offering Department of the National Government Auditors' Society and the international section of the National Accounting Council. He is a Knight of the National Order of Merit and of the Legion of Honour.

Narrative:

**Robert Mazars's succession:
Challenges and nobility,
as told by Patrick de Cambourg (1983-1994)**

One acknowledged expert and a very young team

In 1983, the Cabinet Robert Mazars was one of the fifteen or twenty top French auditing and accounting firms: "In a market which was much more fragmented than it is today, the company had an excellent reputation based on the technical quality of its service – the 'expert eyes' of its auditors – and on the fact that certain major players in French industry were among its clients." Robert Mazars was a recognised authority in the field, "both feared and admired", and had surrounded himself with a very youthful team: "the partners were between 33 and 38 years old!" The company had outgrown its premises with its rapid expansion:

THE SECRET OF SUCCESS

One of Robert Mazars's defining characteristics was to remain true to his beliefs through and through. In the financial arena, he shared his capital to create full partnerships, instead of "nominal partners". In terms of power, he delegated responsibility and chose not to remain

"Senior Partner" after a certain date. According to Patrick de Cambourg, this position explains the success of the transition: "How many firms have disappeared because their founders stayed in control longer than was reasonable, or chose an easy way out in financial terms?"

“We were crowded in together in 280 square metres at 135, boulevard Haussmann. When we moved in, I shared my office with another young partner and my chair was in a double doorway... But we were all in the same boat together.”

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Independent, incorruptible and energetic, Robert Mazars had an amazing capacity for work, as noted by the founder of a company which has since joined Ernst & Young: “I’m discouraged as soon as I get up in the morning, because I know Robert Mazars has been up since four-thirty in the morning and has done a half-day’s work already!”

The firm exhibited already the characteristics which have now become part of its identity: “The European message was already present, though not often discussed outside of the company. It had earned the trust of market authorities and had a strong sense of its intransigent code of ethics, summarised in the motto: ‘Assets with no value disappear, when Mazars is near!’ We adhered to these values and already possessed a strong corporate culture.”

Robert Mazars's confidence in his partners was not merely theoretical. It was expressed in his practises and also through the distribution of shares: He "gave" them the firm in the form of capital, based only on individuals' value as professionals and not on seniority or financial resources. Thanks to the company's small size, "Robert Mazars personally knew each of his clients, but knew how to completely delegate the work." This did not prevent him from being there for his team and intervening "efficiently" when it was requested of him, especially if there was a problem to solve. "One of our golden rules was, and still is, to admit our mistakes right away, rather than trying to hide them or fix them on the sly. Clients respect us for this." Robert Mazars also declared: "The only superiority we can claim is to be wrong less than half the time!"

At the beginning of the 1980s, very conscious of "the absolute necessity of having an irreproachable code of ethics, which was an integral part of Mazars's culture and practice," Patrick de Cambourg drafted a first text, at Robert Mazars's request, detailing the firm's rules of operation. The latter "expected a brief flowchart, and was surprised to be given a charter" describing the founding values, with a preamble stating: "The following charter governs the firm's operation and relations between partners, except when Robert Mazars decides otherwise," thereby recognising the primacy of the founder. In 1983, when Robert Mazars ceased being Senior Partner, the preamble was simply deleted, leaving the partnership to function according to the rules of association. Democratic partnership was born!



The challenges of the succession

In June of 1983, at the age of sixty-three, Robert Mazars assembled his partners, around ten in number, and announced that he would leave the firm in two years. He remained until the age of sixty-five to oversee and prepare for the transition. “We had not been expecting it,” said Patrick de Cambourg, who was only thirty-three years old when he was elected Chairman of the firm.

When the time came for the handover of power, Robert Mazars and Patrick de Cambourg visited the company’s banker, Crédit Industriel de Normandie. The firm was prospering. Robert Mazars had always been prudent about cash flow, believing as he did that freedom of thought and action depend to a great extent on financial independence, and that having money in the bank brings “serenity”. Robert Mazars told his banker: “Here is Monsieur de Cambourg, the firm’s next Chairman,” – at thirty-three! The banker was amazed – “so don’t bother me again. He has control now, I won’t sign anything more after tomorrow. The only thing I ask is that you call me if there is an overdraft in the next two years.”

This decision was so sudden and surprising that Patrick de Cambourg entertained some doubts at the time about “Robert Mazars’s ability, with his strong personality, to not interfere in the company’s management,” doubts which turned out to be unfounded. Although he was in the neighbouring office, Robert Mazars “stayed strictly focused on his work with his clients, a role which the market perceived as crucial.”

The firm had fifty or sixty employees and a turnover of €5 million. “We decided to take up the challenge of creating Robert Mazars’s succession. The market was unconvinced; the ‘Big Four’ were then the ‘Big Eight’, and six or seven of them made overtures to me. But I preferred the adventure!” The partners of that era, whether “pure Mazars material” like Patrick de Cambourg, Olivier Le Bertre, Michel Asse, or with former, usually “Big Eight” experience, such as Yves Bernheim (who was killed in the mountains in the 1990s), Jean-Louis Lebrun, Frédéric Allilaire, Charles Vincensini, André Mignot, Jean Videlaine, Alain Vermont, José Marette (the first to join Robert Mazars in 1969), Daniel Chmielewski..., were all quite determined, in spite, for many of them, their relative youth in a sector in which gray hairs still counted for a lot!

The team got to work, assisted at first by Robert Mazars, in particular for expanding the clientele. One of these important clients was Thomson, today Thomson and Thalès, two companies traded on the French stock exchange: “Acquiring Thomson’s business is what motivated us to expand, both nationally and internationally. We could not, in terms of our general independence and our financial well-being, allow a single client to have such overwhelming importance; it was an unhealthy situation. And also, we had to keep up with them in the international arena, or they wouldn’t have entrusted us with their business for very long.”

Our history: the major motifs
The challenge of succession

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What was needed was to expand the international growth begun in 1977-1978: “A strategy is a few basic principles, and then a great consistency in applying them by putting one foot in front of the other, day by day.” During these years, “exciting high points alternated with the daily grind,” dedicated to expanding the teams and the premises, to new international contacts, to the first steps in a communication policy. “We were one of the first firms in which the younger partners and the rest of the team played a truly meaningful role.” This intermediate phase allowed Patrick de Cambourg and his team to find their footing and gain the trust of the market, “even if Robert Mazars maintained his image of ‘revered leader and wise man’.”

Important new clients joined the firm during this period, such as Pernod Ricard, and the partners were working at a heroic pace, in every area. Frédéric Allilaire began travelling throughout Europe and the world, making contacts, gaining precious experience and knowledge, making it possible for each team member to provide the best possible service to their clients.



“In all innocence”

In 1986, it was decided to begin an association with Cabinet Pavie. “We were idealistic and naive,” and ended up “learning the hard way” about how difficult it can be to merge two firms, and especially about the importance of their respective cultures in determining whether the process will succeed or fail.

“We signed our agreement with great ceremony, including a cocktail to which the major clients of both firms were invited. But the merger was never legally implemented, in spite of our binding agreement. Our values were in fact very different. For example, we had to pay a fee to Albert Pavie. This was a compromise for us; Robert Mazars had passed the company on to us, and we chose to accept this condition. We also created a Board of Directors which I chaired, but which Albert Pavie mistrusted.

These were difficult times, during the forced wave of privatisations initiated by Edouard Balladur and implemented by Camille Cabanna. Camille Cabanna and his company, managed by Jean-Marie Messier, consulted with us in drafting the terms and conditions for the privatisation audits. Once the law was passed, the Ministry for Privatisations was dissolved, its responsibilities taken over by the Finance Ministry, and Jean-Marie Messier joined Monsieur Balladur’s government to oversee the privatisation process.



When the bidding phase began, we were consulted whenever there was no conflict of interest – more than thirteen times – and were regularly short-listed after the pre-selection process, often in a favourable position. And each time it stopped there, someone else was always chosen, nearly always one of the ‘Big’ Anglo-American firms – probably to prove that France did not discriminate against foreign investors! We were finally given the privatisation auditing and then the government auditing contracts for Sogenal, a sort of consolation prize.

