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Subject: Strategic analysis CNV Jongeren  
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In response to our conversations on January 24 and February 14, I have prepared a strategic analysis to assess the current competitive position of CNVJongeren (CNVYouth) (CNVJ) in the context of youth unions in the Netherlands. As you are aware, unions in the Netherlands are faced with a decrease in membership and the legitimacy of the union as an institution is being questioned (exhibit 1). Added to this, CNVJ faces pressures from different types of competitors, direct and indirect. These trends put pressures on unions to retain their members. This is also true for CNVJ. However, with increasing youth unemployment in both the Netherlands and Europe, organizations that try to influence political decision making processes in favor of this group remain important as they give young people a voice which is not always heard in the public debate. This advocacy work is currently being done by both divisions of the organizations (the union part and the project part). The union part of the organization provides a (political) platform for young people (through its advocacy work) and the project part offers a more practical solution (through the projects of the organization) (exhibit 4).

The competition of CNVJ can be divided into 5 groups (exhibit 2) which compete in different ways with the organization. The first two groups compete in the business of representing (young) employees. This is either through direct competition by exclusively focusing on young people (in the case of FNVJong (FNV Youth) (FNVJ)) or more indirect through the adoption of specific strategies focused on youth (eg "Probeer de bond" (Try the union) by CNV Vakmensen (CNV Crafts people)) as part of a broader recruitment strategy. The latter type of competition is relatively new, yet becoming an increasing threat as initiatives from this type of competitor have been extremely successful in the last few years. Competition from other youth organizations (both national and local) (group 3 & 4) exist as well. However, this is more indirect compared to the groups previously mentioned. Finally, competition exists in the form of commercial employment organizations (group 5). These organizations only compete with CNVJ in a select number of cases in which CNVJ runs projects related to employability of specific target groups (eg people with special needs). Therefore, they pose only a limited threat to the organization.

The sector in which the organization operates can be characterized as being overall unattractive. This is primarily the result of the great power of buyers and the existence of substitutes (exhibit 3). Buyers have substantial power as it is easy for them to switch to other (youth oriented) unions that offer similar products and services. Besides the low cost of switching between unions, substitutes like affordable legal counsel in employment conflicts are available. Furthermore, the complements that are associated with membership of CNVJ are not unique (eg discounts on health insurance are also offered as a complement by other organizations). These elements make the industry unattractive are only partly compensated by the little rivalry between competitors due to the limited number of organizations operating in the market. Also the partnerships between CNVJ and FNVJ in the past result in more friendly competition. Furthermore, the power of suppliers is limited due to the fact they have limited alternatives available to them (eg the number of organizations that can facilitate similar projects as offered by CNVJ are limited). Therefore, the sector somewhat unattractive when looking at the overall picture.

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When zooming in on what makes CNVJ successful in this difficult environment, it can be argued that the involvement of (volunteering) young people in the whole process is one of CNVJ its unique capabilities (exhibit 5). This relates to both divisions (the union and the project part) of the organization (exhibit 4). For the union part of the organization this involvement relates to the working groups and the board who both develop the position of the organization in various fields and recruit new members. In projects young people are only supported by professionals who only have a facilitating role during the whole project. This extensive involvement of young people fits with the philosophy of an organization by and for young people. This philosophy is an attractive feature for potential project partners. Also, the communication (internal and external) of this alignment between young people and the organization provides for an attractive message to the outside world. This can create a self reinforcing cycle as it can attract more (financial) partners. However, it has to be noted that competitors (FVNJ) have made an attempt to imitate this approach by copying the working group based model for the union part of their organization. Nevertheless, the structure and approach of projects which make CNVJ successful, is far harder to imitate. This is shown by the failed attempt of commercial employment organizations to imitate some the projects of CNVJ.

