

**The Dalmine Foundation:
an Interview with Stefano Muller and Carolina Lussana**

by Giuseppe Paletta

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The reasons for the Foundation

G.P.: What were the needs that led to the establishment of the Foundation?

S.M.: In the history of Dalmine there is an archives - a patrimony of records and photographs that had been partially reordered before the takeover of the company by Technit Group. When the company was privatized in 1996, one of the first things we noticed was the archives' precarious condition—so we started a project to safeguard it.

The first three actions undertaken by Paolo Rocca (Tenaris CEO and Chairman of the Dalmine Foundation) following privatization were first, to save the archives; second, to provide it with a headquarters and finally, to enhance the image of the Foundation. Mr. Rocca wanted to recover the history of Dalmine, which intertwined with that of his grandfather (Agostino Rocca) and with Siderca's history. Our task was to put his decisions into effect, finding the right legal form, the right people and everything else.

G.P.: This means that of business history was already considered to be important and that, after privatization, this process gained momentum.

S.M.: Yes, but probably, before privatization, the attention was solely on Dalmine. After that it shifted to Agostino Rocca's history as a unifying element in the different backgrounds of Dalmine, Siderca, Tamsa and the Technit Group. Then Tenaris was set up in 2002 and expanded as a company without this unifying element, but ... Perhaps the two most important elements were Dalmine's history as a company and the desire to reconstruct the history of Agostino Rocca, who began as a young technician and ultimately became CEO,

C.L.: If I can add something, the beginning was in the archives itself more than in the interest to develop or systematically rebuild the history; the point is, we had the raw material. For many reasons (also linked to the fact that the years 1990-1995 were not an easy period for Ilva, who controlled Dalmine at that time), there was no systematic initiative to use the archives as a means to promote enduring cultural initiatives, apart from occasional celebrations for the eighty years of the company. To state it simply--before the creation of the Foundation, there was no dedicated structure for this purpose

S.M.: Well, the Technit Group has always paid attention to the cultural dimension in Argentina, for example, they are involved in several initiatives. Those of us who know the Technit Group are not surprised that work on the archives has broadened and diversified over the years.

G.P.: In any case, the family seems to have a deeply ingrained sense of culture, don't they?

C.L.: Yes, and they have been equally attentive to the papers of the archives in the same way that Agostino Rocca himself maintained his own personal archives, which he personally safeguarded, reordered and made available to the public [now deposited at Einaudi Foundation in Turin]. This means that the appreciation of the records as historical memory can be traced directly to Agostino Rocca's experience.

G.P.: His action brings up the question of an entrepreneur's self-image, as if to say, "I will put my records at the public's disposal because I am confident about how my life and work will be judged by others".

S.M.: Yes, but we should also consider a fundamental sense of "data culture"; Agostino Rocca had it, and so did his son Roberto. The data may be economic, numerical, or some other type, but it is a heritage which should be preserved if possible.

G.P.: So it's a family style.

S.M.: I think so; it began as the style of the family and later become a managerial style. The startup of the Foundation was no surprise to us: in fact, it seemed perfectly logical. And then there is also the story of Dalmine, the mother company that was bought by its successor, the sort of story that doesn't happen often among people whose lives were connected by both family and business. This was a technological communion that has always gone with the Dalmine to Siderca and Tamsa: these people knew each other pretty well. When Carolina [Lussana] brought us the photographs of the boarding of the pipes that were to be shipped to Argentina to create the famous pipeline of the pampas. So, we were very interested in putting together the pieces of a puzzle whose first stage was completed this year with the books edited for the centenary.

G.P.: So there was a broad network of relations, acquaintances and trust.

S.M.: Very much so, particularly with regard to the technicians, also because in the world of unwelded pipe, there is a circle of specialists who know each other and have met frequently for professional advice.

C.L.: Moreover, Dalmine in the 1950s was an experience of exporting technology, but also a model of developing a relationship with the territory. This notion became rooted in the Argentina of the 1950s based on the Dalmine model.

S.M.: That is to say, Agostino's model. When we went to [Argentina where one of Tenaris companies is set, TenarisSiderca] the names changed over time, but Siderca was established as Dalmine Safta, then Dalmine Siderca and finally Siderca. So the name Dalmine has always been there.