“However, in preparation for this additional work, we had recruited, and our appointment books were not full. The huge culture gap between Albert Pavie’s firm, with its paternalistic management, conservative recruitment, and relatively low pay levels, and the Robert Mazars firm, which paid well, recruited actively and did everything possible to increase its market presence, was now augmented by financial issues...”

In fact, for these cultural reasons but also with a strictly financial motivation, Albert Pavie was negotiating a parallel, and secret, agreement with Coopers Lybrand. On 31 December 1986, Albert Pavie and Patrick de Cambourg met over lunch to evaluate the preceding eight months. Everything appeared to be fine... So it came as a great shock when, only ten days later, Mazars was served notice from Cabinet Pavie to terminate the agreement because “we supposedly had not applied our part of the contract. It was a memorable moment!” Patrick de Cambourg recalls with a rueful smile. This period was personally difficult for him: “It was a hard lesson for me, but one well worth learning.” You can only count on yourself and those close to you.



new compromise was attempted, organised by Robert Mazars, who had approved of the original agreement with Cabinet Pavie; the idea, to create a joint subsidiary called Mazars Pavie and Partners and managed by Hélène Bon, only survived three months. In reality, every possible solution was doomed to fail, because “Pavie had already sold his company to Coopers Lybrand, without informing us, and needed to extricate himself from our relationship. Mazars Pavie and Partners brought suit against Pavie for breach of contract and obtained, three years later, €1.5 million compensation, which was the difference between what we had paid Pavie and what he later received from Coopers Lybrand: “It was a hard lesson, but one which strengthened our convictions and led us to become conscious of the values underlying our strategic approach.”



Our history: the major motifs The challenge of succession

THE CRÉDIT LYONNAIS CONTEMPS

We had a longstanding relationship with Crédit Lyonnais. We were not their official auditor, as that role had been Albert Pavie's since the 1970s; Mazars was responsible for a number of special projects in a sort of Yalta division. We were also in charge of official audits for Thomson CSF Finance, the subsidiary which managed the accounts for the group's export contracts in the Middle East, Saudi Arabia in particular, which paid considerable amounts in advance. Jean-François Hénin had developed this activity to such a degree that the financial branch of Thomson CSF was ultimately judged too important to remain in the industrial group. It was transferred to Crédit Lyonnais, Thomson CSF retaining a minority share with the probable intention of withdrawing its participation completely at a later date. And Mazars was assigned to perform an audit of Thomson CSF Finances, later renamed Altus. When Crédit Lyonnais became the majority shareholder, they chose their own auditor but did not ask us to leave. It was an odd situation. We had worked alone with Jean-François Hénin for a number of years, and now in this

new framework we only had a partial overview of what was happening at Altus, which was rapidly implementing wide-ranging investment and diversification projects. Towards the end of 1991 or early 1992 we informed Thomson CSF, Crédit Lyonnais, the Banking Commission and the COB of our withdrawal from this contract. We explained that auditing needed to be given to Crédit Lyonnais's auditor, that our overview of the case was insufficient, that the current management was too lax and that better controls needed to be introduced. Prophetic words! We had known Jean Peyrelevade and Dominique Bazy at UAP before they took over management of Crédit Lyonnais. When they opened up the auditing account for bids we made an offer, and were chosen to audit the accounts of Crédit Lyonnais and Altus. At the end of August 1994, after examining Crédit Lyonnais's accounts of 30 June, Michel Barbet-Massin and I, along with one of our colleagues at that time, a newcomer like ourselves, had to announce, "there are major problems; we cannot certify these accounts," setting off the restructuring which followed.

From Cabinet Robert Mazars to Holding Mazars SA

Among other things, Patrick de Cambourg and his partners learned from this mistake never to announce an operation before it is completed.

The new approach was to combine organic growth and external expansion, principally through partnerships. In this way, the company from Rouen merged with two firms from Le Havre to form a much larger presence in Normandy, formed links with the Einhorn group of Strasbourg's Industry and Business Fiduciary, acquired Turquin Buthurieux and Associates in Lyon, continued to develop offices abroad, and created a European Economic Interest Group (EEIG) as a preliminary to a larger operation. Between 1990 and 1994, after two years spent "licking its wounds" from the Pavie affair, Mazars had "a string of important business successes", taking on new clients such as UAP, the Crédit Foncier de France, Lyonnaise des Eaux-Dumez and Crédit Lyonnais (in 1994).

The consultancy continued to grow internally; but also through its international and regional expansion. The original company of Cabinet Robert Mazars was placed under the tutelage of the holding firm Holding Mazars SA, which also owned the concern's rapidly developing regional agencies and foreign investments, and managed the partnership with Einhorn in Strasbourg.

Our history: the major motifs The challenge of succession

The consultancy continued to grow internally, but also through its international and regional expansion. The original company of Cabinet Robert Mazars was placed under the tutelage of the holding firm Holding Mazars SA, which also owned the concern's rapidly developing regional agencies and foreign investments, and managed the partnership with Einhorn in Strasbourg.

“With this holding firm, a second charter, and an organic, regional and international development policy, we healed our wounds. It was during this period that we created a Economic Interest Group (EEIG) with partners in several countries, based on either direct participation in the capital or on cooperation agreements. We were looking to create our own development model from three possibilities: organic growth through expansion of our activity, external growth through acquisitions, or associative growth in which members would be integrated into an open association.”

By 1994, the values which had been “patiently adopted and broken in” had become the “ingredients of our future dynamics”. The firm had six hundred partners and staff and its consolidated turnover was around fifty million euros. “In retrospect, it was sometimes difficult, even very difficult. But each one of us came to maturity through patient work, with struggles, but not without greatness.”



Our history: the major motifs
The art of marriage



The art of marriage

The richest form of growth is organic, like the growth of a cell whose structure and components become more complex as it expands. This type of growth is spontaneously stronger and more natural, arising from a unified and harmonious process.

However, organic growth has limits. It is slow, first of all; experience shows that sustaining organic growth over the long term at a constant level of more than 8 to 10% per year is difficult and not without danger, particularly in terms of geographic or sectorial expansion.

There is also a danger of inbreeding when you attract and bring together all those who resemble you – just as dangerous for a company as for a biological grouping.

This is why other types of growth should also be cultivated, in order to bring “new blood” to an organisation, whether in terms of culture, geography or profession. But take care that the different elements are compatible: for such crosses to work, genetic codes must complement and not reject one other.

Thus, organic growth can be combined with an acquisitions strategy, what we call “external growth” in the strict sense. In these cases, the organisation making the acquisition is dominant, and it is important to verify that the new elements will assimilate easily and will nourish organic growth at the right moment. And of course, the cost should be justified by the gain!

Our history: the major motifs

The art of marriage

In our professions there exists a more dynamic form of growth, based on the combination of several homogenous cells which are themselves growing. This is what we at Mazars call associative growth. Existing organisations combine their vital ability to progress and expand their territories, their intrinsic strengths and the speed of their action. Teams merge and cooperate. In fact, all the branches of our “family tree” at one time perceived the necessity of working together with another group in order to, as the saying goes, “strengthen the stock”. This is the art of marriage which the present chapter intends to describe: The technique of marriages toughened by time and determined teams, of keeping the initial components intact while enriching them through newly created relationships.

This truly is an art, which Michel Rosse’s narrative and the contributions of John Mellows and Jos van Huut will attempt to illustrate.

This chapter also, through these three examples, aims to show the importance of each individual’s action, at his own level and in his own profession, in the development of what Mazars is today. Through their testimony, Michel Rosse, John Mellows and Jos van Huut demonstrate the importance of each person’s dedication in the success of the organisation. The art of marriage is to unite different people, professions, and countries in pursuit of a common vision and common goals.





“It was during these years that the first ranking of French accounting firms was published, a sign of the end of an era and of the integration to come in the following decade. The quality of its people and their experience in this area were indispensable assets for an ambitious project.”