Given the evidence presented here, it is recommended CNV Jongeren focuses more on projects as the primary activity of CNVJ. The strength of the organization lies in this area, as can be seen from the revenue streams it generated in the last couple of years, the visibility of those projects across different media and the successful, unique approach of CNVJ (involving young people from the start of the project) which competitors find hard to imitate (exhibit 5). Placing a stronger focus on this part of the organization will strengthen the brand as an organization that voices the concerns of young people. Given the trend of decentralization in governmental responsibilities (exhibit 1), these projects can diversify to more local ones as either complements or substitutes of the national projects. To develop new ideas for projects (both national and local) it is recommended the organization leverages the creative capacity of its volunteers that are part of the various working groups. These concepts can then be a starting point for the professional part of the organization.

With regard to union membership it is recommended new alternatives are developed that can be a complement to the projects. As the perception amongst young people towards unions is negative (exhibit 1) and competitors are more successful when it comes to traditional forms of membership (subscription-based) (exhibit 2), it is advised to decrease the investment in this type of membership. Although the traditional membership will still remain valuable for some people, growth in this segment is relatively hard due to the social trends and the great number of alternatives that are available to young people which offer similar value propositions. An example of alternatives to traditional membership can be membership for project participants (financed by project financiers) (project based) or a pay-per use model in case of work related legal advice or workshops. When it comes to the recruitment, use of new technologies offer possibilities to market these new models as technology is currently not a determining factor in this sector. A specific strategy with regard to the “Try the union” campaign by CNV Vakmensen is advised to explore the possibilities of combining the efforts of both organizations when it comes to recruiting young people as members (as CNV Vakmensen and CNVJ are part of the same mother organization (CNV)). This could be done by offering a dual-membership for both organizations for the same introduction price (free) as is currently the case. After a limited time young people can decide which organization is best for them. In addition to offering young people additional choices it creates the possibility for CNVJ to gain more members as well as giving them a taste

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of what is to be part of a union. In the long run this can result in a greater retention rate when young people become too old to be part of CNVJ<sup>1</sup>.

When looking at these recommendations based on the areas of perceived importance by the various stakeholders (exhibit 6) most stakeholders will benefit in perceived value from the organization. Only current members will be slightly negatively affected by implementing the recommendations presented here.

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<sup>1</sup> At age 29

## Exhibits

### Exhibit 1 – Industry analysis

Industry analysis	
Demographic trends	Socio-cultural influences
<ul style="list-style-type: none"> <li>- Ageing population<sup>i</sup></li> <li>- Increased age of among union members<sup>ii</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Decrease in memberships of organizations<sup>iii</sup></li> <li>- Decrease of union membership<sup>iv</sup></li> <li>- Negative image of unions among young people<sup>v</sup></li> <li>- Increased importance of identity of an organization (over its products)<sup>vi</sup></li> <li>- Young people are highly individualistic<sup>vii</sup> and critical about membership of organizations<sup>viii</sup></li> </ul>
Technological developments	Political-legal pressures
<ul style="list-style-type: none"> <li>- Increased online presence (both website and social media)<sup>ix</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Labor market is becoming more flexible<sup>x</sup></li> <li>- Pressure to complete studies on time<sup>xi</sup></li> <li>- Shift of responsibilities from the national level to that of municipalities (including employment en youth issues)<sup>xii</sup></li> <li>- Possible retirement fund reforms</li> <li>- Increased pressure participate in society</li> </ul>
Macroeconomic impacts	Global trade issues
<ul style="list-style-type: none"> <li>- Increase in youth unemployment<sup>xiii</sup></li> <li>- Increased use of internships as a substitute for starting positions<sup>xiv</sup></li> </ul>	<ul style="list-style-type: none"> <li>- Need for specific skills (specific sectors)<sup>xv</sup></li> <li>- Increase in education levels<sup>xvi</sup></li> </ul>