C.L.: The working district of the town of Campana, next to Siderca, has always been called Barrio Dalmine, keeping its link with its industrial origins.

S.M.: And of course, it follows the conceptual pattern; Dalmine built the working district, the managers' district, the church, the municipality, the swimming pool and so on...

C.L.: the guest quarters...

S.M.: Yes, also the guest quarters.

G.P.: So all this created the premises to make the moment of the meeting easier...

S.M.: Easy and shared by everybody. The idea of reordering of Dalmine's history made everybody curious: the people of the place who probably did not know much about the development of South American history and the people of Siderca whose knowledge was somewhat sketchy. So, even if the presence of a cultural foundation in an iron and steel plant during a takeover - always extremely complex - might have seemed strange, it has always been considered as part of a project. And this is not only my opinion: the Dalmine Foundation has never been considered by the company as an external body.

C.L.: The sentiment for Dalmine's history had a decisive role. The company's strong grounding within the territory created interest, not so much scientific or academic, but domestic, personal, biographical and individual. The establishment of the foundation was well-received at the level of both internal communication and the communication with the territory.

S.M.: and then there are some cases which do not occur at random. The fact that the Foundation has its headquarters in a building where Agostino Rocca once lived is an example of this; at one point, the building was empty and falling to pieces. But when the time came to make a decision about setting up the Foundation, it seemed obvious to start from this building and not from the one next to it. In this way history has been reconstructed through these small details, sometimes by chance and sometimes by reason. Sometimes reason can 'connect the dots' among things that have been preserved haphazardly.

Governance and the Foundation's relationship with the company

G.P.: When the Foundation was created, the company creates a complex entity that is part of the company, yet apart in many ways. Dalmine as a company and the Dalmine Foundation differ in their juridical structure and mission. Could you describe the initial relations between the two subjects and how they changed through the years?

S.M.: I think that here at Dalmine, we have been lucky to encounter few problems. The project started with two priorities: to find a person to whom we could entrust the foundation, and to find the right juridical structure – association, foundation... there were two or three possibilities. I'd say that the first step was the fortuitous meeting with Carolina Lussana who already worked for the company's archives...

C.L.: Consulting the archives, as a client...

S.M.: She convinced Mr. Rocca that the records needed urgent attention. Mr. Rocca listened to her and immediately took a strong personal interest in the Foundation. As director of this project, I also felt that Carolina was the right person and so we immediately got her involved. It seems to have been a good choice because we have been able to accomplish a great deal together. From a corporate point of view, we built this Foundation, which is managed by a board of directors of three people.

G.P.: So the company is the only charter member of the Foundation.

S.M.: Yes, the only member, so we can discuss the two-year projects and programs with Carolina since it isn't possible to put too many things together in one calendar year. The strategic direction started from the retrieval of Dalmine's history and the archives, but also encompasses wider issues of business culture. At this stage Carolina Lussana and the Foundation also began to take care of other records of the group around the world, so the Foundation became the head of this archival activity. The Foundation isn't the only operations center of the group from a cultural point of view: we have other activities such as the Proa Foundation in Buenos Aires, which deals with contemporary art; we also are the charter members of the Galleria di Arte Moderna Contemporanea in Bergamo. But the Foundation is the place of the real business culture.

C.L.: Business culture in the sense of historical memory...

S.M.: Not only as memory but perhaps even something more: that is, culture relating to the nature of the company. So,, these projects work because people are able to talk and reach agreement based on the same aims, Carolina Lussana concentrates on the historical heritage so that as it is gradually reordered and made available also on the Net, we can start to look at

what there is outside. However, we certainly don't intend to spend the next 100 years on the same records.

C.L.: Yes, also because the public who use the Dalmine archives are not only business historians, so we want to deal with this patrimony, the archives, with approaches that are not always strictly historical. We would like to develop an analysis that brings us a perspective outside the history of Dalmine. Photography, architecture, the relationship between visual arts and industrial culture make it possible for us to bridge with other institutions.

G.P.: So, attention is mainly focused on creating a cultural encounter between the company and the community?

C.L.: Exactly.