Michel Rosse

Graduate of HEC Business School (1965), chartered accountant and auditor, Michel began his career in 1967 with the SFEOC created and managed by René Chenieux (also “pupil of the Nation” and 1940 HEC graduate... from the same class as Robert Mazars!). Promoted partner in 1972, he left the firm in 1979 to create DRA (Dusart, Rosse et Associés), which he co-directed until 1986. DRA then merged with Secor to create Secor & DRA, of which he was General Manager for a year... just enough time to make arrangements with Guérard Delbor Vallas to create Guérard Viala in 1987. He became Chairman of Guérard Viala in 1992, then co-Chairman of Mazars & Guérard from 1995 to 1997. Michel was a member of the Council of the National Company of Auditors (CNCC) from 1986 to 1990, then from 1994 to 2002, and a member of the Governing Council of the French Institute of Chartered Accountants (*Conseil Supérieur de l'Ordre des Experts Comptables*) from 1996 to 2000. He was President of the USEC (Union of Chartered Accounting Firms) from 1998 to 2002 and today represents Mazars in the Executive Body of the APE Department of the CNCC. He is a Knight of the National Order of Merit.

Narrative:

The key role of mediation or the birth of Guérard Viala, as told by Michel Rosse (1980-1994)

Michel Rosse's partners recognise in him the qualities which are necessary ingredients in any mediation process: a fascination for others and for new ideas, a sense of diplomacy and of human relationships... but also strong convictions and determination in pursuing a goal once it is identified. We leave it to him to relate the series of rapprochements which shared the fundamental aim of creating a credible player and that blend of enthusiasm and lucidity which allow an organisation to progress.



1980-1986: The years of possibility

In 1980, with youthful energy, certain of what we did not want – family ownership, lack of internal democracy, unfair distribution – but also little tested in the area of professional strategy, we created and developed a firm which by 1986 had eight partners and over 100 employees, using principles of partnership which corresponded to our ideals. We were more chartered accountants and financial advisors than auditors, eager to make a name for ourselves and to play a role in the enormous reconfiguration which was just beginning. It was during these years that the first ranking of French accounting firms was published, a sign of the end of an era and of the integration to come in the following decade.

Everyone spoke with everyone and tactics were refined. Bring together clientele, prepare for change, open up at the international level, seek out the critical mass which would allow us to develop investment resources—these were already identified as the necessary means of these grand changes. I met with Louis Viala through the intervention of Michel Deleau, an elected official of the French Institute of Auditors (*Compagnie des Commissaires aux Comptes*), who unfortunately passed away too soon to share in the fruits of our ideas. At that time Secor was a secure firm, auditor for very large companies (BNP, Matra, Dassault...), in search of a chance to evolve and of new blood. We were a dynamic and ambitious company in search of prestigious clientele... At the same time, there were ongoing conversations between ourselves and Claude Guérard on the one hand, Claude Guérard and Louis Viala on the other. Each of us saw in Guérard Delbor Vallas the right partner for pursuing international expansion. The quality of its people and their experience in this area were indispensable assets for an ambitious project.

Claude and myself divided our roles: DRA would merge with Secor, and then very quickly, we began merger negotiations with Guérard Delbor Vallas. The deal was done in 1987, with the three teams sharing a location in the Nation quarter of Paris.



1987-1994: The years of danger

After the Big Bang, history began anew. While our strategic objectives were completely validated each day, there were still difficulties in bringing together men and women who were little prepared for the patient work needed to build a common culture. Some of the key players in this process were unable to find a place for themselves. Max Dusart, in particular, left the firm in 1990 to pursue a more individual professional path.

People must find a comfortable place, each with their own personal dynamic which, when all added together, create a shared process. Otherwise, strategies which are combined for a moment based on an attractive concept will end up diverging again.

The era was not a peaceful one, but when the mourning period was over, a group of people emerged who shared a vision of the necessary evolutions and were thus able to engage in a new direction and share it with all of the partners.

Achieving critical mass and an international presence remained the two main preoccupations for the three largest French firms of that time, Salustro, Guérard Viala and Mazars. Each one of us wanted to avoid being the only party left out of a relationship between the two others.

We turned naturally to Salustro, who exercised at that time a sort of intellectual tutelage over the profession in France, and whose loquacity made contacts seem easy. But he was indecisive and had no “project leadership” role vis-à-vis his partners, a situation whose final consequences we know today.

This was also the era of pressure from the “Big Six” and of Deloitte’s assiduous overtures...

Our history: the major motifs

The art of marriage



ll these discussions were taking too long or were not compatible with our sense of independence. We didn't want to disrupt anything, but the passage of time was not proving productive.

During the winter of 1994, Guillaume Potel, often discreet but always thoughtful, spoke up in a partners' meeting: "Why are we forgetting Mazars?" Surprising, at a time when old grudges were still active!

We know the rest of the story and have forgotten the intellectual acrobatics which were involved that spring of 1995, in pursuing discussions with Salustro while the relationship with Mazars & Guérard was beginning to open the path to the years of achievement to come.



The art of coming together

This is a philosophy for action which allows complementary strengths to come together. Complementarity is the beginning, but is not enough. Common goals and unwavering dedication are also needed. People must find a comfortable place, each with their own personal dynamic which, when all added together, create a shared process. Otherwise, strategies which are combined for a moment based on an attractive concept will end up diverging again. The initial contract should be as clear as possible and, as there are always unexpected events, a mediation plan must exist to find and implement pragmatic working solutions based on trust, transparency and the spirit of the association. We must often find ways to coax back a flame from the embers of the fire!



“Mazars succeeded at creating a long-term, global vision around its brand, with an integrated, worldwide organisational model. This strategy was clear and easy for all our clients to understand, particularly those across the Atlantic for whom the European market was gaining importance.”

John Mellows

hartered Accountant and auditor, fellow of the ICAEW (Institute of Chartered Accountants in England and Wales), John began his career with Griffin, Moscrop & Co. before joining Price Waterhouse, where he held the position of senior auditor and audit manager in the Netherlands and in Canada from 1972 to 1976. On his return to the United Kingdom, he joined Neville Russell. A partner in 1976, he was later named Senior Partner, a position which he held in Mazars UK until 2003. A member of the Mazars Group Executive Board since 1998, he notably played an important role in the firm's development in the United States. He is currently in charge of the Mazars's functional departments. John is also the director of a charity organisation which promotes Christian standards in the arts.

Contribution:

Old traditions and new dynamics.

Interview with John Mellows

How did you come to Neville Russell?

J.M. – Allow me first a brief word about Neville Russell and its history.

The firm was founded by Charles Neville Russell in 1900 in the City of London. He had established himself independently to keep the accounts for the Lloyd's insurance syndicates. This was the modest start to a sectorial specialisation which would play a key role in Neville Russell's development for almost a century. After its modest Victorian beginnings, the firm became a partnership in the 1930s, when Charles took on his first partner. Charles was a very religious man, and so naturally invited people who shared his Christian faith to join him. This Christian influence has shaped the firm's values until today.

Its national development began in the 1960s with the acquisition of eight provincial offices over the course of that decade. In the mid-1970s, Neville Russell had reached a size compatible with international activity. International development began with Neville Russell International in the mid-1980s, which merged with Nexia in 1990.

After a phase of slow development in the first half of the 20th century, the fifty years which followed saw significant growth for what is today Mazars UK, reaching 1000 employees and twenty offices.

For my part, at age seventeen I began working for a small firm of Chartered Accountants, which trained me and where I remained for six years; when I was twenty-three, I received my qualification. I wanted international experience, so I left, first for Price Waterhouse in Holland, and later Canada, before returning to Holland as a manager. In 1976, I was twenty-eight years old and had a young family, so I wanted to return to the United Kingdom for my children's schooling. I left Price Waterhouse, because it was

already a huge, anonymous organisation – one of the “Big Eight” – and I found it difficult, within this well-oiled machine, to make a contribution in any significant way.

I knew the Neville Russell partners, and joined this firm founded in 1900 by Charles Neville Russell. For eighty-five years, employees were chosen in part for their profession of the Christian faith, and they were often active in charity efforts. The shared values and common moral compass, based on a sincere commitment to service and on a belief in absolute integrity even beyond the professional sphere, attracted me. It certainly wasn't the pay!