## Exhibit 2 – Competitor analysis

Competitor analysis				
	Members	Trend in membership	Political affiliation? (Yes/No)	Key activity areas
<b>CNV Jongeren</b>	1300	Stable	No	Transition education-working life, Young people with disabilities, Flexible contracts, Retirement funds
<b>Group 1: Other trade unions with a focus on young people</b>			No	
<b>FNV Jong<sup>xvii</sup></b>	2500	Increasing	No	Minimum wages, Flexible contracts, Education, Retirement funds
<b>Group 2: Other CNV unions</b>				
<b>CNV Vakmensen</b>	135 000	Decreasing	No	Labor related issues (collective bargaining agreements, labor conflicts, etc)
<b>Group 3: Other national youth movements</b>				
<b>Political youth organizations</b>	Varies	Increasing	Yes	No specific key areas, focus areas exist for specific organizations
<b>Non-political youth organizations</b>	Varies; up to 85 000	Stable/ Decrease	No	Varies (eg young people in agriculture)
<b>Group 4: Local youth initiatives</b>	Not available	Not available	No	No specific focus area
<b>Group 5: Commercial employment agencies</b>				
	-	Increase	No	Young people with disabilities, Young unemployed people

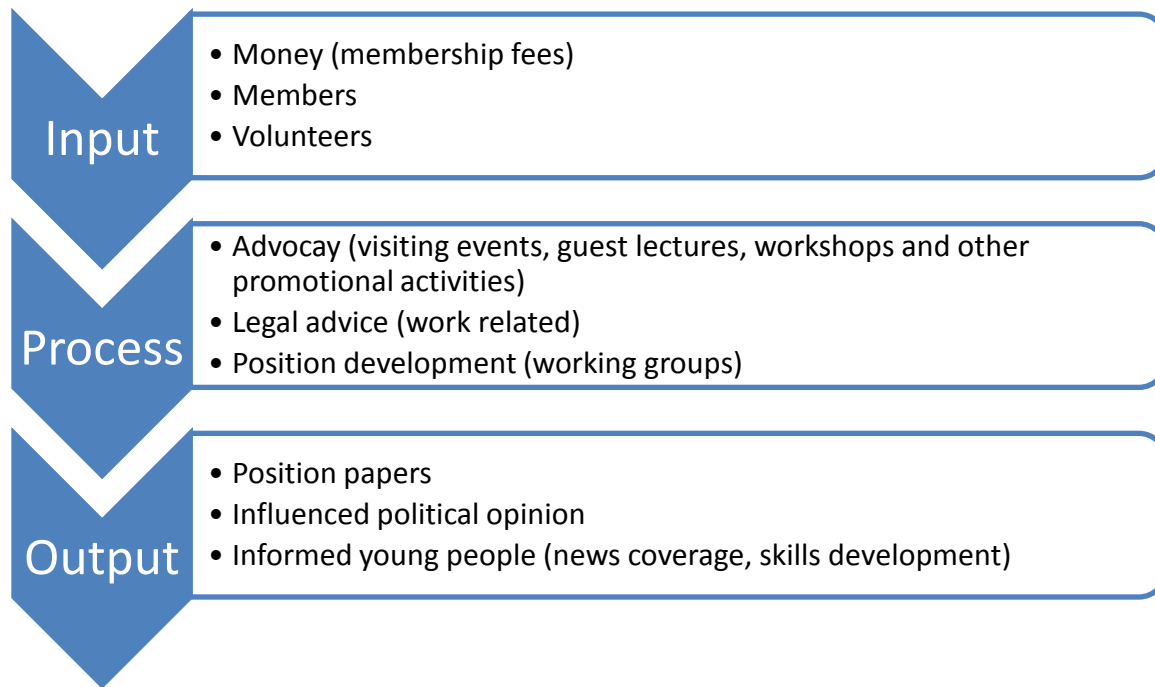
### Exhibit 3 – Five forces analysis for youth unions