S.M.: At present our two most important cultural activities are the Foundation and Gamec, a modern and contemporary art gallery managed by an association formed by the Bergamo city council and Dalmine. Up to now we assumed that the Foundation looks towards the past, while we look towards the future through contemporary art, but this is not absolute. I'd say that the Foundation is becoming a real cultural intermediary even if our primary function is to maintain the archives. In other words, we are glad to broaden our role without losing Dalmine's original identity which, in the future, could expand in a way that we can't predict. The relevant fact is that Tenaris has grown by taking over other non-Italian companies whose history is different from that of the first three. So, what is the role of the Foundation in this broader scenario? We don't really know yet, but I'm sure that this will be an issue to think about with Mr. Rocca.

G.P.: So the main thing is the concentration of a new historical patrimony that comes with the multinational expansion of the company.

S.M.: Yes, even if they are similar companies and in most cases, they have the same technologies so there are always points of contact. It is not a situation where you buy a shoe factory in Scotland one day, and something else the day after; there is a defined path that can be easily followed by consulting the records. But we aren't sure where this theme will lead us...

C.L.: At this point in time, corporate relations between Argentina and Italy are well-defined, thanks to some archival activities we carried out on the records in Buenos Aires as well as an exhibition that we organized in 2004 about the 50th anniversary of the company in Argentina.

G.P.: It's easy to understand, also because the main effort of a multinational company must be to foster integration. Culture is a powerful element to unify the system.

C.L.: What's more in these eight and a half years of work, it is important to have developed specific skills that are sometimes difficult to find in other countries, and are transferable when starting up similar projects in other realities. Business archives, for example, in Argentina are less developed than in Europe.

S.M.: There are only a few companies or groups that can boast such continuity.

G.P.: In fact, one of the main problems is discontinuity...

S.M.: I am also convinced that these projects are successful because of the people who create them. Carolina's work determines the presence of leadership.

G.P.: Let's go back to the theme of governance. The foundation is a non-profit organization with a single supporting member and you are its councilor.

S.M.: There are three of us...

G.P.: ...three councilors appointed by the company. Have you ever felt the need to open the Foundation to the territory as Giovannino Agnelli did with Piaggio?

S.M.: We have never spoken about it in the past and I don't think it would be necessary to do it at present.

C.L.: If we look at the facts, it has already happened.

S.M.: I think it is more useful to work on projects such as this face-to-face meeting rather than having this or that professor on the board.. Especially since we are in a stage of consolidation of our eight-year work and considering what to do next, it might be possible that our questions no longer pertain to the original territory. Of course, the answer will depend on Tenaris' choices: if the Foundation were an organization only here [in Dalmine, province of Bergamo] to stay, I could try to open it up to new people who could contribute ideas. But this would imply that I already know which direction to take.. Maybe we are wrong, but we still need to feel free. In contrast, from the operational point of view, it's important to have a dialogue with others with whom we can evaluate our decisions. This means to develop relations with the territory. Interacting with other protagonists of business culture helps us to understand if we are headed in the right direction. If I had to say let's bring somebody new, I wouldn't know who to chose. Dalmine's reality changes so rapidly—consequently our work must reflect that fact. Of course, we do not want to be isolated. It is important for me to interact with the territory, first, through the foundation's activity and second, by participating in activities organized by the territory. I mean, *territory* in the wider sense, as in 'the chain of business museums or associations working within business culture'.

C.L.: We take part in these activities with great pleasure. This is the philosophy of the Dalmine Foundation; to pursue a specific aim, a specific project rather than something abstract. Taking on a partner depends on your definition of an object, a subject or a theme, so that you choose a partner while, at the same time, creating the conditions to reach your objective. The choice of partner, of course, is always bilateral and mutual. All the initiatives we have developed over the years have always been built on solid bases: with the Dalmine and Bergamo Municipalities, who both have welcomed us every year in our efforts to create or promote important exhibitions that would attract a wider public. So partnership is in things and projects. I had to learn this philosophy myself because my background was closer to the university and the world of public instruction where indentifying partners is the first thing to do even before your topic is completely defined. Here in the foundation, we have always worked thinking about what to do, how and with whom.

S.M.: Also because our way of working is quite informal, more oriented towards the project and how it will be carried out.

C.L.: And dedicated to excellence, which motivates you to seek out good partners.