In 1985, the firm had six or seven hundred employees, and sixty partners. It was decided at this time to allow people who shared the same core values, without necessarily being of the Christian faith, to become partners, which changed very little in day-to-day practise.

It was also at this time that the company began turning towards the international market under the name NR (Neville Russell) International, and that we built up a number of relationships and affiliations around the world; some were already in place, as we had international clients, but this was the first time we had a formal structure. In 1991, following a period of significant growth, we became the representative of Nexia in the United Kingdom after the merger between Spicer and Oppenheim and Touche Ross. This worked well until 1997, when several members of our network left to join today's “Big Four”, demonstrating the weaknesses of this form of integration.

How did you come to know Mazars?

J.M. – Our international activity brought us into contact with the French audit firm Calan Ramolino, which left Nexia to merge with Deloitte. I was a director of Nexia's management board and

« I met with Patrick de Cambourg and Fred Allilaire, who were in the United Kingdom researching the market for a UK firm to join Mazars, and was immediately drawn to the structure which they and their partners had created. »

was given the responsibility of finding a new French member firm. In 1998, I met with Frédéric Mézière at Calan in Paris, and he mentioned two possibilities, Salustro Reydel and Mazars & Guérard. His analysis turned out to be very accurate: according to him, Salustro was dominated by the talent and personality of a single man, with all the limits that this implies, while Mazars was clearly an “institution” for which he had the greatest respect, and which possessed its own international network.

One month later, I met with Patrick de Cambourg and Fred Allilaire, who were in the United Kingdom researching the market for a UK firm to join Mazars, and was immediately drawn to the structure which they and their partners had created. This integrated international network was able to guarantee a long-term stability which Nexia could not provide. We agreed at a very early stage on questions of organisation and structure, before realising how much we also shared in terms of motivation and values. It became obvious that what we thought of as our objective already existed in Mazars, and that we would soon merge, only taking the time to explain the concept Mazars had developed to our partners in the United Kingdom.

How did you choose the Mazars name?

J.M. – The new structure was called Mazars Neville Russell. It was obvious to me that we would soon abandon the Neville Russell name in favour of a simple, global brand. Mazars was truly international and had already succeeded at creating a long-term, global vision around its brand, with an integrated, worldwide organisational model. This strategy was clear and easy for all our clients to understand, particularly those across the Atlantic for whom the European market was gaining importance. In our

recent history, Neville Russell's weak spot was in the international arena; Europe was the immediate focus. Mazars understood this and had created a novel, attractive and cohesive structure, which gave us the opportunity to position ourselves on the market in relation to the "Big Six" of that time.

Neville Russell's ninety partners were entirely convinced that moving forward with the merger was a positive step, even though it meant giving up our name: We made this fundamental decision during the very first secret ballot, with eighty-nine votes in favour and a single abstention! This extraordinary level of support, almost unanimous, was significant; we were prepared to abandon certain aspects of our identity in order to become part of a new, more dynamic and international institution, one with which we could identify and in which we would gain more scope for our activity.

What were your post-merger impressions?

J.M. – Interestingly, one of the difficulties was in convincing my British partners that we shared the attitudes and values of those we worked with! Patrick and I knew that, while strategy is important, it would only succeed if the people relationships were strong. I myself was ready to have a "boss" of the international business – I was the senior partner with Neville Russell – and to leave this area to Patrick de Cambourg, in whom I have great confidence and whom I respect for his vision and for what he has succeeded in creating. There were minor difficulties, but none of us ever questioned the wisdom of the merger. And it worked, people believed in it and now we are trying to build a shared history.

In the United Kingdom, our clients have been very accepting of the merger. We have personal relationships with them, sometimes for many years past. Many continue to call us Neville Russell and

things have not changed much for our British clients, who are mostly medium-sized companies, the smallest having mostly left already through natural evolution. The change has mostly affected our own firm, because Mazars is very present on the large corporate market, a sector of clients who had left us during the preceding years to join the “Big Six”. We are now implementing both defensive and offensive strategies on the British market.

What was your contribution as the British partner?

J.M. – I remember our very first Group Executive Board meeting, in July 1998 in Manchester. This experience perfectly illustrated our cultural differences: there were two British and five French directors, a different mix from what I was used to! I was not terribly excited about the logo, which seemed too French to me, with its two names (Mazars and Guérard), and I sought to explain that Mazars alone was enough. Patrick de Cambourg replied that he understood my position, but that the group’s image and style had to be “Latin”. I asked Patrick what exactly was meant by “Latin”? His explanation was that “Latin” meant “long-term thinking and strategies”, whilst “Anglo-Saxon” could be construed as something based on short-term thinking and immediate financial tactics. This is a secondary effect of the American influence – with which the British are automatically associated – which assumes that

« None of us ever questioned the wisdom of the merger. And it worked, people believed in it and now we are trying to build a shared history. »

« Our goal is to build a common foundation for the future with our partners. This opposition is slightly exaggerated, but we need to differentiate ourselves on the market in relation to the “Big Four”. Robert Mazars achieved this naturally, but it is more challenging for an organisation of five thousand people. »

we are only interested in immediate profit, to the detriment of a long-term strategy. However, we British in fact feel a sense of responsibility towards the future; we are very attached to the concept of “stewardship”, which signifies that our role in business is to be guardians, and to ensure that we transmit a better firm to our successors. This approach is similar to Mazars’s, based on a value system for the long term, as opposed to the American approach which favours profit and the short term.

I have spent much time listening to my new colleagues on the Continent, and in return, I try to help our partners in Mazars understand how we can have British attitudes which differ from those expressed by the “Big Four”, and a working culture distinct from the American one. Our goal is to build a common foundation for the future with our partners. This opposition is slightly exaggerated, but we need to differentiate ourselves on the market in relation to the “Big Four”. Robert Mazars achieved this naturally, but it is more challenging for an organisation of five thousand people. This is not a criticism of the “Big Four”, even if, because of their size, they have real difficulty in running their organisation without sacrificing certain values; financial pressures and salary expectations are much higher, which has an effect on their culture. Even if, in theory, they have the same ambitions in terms of service, quality and integrity, the temptations of a purely managerial approach remain strong.

Isn't the pursuit of profit necessary?

J.M. – Of course, but a reasonable balance is needed if we want to keep our independence! What is important is to have enough money to attract and retain excellent like-minded partners and to keep from being vulnerable, as it is too often through financial

« Adopting the system established by Robert Mazars – partners do not own the practice and receive no goodwill when they leave, any more than they must pay goodwill – gives us real freedom. »

weakness that less stable companies lose their independence. But profit cannot be the sole motivator, it is simply a means to reaching our objectives. I am not saying that money is not important, but as a consequence rather than a goal in itself.

I remember personally giving up half my income when I left Price Waterhouse, and I would certainly have earned more money if I had followed an easier, less entrepreneurial path... Adopting the system established by Robert Mazars – partners do not own the practice and receive no goodwill when they leave, any more than they must pay goodwill – gives us real freedom.

In addition, Mazars relies on an integrated partnership system, based on solidarity – including financial solidarity – between members. The concrete illustration of this integrated partnership was Mazars's support for partners in certain countries, who were having severe financial difficulties and whose offices would not have survived without assistance from the association as a whole.

How do you envision Mazars's evolution?

J.M. – In 1998, the year of the merger, we agreed that reinforcing our international position was a priority, in particular on the American market. We carried out research, learned that Moores Rowland International had interesting features, and the Group Executive Board decided that we should enter into a period of dialogue and exchange. In 1999, our first international meeting took place in London, and then Fred Allilaire and I travelled to Seattle. It was during discussions with MR International that we met Jos van Huut, which led to our merger with Holland in 2000.

Patrick de Cambourg and I went to the United States to establish joint ventures in New York, Houston and Los Angeles; the Washington project was never finalised. Neville Russell's merger

with Mazars truly served a common strategy; it accelerated the internationalisation process which still continues today.