	<b>Potential Entrants</b> <ul style="list-style-type: none"> <li>- Low sunk cost</li> <li>- Incumberments exists <ul style="list-style-type: none"> <li>- Existing brands</li> <li>- Learning curve exists (especially with projects)</li> <li>- Economies of scales exist</li> </ul> </li> <li>- Low threat of retaliation (low exit cost)</li> </ul> <b>→ Medium threat of new entrants</b>	
<b>Power of Suppliers</b> <ul style="list-style-type: none"> <li>- Few suppliers</li> <li>- Suppliers have limited alternatives</li> <li>- No threat of forward integration</li> <li>- No possibility of backwards integration</li> <li>- Reliable information is available</li> <li>- Suppliers have little possibility to price discriminate</li> </ul> <b>→ Medium power of suppliers</b>	<b>Industry Competitors</b> <ul style="list-style-type: none"> <li>- Few direct competitors</li> <li>- Competitors are larger</li> <li>- Substantial number of indirect competitors</li> <li>- Few incentives to cut prices</li> </ul> <b>→ Little rivalry amongst competitors</b>	<b>Power of Buyers</b> <ul style="list-style-type: none"> <li>- Relative small number of buyers</li> <li>- Long standing/relative traditional distribution channels</li> <li>- Reliable information available</li> <li>- Alternatives are available</li> </ul> <b>→ Great power of buyers</b>
	<b>Substitutes</b> <ul style="list-style-type: none"> <li>- Complements exist (eg reduction on health insurance) but are not unique</li> <li>- Substitutes exist (eg legal counseling services)</li> <li>- Attractive substitutes offered by direct competitor (CNV Vakmensen) (Probeer de bond (Try the union))</li> </ul> <b>→ High threat of substitutes</b>	

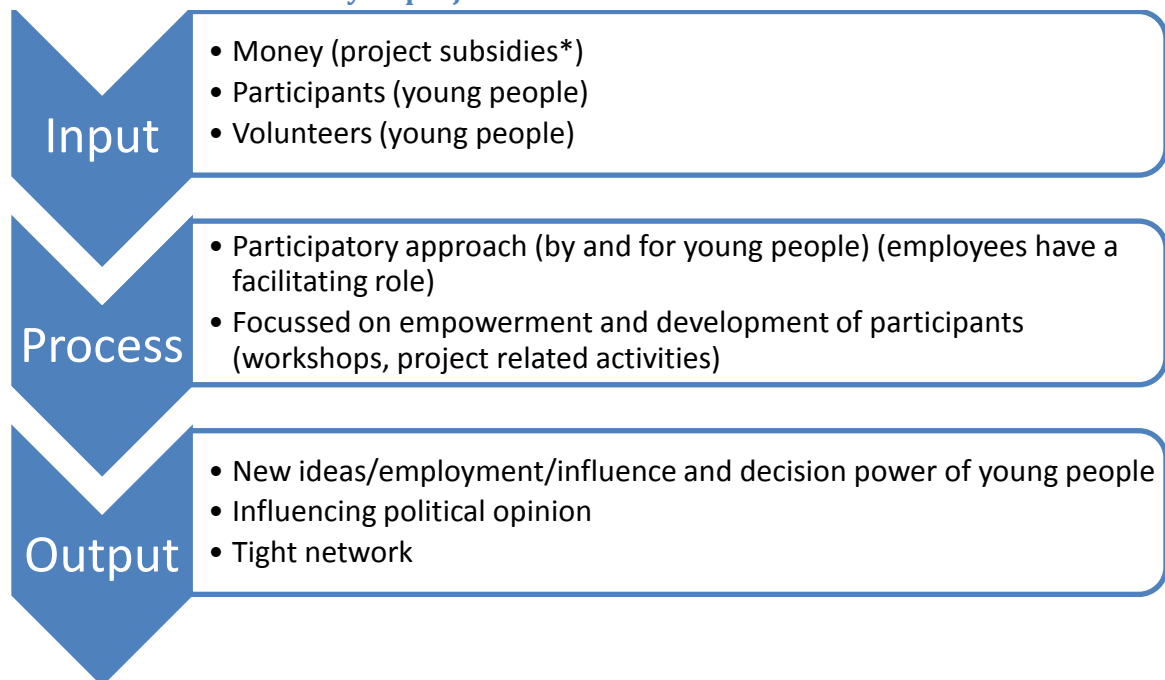
**Overall attractiveness of the industry: somewhat unattractive**