S.M.: Yes, I would say that our aim is to stay at the top level in this field. Up to now, we have been quite satisfied with our work organizing exhibitions, conferences, publishing books and so on. The Foundation has participated actively in the initiatives organized for the centenary of Dalmine, not only showing the company's history, but also helping it to organize wider projects. Next year will be dedicated to reflection: a few initiatives have been dropped, some programs are on hold and we will concentrate on ourselves.

C.L.: One year to strengthen our internal activities and concentrate more on the archives itself and the library, which is our primary focus.

S.M.: And to extend our facility. We have a project to double our premises, buying the North-East white building, next to the 1950s cooling tower. It's not very old, but it has become a symbol of the company because of its dimensions. In this way, the Foundation will occupy two of the three villas of Dalmine.

G.P.: Another question concerning governance: doesn't your organization have a scientific board?

C.L.: We have aimed for agility. We thought about it in the beginning. We think it is more important to create *ad hoc* working groups – and this is also valid for scientific counseling – concentrating on specific projects. Having begun work on the archives, I put together a staff

that we felt had sufficient knowledge of the core business. We sought out the help of specialized people as soon as we started planning exhibitions and initiatives. We also made these choices in order to create a varied and diversified network. I see this as a positive enrichment.

S.M.: The board of directors' task is to define the program and the projects; then, for every project it is necessary to create specific boards, a staff and whatever is needed to give it credibility. To have a single scientific board would be more complicated. Considering the initiatives we have carried out, we should have included architects, art and photography experts on the board. There is also some continuous collaboration, such as the one with Gamec with whom we have a more permanent relationship. If you ask me who our artistic advisor is in the contemporary field, I always answer Giacinto di Pietrantonio and Maria Cristina Rodeschini, Gamec's very competent directors.

C.L.: Our organization is based on both the style of the company and the freedom to act of the director who frequently has informal meetings with his collaborators. These conditions have made up for the absence of others who might contribute to the creation of practical and scientific guidelines.

S.M.: I think Carolina has made an important point; the Foundation is autonomous, given that its function differs from that of the main company. Large companies are structured to do their job. I've always dealt with activities outside the core business. When you are in this position, the company, through its complicated procedures, tends to say, "You [the Foundation] have nothing to do with it". So it's right that the Foundation is free to act, otherwise it would spend most of its time explaining why it works differently from the company. However, apart from this formal-organizational aspect, the Foundation isn't considered a foreign body, but an integral part of the company, including its physical space, perhaps because the ambience is so pleasant or because Carolina is a generous host. We sometimes come here to hold meetings when we do not want to be distracted. Here we can think in peace, maybe doing a little bit of brain storming; so we frequently invade the Foundation, sit around this table and this allows us to face a problem with a fresh outlook. This place makes us a little bit less technical.

G.P.: Creative thinking.

S.M.: A little more creative. We are outside the 'sacred walls' of the company and it helps; the main door of this room looks towards the outside; the smallest door looks towards the inside. It may be a coincidence but, this element is meaningful to us..

G.P.: The places where intellectuals meet usually have a hint of heresy, which is not always allowed when you are in a collar and tie.

S.M.: Of course, the director lays himself open to some risks in his choices and he is judged for the result of the product, the project and how he has handled it. But if it works - and I think it's working - this style gives a lot of power to the people and encourages them to work better.

The staff and external collaboration

G.P.: My next question regards staff training, which is quite complicated in this type of cultural institution. Usually, in cultural institutions established by a corporation, the staff comes from the company itself. What about the Dalmine Foundation?

S.M.: In our case, the company did not take part in choosing the staff, only in appointing Carolina. Then you chose your own staff, right, Carolina?

C.L.: Yes, I chose people from various environments. During the first years of the Foundation, I looked for people whose background was external to the company. Now, at this

stage of consolidation, we are doing the opposite and building the company's role in staff selection and research.. At the beginning, when we wanted to find an intern rather than a temporary collaborator for a specific project, this was an unknown process for the company. Now the Foundation uses some corporate functions to select its personnel.

S.M.: With freedom of choice, however. The company can express its opinion but the final decision is Carolina's. Of course, there are suggestions from some business areas; someone might send us the resume of a valuable person who had worked on a specific project in the past, but that's all. At Dalmine, we hire engineers 90% of the time and economists for the other 10%. However, it happens that we meet talented young people through the internships, but if we can't place them in the company, we recommend them to the Foundation.

