

Leadership and Common Sense

by Roberto Petrini

All right, let's assume there is no choice but a "middle road". It's time to accept the decline of industrial districts as a fact and move on; preserving the positive aspects, and upgrading what can no longer cope with globalisation and the third millennium. At the same time, simply creating a multinational is unfeasible, even based on the Fiat model of a company with deep roots in the Italian territory. The time available and the prospective economic advantages are not enough to justify such a plan. The only possible choice is a compromise that suits the Italian scenario and perfectly synthesizes long-standing Italian skills: the "pocket multinational". This ingenious formula has put the spotlight on brands that were once unknown even to professionals: Ima, in Emilia, assembling machines for tea bagging; Mapei, in Milan, producing building glues; Peralisi, in Marche, the world leader in the field of olive presses.

Is it all downhill from here? Are we ready to overcome the obstacles of a steady exchange rate and services, from energy to telecommunications, that are far too costly? Can we forget the several recent papers, like those of Stefano Prezioso and Rodolfo Helg that describe Italian companies as similar to Indian ones: small in size and operating mostly in traditional sectors?

I think we can meet this challenge, but only if we fulfill certain conditions. It seems to me that the medium size, is the conceptual outcome of a level-headed attitude towards life. As Paolo Sylos Labini reminds us, Adam Smith, Horace and Aristotle all extolled the virtues of finding the middle course between the extreme opposites in any kind of problem. Who puts these precepts into practice? Only an entrepreneur who is also a leader: as Giorgio Fuà used to say, somebody who is able to walk along with the group, sharing his goal with others.

These qualities – leadership and common sense – are intrinsic to Italian entrepreneurial heritage: ask anybody who knows the creators of Italian companies, has had dealings with them and has travelled a little in this country! Nonetheless, there is a risk to be wary of: the modification of the "DNA" of our entrepreneurs, whose highly developed skills are based on instinctive perception and a "feel" for the market. Over-reliance on finance, consulting, legal services, market research etc. dilutes those primary skills, creates awkward misunderstandings and could even damage business relations. If we just mimic Wall Street and Hong Kong, we risk alienating Italian entrepreneurs not only

from their products or the market, but also from factories, workers, and the trade organizations who represent them.

In Italy, the hard and sober art of business, with its toil and pride, can take a modern and original route – that of the “pocket multinational”. In addition to shrewd entrepreneurial acumen, a successful outcome also requires political effort to create the right economic, legal and fiscal milieu. The needs of an innovative and aggressive company that is small, but globally oriented, are clearly different from those of Coca Cola or Nestlé.

According to a recent inquiry by the antitrust authority, those companies in Italy who are not bound to services had exportation rates 20% higher than average over the last 10 years. Services – banks, insurance, lawyers, consultants and so on – generally have very high costs as a result of monopoly and privilege. It is the services that need to be re-evaluated. New technologies should be cautiously introduced into work processes and organizations, in harmony with the enhancement of human resources – it is relevant that in many companies already recognized as “small multinationals” the owner knows his workers by name. Finally, even-handed fiscal policies and incentives to companies will ensure a normative environment in which entrepreneurs can act.

It is not easy, but it’s worth a try.