## Exhibit 4 – Process analysis

### Exhibit 4.1 – Process analysis union

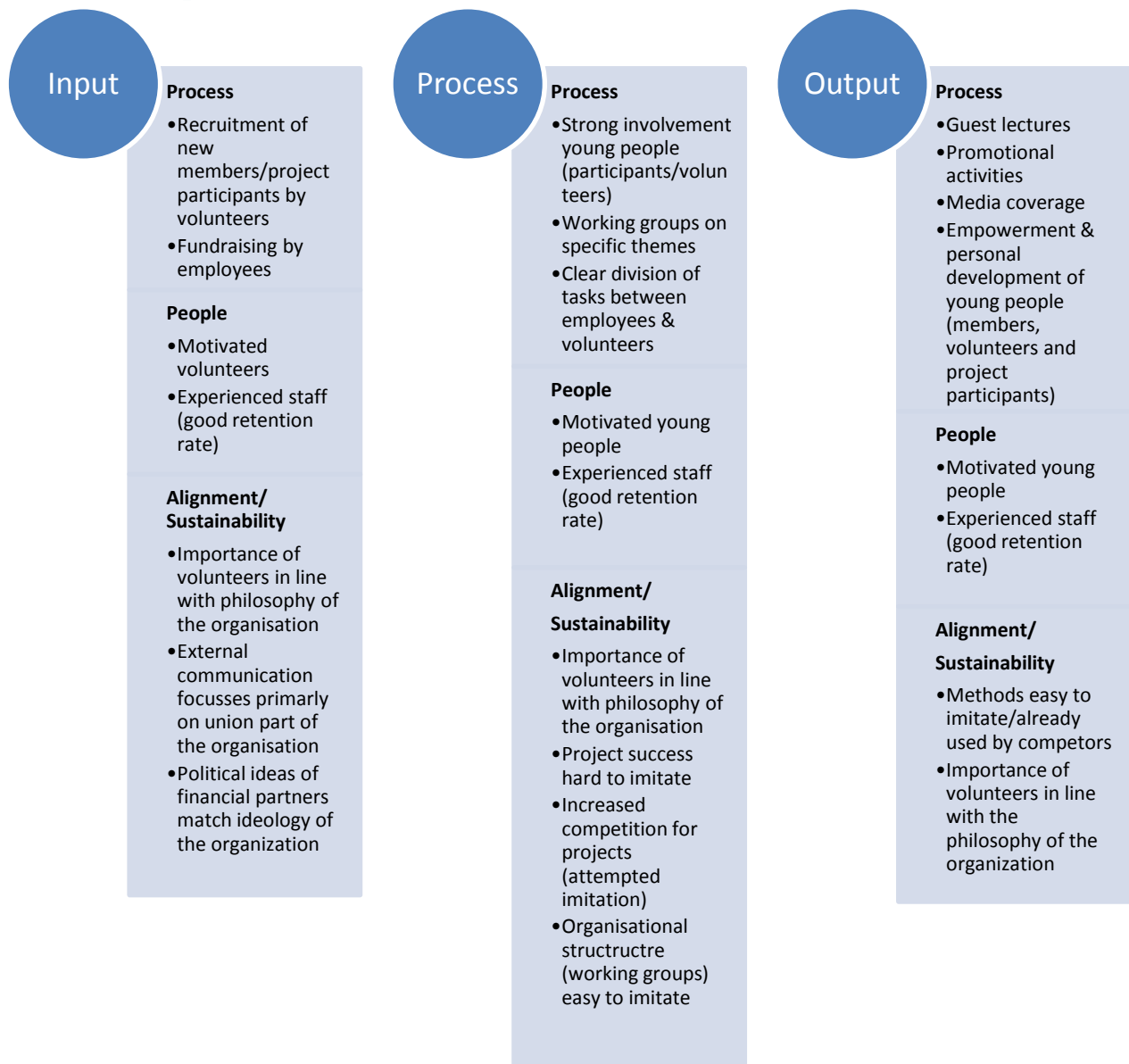


### Exhibit 4.2 – Process analysis projects



\* Subsidies for projects come from organizations that have similar (political) interest as CNVJ as well as (local) governments.