C.L.: I would add a further consideration; we look for people with specialized knowledge – researchers, archivists, historians – yet on the other hand, as the Foundation starts to broaden its structure, we also need people who know about the daily running of a business. In the latter case, the company is an important point of reference for managerial practices that the specialized academic staff of a cultural institution might be less familiar with. Intellectual imagination and even a bit of anarchy are important, but we rely on the company as a fundamental resource for managerial skills as well as practical instruments and procedures.

S.M.: Carolina Lussana has always managed to handle all aspects at once, and this has allowed the Foundation to grow. Independence is the result of self-reliance—not by picking up the phone every two minutes to ask somebody else to do this or that. Carolina has shown real management ability. She does everything she can from within the Foundation and uses the company's resources only when it is really necessary. It has worked for our organization, but it is not very common in the intellectual world to find people who are willing to roll up their sleeves and get into the dreariest aspects of budget. Of course, if there is a problem, the company can help but we feel confident that the management in the Foundation is intelligent and thorough.

G.P.: It seems to be an unfortunate Italian tradition, unlike in the Anglo-Saxon world that has trouble finding valuable cultural organizers with strong practical skills.

S.M.: I'm afraid so and I've seen it in other contexts. When you start talking about budget, people look at you and say "Surely, you wouldn't subordinate culture to something as vulgar as a budget". Well, somebody has to do it, or else the future will, because when you have no money, the game is over. If I give you some money, you'd better use it shrewdly and make it last for the whole year and not just six months; otherwise you will fail to achieve your cultural objective. In Italy there is a lot of confusion about organizing cultural structures and intellectual freedom: culture depends on economic resources just like everything else. Freedom to think creatively is essential, of course, but when it is time to put your thoughts into effect, you inevitably deal with a budget. In the past, the Italian State paid for everything and the need for accountability was less perceived.

G.P.: I think this is one of the reasons why culture tends to glorify itself, or better yet, this is how it is seen. In the academic world, the organizational management of culture is considered to be something less than the activity of teaching.

S.M.: That's true and sometimes this perception is also found in Economics faculties. The Foundation tries to work with a budget, a program and deadlines. Of course, if something comes up, it isn't difficult to meet since the board of directors is made up of three people. We might say "There is this new wonderful idea, maybe we ought to change the program". But this only happens through a process of decision and responsibility. Carolina doesn't wake up one morning and decide to change the program and six months later, we find out about it. This has never happened and it never will, especially because she is the most systematic person in the organization.

G.P.: Three people: one is you; Paolo Rocca is another, I believe... and the third?

C.L.: Luciano Taddei, a former shareholder of Dalmine, and very connected with the company's history.

S.M.: He is an entrepreneur from Bergamo.

C.L.: For a long time his father was the director of the steel plant.

G.P.: This confirms that the connection between the company and the Foundation takes place at the level of top management. The board members are not just anybody.

S.M.: Yes, we could say that interest in the Foundation comes from the highest management level.

G.P.: In other institutions, the link to the company is at middle management, and consequently, procedures become oppressive for the cultural institution.

S.M.: Of course. It depends on how things are organized, as this type of unfavorable situation often happens when there is a mixed structure, as if the Foundation were part of the company. In that case, the cultural institute would need to have a lot more power in order to avoid a situation where the company concentrates on everything except the production of culture. Take our buying procedures, for example; you need to find three suppliers and then, you call for tenders. You can't apply the same procedure with three professors!

G.P.: It wouldn't be so bad actually....

S.M.: Of course you need to be precise but evaluations cannot be done in this way. So if you put a cultural structure inside a corporation whose purpose is to do something else, the company ends up oppressing the cultural institution with the constant presence of important people saying: "No, wait, let's do so and so....". Creative freedom is too important; therefore the points of contact [between the Foundation and the company] are only those that are strictly necessary and boundaries must be respected. In any case, we have never had this problem; since Mr. Rocca is so close to the Foundation, we don't have to waste much time arguing over procedures. I'm convinced that a company should create its cultural institute based on the interests of the top management.

G.P.: This seems to me to be a very strong point. This is the first time I have ever interviewed both the cultural director and a company board member at the same time. In fact, one of the limits on the development of business culture in Italy is the initial input [in setting up a cultural structure] followed by the gradual differentiation between the figure of the curator and the company. We could even speak of the curator's isolation—however in your case, this hasn't occurred.