We do not know yet how far we will go; the goal is for Mazars to benefit from solid credibility on the worldwide market, which means we absolutely must increase our influence in America. We have acquired a position in Europe, thanks to our robust, integrated structure, which allows us to maintain a balanced relationship between Europe and America, in spite of recent history suggesting that relations would always be dominated by the American market. The United States have also changed, and their position is beginning to be less dominant in international affairs, but it is difficult to speculate further.

Building a successful joint organisation means creating confidence, which requires that both sides be open-minded and willing to listen. Partners' and managers' attitudes are crucial: they must show wisdom and openness, retaining the best of each culture while eliminating what is clearly not good. We have a good model in the merger between France and the United Kingdom: many people told me it would be impossible, and that we could not trust the French, and I am certain that it was the same for Patrick, who was probably told that you can't trust the English! It can be difficult to overcome national prejudices and, occasionally, arrogance... this takes time. Patrick and I made sure we stayed open to the different cultural approaches and these years have been a real lesson in mutual tolerance. I have always seen myself as a European, not just British, and Patrick de Cambourg, who is a very international Frenchman, also views himself as a European.

Now we are trying to build a similar relationship between Europe, the United States and other continents. This will probably be more difficult, and will depend a great deal on individuals and their

« I could summarise Mazars's spirit in one sentence, or nearly so: we must honour and respect individuals, that is the starting point. »

willingness to see the benefits of such an undertaking, rather than the inevitable difficulties which we will need patience to overcome. This is a great challenge to be met by future generations... Even if someday I am not here to work, it is good to lay foundations and create values which will outlive individuals, as Robert Mazars succeeded in doing!

How would you describe Mazars's values?

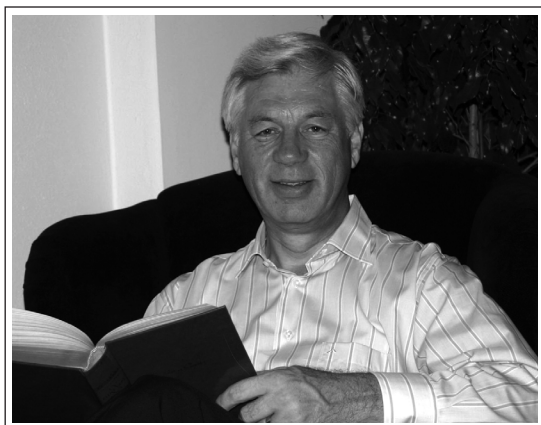
J.M. – The advantage is in creating a new structure, a completely different organisation. We took the time – a real luxury! – to look at our foundational values, select the best that these had to offer and build something new. Without criticising the others, we are able to bring something different to the marketplace. Values are very important, they are what has always motivated me. I have always sought to work in a way that honours and respects people as individuals, that does not transform them into cogs in the machine. Each one of us shares this approach, this belief, in our own way. It may be difficult to express, but we sense it instinctively. Patrick de Cambourg and I share a strong mutual confidence. We have sometimes needed time to reach understanding, if only because we speak different languages – I am very conscious of my own advantage, because we communicate in English, which is my native tongue and not that of Patrick, Jos and many others – but overall, this is more of a positive challenge than a problem! We have no fundamental differences; I may sometimes be more pragmatic, Patrick and Frédéric more attentive to principles and theoretical considerations. But we are in agreement around the idea that management must have a clear vision of both our principles and their everyday application.

Our history: the major motifs

The art of marriage

I could summarise Mazars's spirit in one sentence, or nearly so: we must honour and respect individuals, that is the starting point. Which brings us back to the essence of Neville Russell's Christian beliefs! It is of overriding importance to place others first, to understand the other's perspective before trying to communicate our own; this is crucial in any human relationship, and it is crucial in business. If we succeed in adopting this attitude, everything else follows, including at the concrete level: in a culture of service, the goal is not to follow our own interest, but to determine how we can be useful to others while exhibiting integrity.





“We had expectations in terms of cultural values, when joining Mazars, which we sensed during the merger negotiations. The culture which we discovered with our French, German, English, Belgian and other Mazars partners is very close to our own at Paardekooper & Hoffman.”

Jos van Huut

Member of the Dutch Institute of Chartered Accountants, Jos began his career in 1968. In 1980 he became a partner with Paardekooper & Hoffmann. Elected to the Executive Board of Paardekooper & Hoffmann at the end of the 1980s, he became its Chairman in 1992. After the merger with Mazars in 2000, Jos became a member of the Group Executive Board, and also chairs the Mazars Technical Standards Committee. In addition to his functions within the Mazars organisation, Jos chairs several professional committees within the Dutch Institute of Chartered Accountants. He is also on the board of numerous non-profit organisations.

Contribution:

A pragmatic European project.

Interview with Jos van Huut

Please tell us about the history of Paardekooper & Hoffman?

J.V.H. – I will give you a brief overview so that you can understand how Paardekooper & Hoffman has evolved from its roots. Paardekooper opened his company in Rotterdam in 1927 with one partner, and Mr. Hoffman joined him as the firm grew during the 1930s. In 1940, at the start of the war, there were between ten and fifteen employees. In May of that year, Rotterdam was heavily bombed by the Germans, leading to the destruction of the city centre and many casualties. Our office was entirely levelled and team members worked from home, only coming together again in a new building after the war ended. The first office outside Rotterdam was opened in The Hague in 1956, and another was opened in Amsterdam the following year. By 1975, there were twelve offices in Holland employing 300 people.

The next phase in the history of Paardekooper & Hoffman was witness to the expansion of our activity towards tax and management consulting. At the same time, following the reform of professional standards in 1978, a new group of chartered accountants joined the firm, bringing its size to 600 employees and twenty-two offices during the 1980s.

Following the pioneering and diversification phases was the era of internationalisation. We became a member of Moores Rowland International; the merger with Mazars does not affect our status with this international association of independent companies, of which we are still a member. Our partners began to travel and observe other ways of doing business, other professionals, and thus to acquire better expertise and greater experience, which was important for our clients. During the 1990s, there were 800 employees in the firm, about the same number as when we undertook our merger with Mazars in 2000.

How did you learn about Mazars?

J.V.H. – Mainly by way of mergers, the “Big Five” had grown to a considerable size at the end of the nineties: in Holland alone each of these companies had between 4,500 and 6,000 people. They dominated the market for large and medium-sized and even small companies. There were also three national firms, including ourselves and BDO, at that time all of the same size.

We had to examine a course for our future development and our need to ensure continued high-quality services to the business community as a whole. Based on an extensive strategic analysis we concluded it would be better for our organisation to seek critical mass through a well-reasoned merger process. It was absolutely vital to us to maintain our autonomy and to make a unique offering to the marketplace at the same time. The “Big Five” would not give this, and a merger with one of the national firms would not create distinctive additional appeal. We had no real other options in the domestic market, and we began to think about Europe and about Mazars, which had approached us previously. This was a very different and original perspective on the future and on seeking our critical mass! We had known Guérard Viala since the 1980s, and had worked together until 1996. We had a bureau in Amsterdam called Guérard Viala Holland; this office had disappeared however following their merger with Mazars in 1995. Coincidence or not, at the same time Mazars and Moores Rowland International started a relationship of cooperation and as vice chairman of MRI I had several meetings with John Mellows and Fred Allilaire during 1999. As a result of this all Mazars and the Dutch firm achieved a full merger in September 2000, and we changed our name into Mazars Paardekooper Hoffman. In 2002 we decided to present ourselves simply as “Mazars”.

« Our firm wanted to contribute to the creation of an organisation with a strong presence all across Europe, which would allow us to share common policies, strategies and, as a result, prosperity. »

How do you view your specific contribution to Mazars?

J.V.H. – Holland is a very open country, with a trade tradition and international legal and fiscal flexibility linked to its history and geography. We benefit from a stable political climate, and the Dutch are open and innovative and speak languages. Our clients have an international perspective; Europe holds an increasingly important position. Our firm wanted to contribute to the creation of an organisation with a strong presence all across Europe, which would allow us to share common policies, strategies and, as a result, prosperity. This was an ambitious idea, and we knew that Patrick de Cambourg and other executives and partners in Mazars shared a similar strategic perspective: They wanted Mazars to be a strong, coherent, European firm with global ambition.