## Exhibit 5 – Capabilities analysis



No specific technologies are leveraged by the organization. The technology section is therefore omitted in the analysis.



## Exhibit 6 – Stakeholder analysis

Based on the profile of the different stakeholders the following assumptions have been made regarding their perceived importance regarding the primary activities of CNV Jongeren.

	Employees	Beneficiaries		Sources of income	
		Project participants	Volunteers	Members	Project financiers
<b>Projects</b>	5	5	3	1	5
<b>Personal development</b>	3	5	5	3	1
<b>Resolving conflicts (employment related)</b>	3	1	3	5	1

(1 = not important, 3 = somewhat important, 5 = very important)

<sup>i</sup> Central Bureau of Statistics Netherlands. Population forecasts; key figures, 2010 – 2060. December 2010.

<sup>ii</sup> Central Bureau of Statistics Netherlands. Leden van vakverenigingen; geslacht en leeftijd. October 2013.

<sup>iii</sup> Boer & Croon. Een duurzame toekomst van verenigingen. p12. November 2010.

<sup>iv</sup> Central Bureau of Statistics Netherlands. Leden van vakverenigingen; geslacht en leeftijd. October 2013.

<sup>v</sup> Zaad, J. Jongeren en de vakbeweging, een paar apart. p14. February 2008

<sup>vi</sup> Boer & Croon. Een duurzame toekomst van verenigingen. p16. November 2010.

<sup>vii</sup> Boer & Croon. Een duurzame toekomst van verenigingen. p17. November 2010.

<sup>viii</sup> Boer & Croon. Een duurzame toekomst van verenigingen. p18. November 2010.

<sup>ix</sup> Boer & Croon. Een duurzame toekomst van verenigingen. p11. November 2010.

<sup>x</sup> Central Bureau of Statistics Netherlands, Dynamiek op de Nederlandse arbeidsmarkt. May 2013.

<sup>xi</sup> Landelijke studenten Vakbond (National Student Union). Psychische klachten onder studenten. March 2013.

<sup>xii</sup> Rijksoverheid (National government). Decentralisatie van overheidstaken naar gemeenten.

<http://www.rijksoverheid.nl/onderwerpen/gemeenten/decentralisatie-van-overheidstaken-naar-gemeenten>.

<sup>xiii</sup> Rijksoverheid (National government). Aanpak jeugdwerkloosheid.

<http://www.rijksoverheid.nl/onderwerpen/jongeren-en-werk/aanpak-jeugdwerkloosheid>.

<sup>xiv</sup> Yacht. Moderne slavernij door crisis?. September 2013. <http://blog.yacht.nl/moderne-slavernij-door-crisis/>.

<sup>xv</sup> Sociaal Economische Raad (Socio-Economic Council). Arbeidsmarktbehoefte aan internationaal talent uit het hoger onderwijs. [http://www.ser.nl/~media/db\\_deeladviezen/2010\\_2019/2013/make-it-in-the-netherlands/make-it-in-the-netherlands-3.ashx](http://www.ser.nl/~media/db_deeladviezen/2010_2019/2013/make-it-in-the-netherlands/make-it-in-the-netherlands-3.ashx).

<sup>xvi</sup> Central Bureau of Statistics Netherlands. Beroepsbevolking; behaalde onderwijs naar herkomst, geslacht en leeftijd. December 2013.

<sup>xvii</sup> FNV Jong. Over FNV Jong. <http://www.fnvjong.nl/over-fnv-jong>.