S.M.: No, it would be very unlikely given the strong presence of Mr. Rocca.

C.L.: Let's say the work is constantly shared and communicated between the Foundation director and the company board.

G.P.: That's why in other situations the scientific committee is so important, to help the curator to feel less isolated.

S.M.: And also to maintain an open channel of communication between the Foundation and the company. If, the quality of Carolina's work were to go down tomorrow, we would say something about it straightaway. A cultural director who operates in a beautiful institute, but is isolated from a company that doesn't listen much.....well, a foundation has a structure, a staff of five, or six people and none of this comes for free....

C.L.: Preservation is an expensive activity, even if it is less visible.

S.M.: On the other hand, you might have extraordinary freedom and access to a generous budget...But later, the risk would be to get lost while trying to create a structure or superstructure. In my experience in the business world, I have seen that systems are varied, but not infinite; the same system can lead to success or to complete failure.

Our people are the key element; if our board of directors had bizarre ideas, if Carolina had a boundless ego, if there weren't careful management, the system we have developed would fail. On the other hand, there are cases where wonderful scientific committees and ideal structures interact, yet they do not produce anything. There are no magic formulas; system, management and control have to proceed together and this must also be true for the company. However, it's equally true that there some structures exist with their own corrective mechanisms. In large companies, when there is an extraordinary person, the company benefits. So, the presence of a person like Steve Jobs, Jack Welch or Lee Iacocca does in fact make a difference — we remember them because they are key elements in the development of their companies.

G.P.: I see that Carolina is reminding us of the time...

C.L.: Yes, if there is one last question...we have a schedule to follow.

G.P.: Rightly so, you want to protect the time of your board member

S.M.: You can see for yourself that she protects me; imagine how she protects the Foundation. I have nothing to worry about.

Management of the Foundation

G.P.: Now that we have spoken about governance and of the relationship between the company and the Foundation, let's have a look at economic matters. I suppose the activity of the Foundation focuses on the company.

C.L.: Well, let me see... we have various clients. The Foundation offers its 'products' free of charge.....

G.P.: What do you mean by 'free'?

C.L.: ...that the Foundation doesn't sell its products [in the same way a company does]. It absorbs the costs through the funds allocated by its founding member. So the providing of funds necessary for the activity depends on the efforts of the founding member. In contrast, the distribution of the cultural products of the Foundation reaches a wider 'clientele'. Some of these products are for Dalmine itself, especially when our initiatives concern internal communication. For example, during the centenary, we carried out some research, published a book and a volume of photographs, and organized some exhibitions especially for the company and its employees. Many other activities of the Foundation (above all providing access to the archives for free consultation every day of the week, without copying costs, giving information and copying images) are for external clients. So I'd say that we have found a balance in what we accomplish. Also we manage a great deal of information in our historical archives, which the company itself needs—information not only about company history but also specific, technical data and in this case, the company itself becomes our client. So we have only one income, but many outcomes.

G.P.: When the Foundation creates its own cultural policy, does it also take into account the presence and the needs of external clients? I believe some initiatives were created together with the Dalmine municipality.

C.L.: In some cases, the exhibitions in Bergamo were held on property belonging to the municipality and the historical museum of the town, and once in the theatre in 2004-2005.

G.P.: Let's suppose the Centro per la Cultura d'Impresa asked Dalmine Foundation to provide a service. Then what would happen?

C.L.: We don't supply this kind of service. The activities we carry out regard the valorization of our heritage, which goes back to the archives. On a more general level, we are interested in promoting a debate on themes regarding business history and culture. To do this, we carry out

non-profit activities. We organize seminars and free courses; we establish free partnerships with the universities; we welcome all our users for extensive research that can last up to a year. For short private research, for people who want to know something about their homes, their history, or significant life events that may link them to Dalmine. This activity creates services and products that are not sold or commercialized, but are at the public's disposal. If we organize, a specific cultural project or an exhibition in collaboration with another institution, the relationship is based on an exchange of skills and shared planning or logistics.. A clear example of this is the historical museum in Bergamo. An exhibition was planned and produced by the Dalmine Foundation; our partnership with the museum existed through the coordination for setting up the exhibition and in the management of the guided tours in collaboration with the educational staff of the museum. So we can say that the kind of relationship we establish with our partners depends on specific situations and does not lead to economic relations, but are based only on the partnership for the projects.