Six or seven years later, the accounting profession has changed in ways we could never have imagined in 1999. At that time, growth was the norm, the Enron scandal had not yet tainted the credibility of global organisations, and no one could have predicted the dramatic changes in the world of finance which were to follow. And yet, we already knew that a European perspective was better than a national one, and if we had known how things would evolve, we would not have hesitated to merge even sooner! All these peregrinations, and the transformation of the accounting profession which resulted, have been and continue to be a compelling opportunity for us as Europeans.

The merger was entirely positive, including on the Dutch market, as we are firmly convinced that it is vital today to be fully international, in terms of efficiency for our clients. We are sixth on the market, and are well-placed to maintain and develop this position, with a far greater capacity than if we had remained

purely Dutch; we have created our own identity, which differs from that of our competitors and is based on European values and on respect for our diversity, the catalyst for our growth.

What are the values which characterise Mazars?

J.V.H. – We had expectations in terms of cultural values, when joining Mazars, which we sensed during the merger negotiations; but it is only truly possible to understand an organisation once you are on the inside, at the other side of the fence. The culture which we discovered with our French, German, English, Belgian and other Mazars partners is very close to our own at Paardekooper & Hoffman. This is of course a simplified image, but compared to other companies, Mazars is very attached to people, to the human element within our teams and of our clients. We focus not only on the speed of our response to our clients, but also on how close the responsible people are, how easy they are to reach. In concrete terms, this means that we ensure efficient communication with our clients. Partners and managers can be consulted directly as soon as a problem arises, and will provide a rapid response. This is not only an issue of organisation of the internal decision making process but also of good human resources management and adequate training and education.

The human factor is what interests us the most. Our motto at Paardekooper and Hoffman was: “Behind numbers there are people.” We want those who work for us to be innovative and think for themselves; they need freedom within the organisation to take their own initiatives. If we were to write up a “checklist” of values, again using simplified imagery, independence would be at the top of the list. Financial independence is an important factor, of course,

and we have taken measures at the European level to guarantee it; but independent thinking is extremely valuable, for our clients as well as for the public good. There is a general need for freedom of opinion, and we support it wholeheartedly.

Transparency is also essential. When I look back, I realize that one of our greatest successes was in creating a transparent organisation. We are what we say we are, and we can prove it. The scandals which have recently rocked the economic arena have created a need for transparency, and this openness has been one of Mazars's principal values from its beginnings, so the company is able respond to this demand with no need for cultural reform.

Do you think you have changed since your merger with Mazars?

J.V.H. – Naturally our company has changed over five years. Since the merger, we have increased our contact with foreign countries, and this has changed us. Our Dutch clientele mostly consisted of medium-sized companies; Mazars has given us access to a market made up of larger companies with an international orientation. On the other hand, we brought with us family-owned companies, which are undergoing changes themselves. As the business world evolves and becomes more international and complex, these companies need assistance in adapting to these new conditions. It is interesting and mutually rewarding to cater to such a range of clientele.

We are very pleased with the firm's unreservedly European orientation. Europe constitutes an integrated market which we understand well. We are also happy with the vision created by the Eighth Directive of the European Commission; this will facilitate easier relations between countries by creating a legal framework for collaboration on a European level.

In general, diversity is a strength for an organisation. In contrast to the American culture, which tends towards a sort of uniformity, doubtless legitimate in that context, we need to recognise and be tolerant of others' values. We must build on our differences, instead of seeking uniformity – which often requires us to be innovative! A single point of view does not open up debate. Beyond simple tolerance, a debate between cultures also fosters learning: each country gives the best it has to offer, and progress results from the dialogue between these differing approaches. This is what we do within Mazars; we take the best each one has to offer, in France, Holland, Germany, Italy... and strive in this way to build a solid and innovative organisation from these differences. We just go a few steps further than our clients' expectations, which is why we use the following baseline in our external communications in Holland: "Go further... with Mazars".





Crafting permanence

In the past ten years Mazars has undergone profound changes involving ambitious international development and strong growth. The firm had the potential for international activity from the beginning, but it is only with the merger between Mazars and Guérard Viala that this aspiration could be fully expressed.

Largely inspired by a European identity which provides a wealth of diversity and dialogue, this new dimension was not created by grafting newcomers to a supposed core organisation, but took form as a dynamic new entity with its own collective responsibility, open to the world.

In fact, over the course of these ten years, Mazars was working to achieve an essential milestone in terms of guaranteeing the firm's continuity and permanence.

We need to remember that all invention first arises from an almost alchemical mix of two things: a sense of expectation and a creative drive. Something new takes form when this vital creative impulse finds expression in the real world.

Invention is also, in the beginning, the affair of a single person or of a small team, as we see when we analyse the founding phases of our enterprise. At the very least, until a minimum size is reached, such a project belongs to a single generation, as our look at successions demonstrates.

Crafting an organisation's permanence means institutionalising the conditions needed for creativity and constant innovation. This structure will be more complex, but is designed to unite the key components for action which lucky chance brought together in the first instance.

We must, then – cautiously, as nature can be tricky – aim to reproduce and amplify the dynamics made possible by the initial creation.

Our history: the major motifs

Crafting permanence

The intuitive approach remains, fruit of the intelligence of people and situations, but it becomes more organised: progress is based on analysis and research, hypotheses are tested before being implemented across the board, ideas are exposed to criticism, though without falling victim to a blandly conservative consensus mentality.

The various participants harmoniously join their efforts in full consciousness of the fact that they each have need of one another: No one person has all the necessary expertise and resources, unlike in the particular, rare – and chancy! – situation of individual enterprise.

The teams gain in strength as they begin to follow a protocol understandable to all, based on a contract accepted by everyone and which respects each person's contribution.

In this way, harmony is more easily established between generations and progress becomes a consequence of organised relationships between raw talent and depth of experience, without one being necessarily dominant over the other.

What, then, are the lessons we can draw for Mazars's future and permanence, from this 1995-2005 phase during which so much attention was paid to contractualising and institutionalising the creative process?



The major innovation of the merger between Mazars and Guérard Viala was, at the same time, the start of a larger association: Mazars CARL, which gave the partners in each of the two firms the chance to be fully associated as equals with the Mazars adventure.

Narrative:

**A European identity with a long-term,
international orientation.**

**The period from 1995 to 2005
as told by Patrick de Cambourg
and Frédéric Allilaire**

The merger between Cabinet Robert Mazars and Guérard Viala

In 1994, Mazars was, along with Guérard Viala and Salustro Reydel, one of the three largest French auditing firms, with a turnover of around €50 million and 600 employees.

These three firms, whose founders had each left a strong mark on the profession, crossed paths regularly in the course of their work. Periodically, the idea of a partnership between two... or three!... of them would come up. For thirty years the market trend had been towards ever larger players, for which the Anglo-American “Big Six” were the inescapable reference.

douard Salustro was a well-known personality “who had a de facto position similar to that which Robert Mazars had held a few years earlier.” Patrick de Cambourg, twenty years younger, turned to him several times to take the initiative in an important contract, with respect, certainly, but knowing that the firm’s strong growth created a situation of “potential future partnership”.

Robert Mazars had, in a way, made these prudent overtures difficult in the 1980s, when he said to Edouard Salustro, “We need to let the young people manage and offer more egalitarian pay.” To which the latter replied, “Yes, but leave me a little more time...” This “genetic incompatibility” remained, according to Patrick de Cambourg, “until the end”, in spite of efforts made on both sides.

fter learning from Frédéric Allilaire in February 1995 that Salustro and Guérard Viala were carrying out discreet negotiations, and fearing that Mazars would be sidelined, Patrick de Cambourg invited the Chairman of Guérard Viala, Michel Rosse, for dinner at Prunier. As two gourmets helped along by the excellent French cuisine, but especially as professionals willing to share their strategic analyses and their strengths, they quickly agreed that a collaboration between the two companies, which had similar sizes and strategies, would be a sensible market strategy, if difficulties arising from longstanding rivalries could be overcome. These rivalries did not concern them directly, but were mainly in the nature of neighbourly quarrels which had affected relationships over several generations without anyone remembering the original dispute.

“A collaboration between the two companies, which had similar sizes and strategies, would be a sensible market strategy, if difficulties arising from longstanding rivalries could be overcome.”

And also... there was an undeniable mutual attraction which later became a decisive factor in their trust and respect for each other. This desire to move beyond historical or cultural misunderstandings (the first “plenary” meeting was something of a “round robin in which everyone put a twenty-year accumulation of grievances on the table”) gave a distinctive momentum to the discussions. The rapprochement with Salustro quickly appeared less attractive, though everyone felt that the door remained and would remain open.

A unique form of merger was imagined. “Things moved very quickly, with a first meeting in June, a second in July and a third in August. At the beginning of September, everything was settled in principle.”

 he truly original aspect of the merger was to give each partner equal standing, which meant redefining the institutions. “The secret of our success was to create something new, neither party being absorbed by the other, and where every existing or newly arriving colleague was a partner in his own right at the level determined by his peers. Only a very few partners nearing retirement chose not to participate in the implementation of this new structure, while still supporting the establishment of the new organisation and the transfer of contracts over the first couple of years.”

At the beginning of October 1995, during the convention of Mazars partners at Barcelona, a delegation of partners from Guérard Viala came to Spain to formally sign the contract finalising the merger of the two firms, under the motto “shared trust and shared expertise”. The group’s new logo, hidden beneath a cloth, was unveiled at the same time. In a single night, all the logos were changed, and partners found the new logo on their documents the next morning. Michel Rosse and Patrick de Cambourg were

chosen as co-Chairmen. “All the French partners kept their Mazars shares through a corporate savings plan, which was a very efficient way to finance our development. In three years, the partners from Guérard had attained the same level of remuneration as those from Mazars, with no feelings of resentment arising.”

As for Edouard Salustro, who was also offered the chance to join in the merger: He was first amazed at the speed of the operation, and then reserved, putting off his answer. Mazars & Guérard was born and was immediately introduced to the press, to clients, and to economic leaders. The welcome was very positive, and the initial hypothesis was confirmed: Our operation responded to a very real desire.



CENTRAL AND EASTERN EUROPE: PAN-EUROPEAN VISION IN ACTION!

Both Mazars and Guérard Viala pioneered in this emerging region immediately after the fall of the Berlin wall recognising its European roots and its potential. Following the merger in 1995 the Central and Eastern European offices of both firms were merged. These relatively new ventures then blossomed by serving Mazars international clients and gaining local clients.

The firms in Poland, Hungary, Czech Republic and Slovakia now have attained

enviable market positions immediately following the Big Four firms. These firms are now in the process of sharing leadership and management with a new Mazars's breed of home grown nationals. This development demonstrates the maturity and success of these practises. Ukraine, Romania and Russia add an Eastern border to our Pan-European dream... We expect a lot from this fast growing and fascinating region where much remains to be done.

The European direction with Mazars CARL

The major innovation of the merger between Mazars and Guérard Viala was, at the same time, the start of a larger association. Mazars CARL, inspired by the French merger, was created and headquartered in Brussels, and gave the partners in each of the two firms the chance to be fully associated as equals with the Mazars adventure. These new institutions were specifically designed with the “right ingredients” to allow remarkable growth for the new organisation, in particular with the notion of international partnership. “We were not a group of countries, but an organisation of people pursuing common goals and a joint vision for progress, and sharing risks and benefits, which ensures equality between France and the other countries,” remembers Frédéric Allilaire.

Beyond the modernity of its structure – years ahead of the Eighth Directive which was just adopted at the European level and which will be implemented in 2007-2008, for example – this association, greater than the individuals who make it up and based on the notion of sharing, was “a significant asset, particularly as it was perceived in the international arena,” explains Patrick de Cambourg. “In 1995 we developed a structure, the Limited Liability Cooperative (*Coopérative à Responsabilité Limitée*, or CARL), symbolically headquartered near the Commission, which coordinates the activities of the national structures controlled by their partners, all of whom together make up the international association. This organisation sets game rules and administers and oversees national firms using a certain number of prerogatives: the right to inspect national entities as a guarantee of stability; ‘policing power’ to ensure quality and the respect of fundamental principles; correspondent agreements in order to organise operational unity and development dynamics; the right to set performance-sharing rules to guarantee a true association...”

The partners of firms affiliated with Mazars or Guérard Viala progressively received an offer of partnership in Mazars CARL, beginning with those located the nearest (Alsace in October 1995). A “cooptation process guaranteed the homogeneous quality” of those entering the group.

In 1996, the members of the Group Executive Board visited a series of international affiliates. “After the French, the Moroccans joined us, then Luxembourg, the Belgians, the Irish, the Italians, the Portuguese... in the single structure of the CARL we united a huge diversity of relationships which had been built up over time.”



A BALANCE BETWEEN RISK AND SOLIDARITY

“Three countries were in significant difficulty in 2001. Our Limited Liability Cooperative system made it possible to help them out. By unanimous agreement, new teams were brought in and a recovery plan was introduced. A member of the Group Executive Board oversaw the recovery process, and the Mazars partners collectively implemented the solidarity in

terms of group profit-sharing for which provision had been made, in favour of the partners in these countries.

The “group card” had been played. Still, preventative intervention was to remain the rule. We learned from this experience and, in the interest of all, began to carry out more rigorous examination of development plans, budgets, and results.”

“Such diversification operations became difficult and it was judged best after a few years to abandon this path and refocus Mazars on its core activities.”

Refocusing activity and extending geographic reach

Once the merger had been implemented and perceived as a success, Michel Rosse, Patrick de Cambourg and the other members of the Group Executive Board decided on three main orientations for the new organisation.

The first was to find a path for diversifying outside of the “numbers” professions, by applying the formula which had been Mazars’s specialty to management consulting and to the legal profession. This initiative came about during the years preceding the new security regulation which reinforced incompatibilities. Such diversification operations became difficult and it was judged best after a few years to abandon this path and refocus Mazars on its core activities.

 Mazars has maintained its tax expertise and legal activities in countries where they are authorised, such as Spain. “It is unfortunate because attorneys, in France, have trouble avoiding the ‘diva mentality’ which hinders their evolution, in particular in the international arena. An organisation such as ours would have benefited the legal profession, whereas today Gide is the only group able to hold its own vis-à-vis the Anglo-American firms.” Another failure, “from excessive enthusiasm”, was the relationship between Mazars and Eurogroup, which entered the system in 1997. Three years later, Eurogroup had tripled in size, and the cultures were in conflict: “They left and slammed the door behind them, before accepting an amicable separation,” remembers Patrick de Cambourg, who wonders if Mazars “may sometimes attract people who do not have sufficient understanding of what should be very clear rules...”

“We said to ourselves that we needed to concentrate on the professions we knew and leave our ‘messianic’ undertakings aside, at least towards consultants with a classic capitalist attitude or ultra-liberal attorneys. Our efforts turned towards the expansion of our international development,” says Frédéric Allilaire.

*« To resolutely work on extending
our geographic reach in our core professions
to acquire an international credibility
and stay independent. »*

The second orientation was therefore “to resolutely work on extending our geographic reach in our core professions (auditing, tax consulting and accounting), and we successively took on one major operation in Great Britain and another in Holland, in addition to a number of smaller undertakings. This gave us international credibility. By showing repeatedly our ability to remain independent, we were able to reassure the doubters both inside and outside the firm.”

THE AMERICAS: PRAGMATIC DYNAMISM

Alongside the developments in the UK and the Netherlands it was recognised that the existing offices in New York, Los Angeles, Washington and Houston were too small to meet the needs of Mazars's clients in the USA. In 1999 and 2000 major regional firms in the USA were identified that could meet Mazars's needs via three joint venture arrangements. A further two firms were added to these joint ventures in 2005. These arrangements have demonstrated Mazars's ability to adapt its model to provide critical mass in a short space of

time in a huge and vital market offering its clients pragmatic solutions via this Mazars team America alliance.

In Latin America, having established offices in Brazil Mazars brought in a firm in Argentina. We have now decided to develop further on the basis of our integrated model: with our correspondent firms in Chile, Uruguay, Venezuela and Mexico a roadmap to full membership has been agreed and we look forward to steady growth for our extended platform in this area so close our European roots!

Within this ever larger geographic framework, “we progressively recognised the scope for organic growth, and our clients reinforced this strategy,” as the market noticed “our difference, our technical expertise and the system of ethics which we carefully nurture and protect.”

In 2001, the profession was in full bloom, “reaching for the sky”. Then the bubble burst with the Enron scandal and the resulting downfall of Arthur Andersen, and this “confirmed our belief that nothing is written in stone, that at least one of the giants had crumbling foundations and that we should not hesitate to keep our independence, choose our own path.”



Between existing strengths and future efforts

The third orientation involved people, “a less strategic element, and yet both essential and highly complex.” This decision was based on a desire shared by Michel Rosse and Patrick de Cambourg, out of respect for the founding partnership spirit, to create a system based on the principles of delegation and of generational succession. “In 1997, we were co-Chairmen, we had succeeded in implementing a rapid merger with a speedy decision-making process, and we wanted to create a fresh impetus, to avoid blocking those people who had the capacity to exercise responsibilities. We did not want to deprive ourselves of the catalytic effect of intelligently managed delegation. We therefore created an organisation in which a certain number of partners took on new responsibilities, without necessarily being prepared for them. They would take charge of operational, developmental, and human resources aspects, while we took care of international strategy and the coordination of development policies and brand management.”

This decision led to a phase of doubt and discouragement with Mazars's policies, often linked to a lack of experience and a need for better understanding of the firm's vision and approach. Seeing the difficulties involved in expansion, some would forget that we could not "act like complacent heirs" and that "when we are lucky enough to be part of a first-rate organisation in France, with excellent clients and a strong structure," we must use these strengths to move forward. "It took some time to find a balance between our existing strengths and the possibilities which lay before us thanks to the merger and the evolutions which followed."

A SOLID PARTICIPANT IN PROFESSIONAL INSTITUTIONS

"Mazars is taken very seriously as a participant in professional institutions, particularly in the area of accounting principles, but also of regulation. Michel Rosse was a long-time President of the USEC and I myself, since 2003, have been Vice-President and then President of the Public Offering Department(APE) which unites the largest firms. Many partners exercise important functions in national professional institutions, the European Federation of Accountants, the IFRIC, the EFRAG, the IFAC...

One of the ideas which Mazars promotes is the "joint audit", which we were one of the first to support in 1993 during the work of the Le Portz Commission. Our opinion was seconded by French officials: we felt that two auditors made it possible to offer complementary solutions to companies. This is much better for a large corporation than sterile over-familiarity or confrontation with a single auditor. Dialogue is a fruitful process which can also solve many problems arising from loss of independence."

At the end of 2003, lessons were drawn from these ups and downs, which were to be expected in a young organisation which was growing rapidly and still finding its bearings. New teams were chosen, leading to a better balance between encouraging creativity and individual responsibility on the one hand, demanding and committed leadership on the other. “A completely serene atmosphere returned between the national management teams, the professional teams and the group as a whole. A spirit of collaboration transformed these difficulties into successes. We were able to avoid losing ourselves in ‘family feuds’ and to maintain our solidarity, even as we learned from the hardships of this difficult phase from 1998 to 2003.” In the “new deal” which resulted, Michel Rosse left the Group Executive Board, as he had announced. He became Vice-President for France and works closely with the Executive Board to “keep the gears well-oiled” when situations get sticky.



The “state of the Union” today

At the moment this book is being released, Mazars is an organisation of 5,000 professionals, including the 330 partners who propel our democratic partnership, with a turnover of around €500 million. We exist directly, that is following our partnership model, in 38 countries, with European countries dominating. In many countries of Europe we are in the fifth or sixth market position. Our presence needs strengthening in Scandinavia and Russia and, to a lesser degree, in Great Britain and Germany. We are of course working on this already!

That said, our European platform is already a solid market player in its current stage of development, thanks particularly to its strong relationships with large European companies and to its institutional model, which was ten years ahead of what the Eighth Directive of the European Commission has just made possible today – a truly pan-European organisation. Our image and our credibility progress each day.

ASIA PACIFIC: NEW FRONTIERS

Developing into Asia Pacific is a challenge in itself for many businesses and Mazars felt the need to follow or anticipate clients expectations into these dynamic continents. Mazars founded first outposts in the nineties: in Vietnam, Japan, Singapore; another milestone was the establishment of a Mazars office in Beijing, soon to be followed by a successful merger with a Hong Kong based firm.

Entering the 21st Century, Mazars covered new ground: merging our Hong Kong practice with a highly reputable firm and creating, as a consequence, an enhanced joint venture presence, Moores Rowland Mazars; opening a Shanghai

office that has since developed very fast and successfully; establishing correspondent relationship with two Indian firms in Mumbai and New Delhi...

Today we are entering a whole new phase with a strong emphasis on quality, development, image and critical mass to create, as in Europe, a real alternative offer of services. At this very moment, we are contemplating among other projects in this area a full merger of our operations in mainland China with our Hong Kong presence and closer relationship with the two firms we work with in India. The integrated model “en route” to a successful platform in this area!

 We have three very dynamic areas of activity: services to large companies, including auditing (“Corporate Assurance Services”, 40% of our business), services to small and medium-sized companies (“Business Advisory Services”, 40% of our business), tax consulting (“Tax Advisory Services”) and other consulting services. The “national” aspect of our organisation is still strong, naturally, but it is the “service line” aspect which is evolving rapidly. This latter category, complementary and essential, is the one with market relevance. For each of these service lines, we must construct the right development models, expand service offerings and effective tools, find synergies, investments and profitability... “I think the partners are very comfortable today with this dual structure, geographic and transversal, which is seen as a key factor in professional advancement,” emphasises Frédéric Allilaire.

 Outside of Europe, Mazars’s goals are gaining definition, to allow us to accompany European companies wherever they go, but also to participate fully in the development of new markets, particularly in Latin America, India, and China. Our development in this area is pragmatic, combining direct implantation (in Brazil, Argentina, French-speaking Africa, Vietnam, China...), joint ventures (United States, South Africa, Hong Kong...) and correspondents. These last two forms allow us access to the expertise of 5,000 professional partners in around twenty countries, to complement our own teams.

“All together, we have today a solid base which will be a fabulous jumping-off point for the future, as long as we know how to consolidate our assets, continue to rely on our professionalism and on our teams’ enthusiasm, and remain true to the values of our organisation, particularly our passion for a job well done and uncompromising integrity!” concludes Patrick de Cambourg.



THE 8TH DIRECTIVE. A DECISIVE STEP FORWARD TOWARDS PAN-EUROPEAN HARMONISATION

The European Union adopted in October 2005 the 8th Directive which should be enacted by national legislations in or before 2008. This is a major step forward towards a unified Europe for auditing and to a certain extent Corporate Governance.

Member states have now to converge in many areas: independence rules, auditing standards, training and registration of auditors, auditors’ liability, transparency, rotation of engagement partners, audit committees... No doubt some national specifics will remain, but harmonisation is clearly on the agenda!

And of even more importance is the fact that now pan-European audit firms can easily develop since national firms can be controlled by professionals recognised in all Member States: the pan-European holding is about to be born and national restrictions are about to disappear! With its integrated model, conceived as far back as 1995, Mazars has now the opportunity to be one of the first to use, through a very natural evolution, this new possibility and therefore to follow up on its differentiating options in terms of accountability, transparency and service to all European stakeholders.

We have today a solid base which will be a fabulous jumping-off point for the future, as long as we remain true to the values of our organisation, particularly our passion for a job well done and uncompromising integrity!

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