S.M.: I'd add, as a board member, that this choice does not depend only on our decision to supply free services but also on the fact that charging for services is quite expensive. To supply services for a fee, or to sell books means to change the structure, the practices and the procedures that are be in line with a non-profit organization. At that point, you would have an economic institution that requires several sources of income; otherwise the costs would probably far outweigh the earnings. If we decided to go in that direction, we would create...

C.L.: ...a company.

S.M.: This would require a business method based on economic analysis and evaluation with an advisor to see if the new profile would be compatible with our non-profit status.

C.L.: In this moment we work from a liberal perspective.

S.M.: By now, we have realized that any products or services that we could invoice tend to be occasional. We are not interested in the promotion of a commercial activity, which would mean a change in the Foundation's structure. Carolina's and the other collaborators' time is precious and it is almost entirely devoted to our internal projects. So, at present, we have no plans for a commercial project. Besides, we wouldn't do it because of our guidelines; I see that in other activities when you draw up the accounts you say: "I sold the tickets but I had to hire a person to strip them, I had to pay the taxes, and then there is the VAT on the free tickets, and then the SIAE". If I had offered this ticket at no charge, I would have spent less time and less money. In our company, if we decided to sell things, the first thing the board would want to know is the real income. We have thought about doing something with the books that we publish...

C.L.: Yes, nowadays the selling of books is limited to certain institutional events or activities such as exhibitions and seminars. We are thinking about it.

S.M.: We thought it could be interesting to sell the books, maybe on the Net. The problem is that it requires a change in the administrative procedures with a specific cost and we do not know if this is justified. Books or publications could become a new social service rather than a source of income. Also from an accounting point of view, non-profit organizations have specific rules.

C.L.: We would need separate accounting, something we don't have at the moment.

G.P.: The Foundation and the [new] multinational character of the corporate group; one history or many histories?

S.M.: A shrewd answer to your question would be: "One history *and* many histories" because in a company there are many realities. There is Dalmine's history that goes back for one hundred years.

C.L.: There is the family history..

S.M.: Of course, the family's connection to Dalmine has its own history. So there are multiple histories. I think that with the passing of the time the focus has moved from Dalmine's history to that of Agostino Rocca. What we should think about now is whether we can consider Dalmine Foundation in the context of a reality such as Tenaris. These are issues to be discussed that will lead to new decisions and programs. We will always defend the historical role of the Foundation. Let's not overlook the importance of Dalmine's relationship with the territory. People come here and consult our records and bring up relevant ideas all the time. Ultimately, exchanging ideas, looking at what other organizations do and perhaps modeling ourselves on other examples gives us fresh input. We will have to look at what other people have done in the same situation, when they decided to globalise. What kind of relationship there is between the activity of the Foundation and the rest of Tenaris and Dalmine? It's a subtle question, because maybe there is the idea that the Foundation is a place to elaborate products that will eventually bear the company's brand. In this case, there is an external advisor who helps Carolina.

C.L.: Yes, this is an informal idea, although quite important. It gets us to think 'outside the box' and helps the technician – who, in this case, is me – to manage the projects and create a better environment for our growth.

S.M.: I think that informality and a simple structure are an advantage. In fact, a few days ago we all had a drink together at the bar, sitting around with our papers saying "ok, let's start a draft paper that can be formalized later on and sent to Mr. Rocca because we would like to do this, that and the other. What do you think?" It's important when deciding on a program...now Carolina is going to Buenos Aires. So the mechanism is both formal and informal and this is an advantage.

G.P.: The informal birth of formality, so to speak.

S.M.: Yes, then it is formalized with a program, a budget and everything. But it all starts with brain storming by two people. I'm not sure this method would work everywhere.

[Mr. Muller leaves the room.]

G.P.: Can I ask you one more question very quickly? What is the makeup of your staff?

C.L.: There is a director and, at this moment, two people [three people at the time of publication of this article] with a full time contract.

G.P.: So two [three] employees.

C.L.: Exactly. Three since September 2007. With the following functions: one person working with me to coordinate activities; a secretary who takes care of invitations, communications, and logistics regarding the management of the headquarters and the repositories; one person who looks after the research and public services which includes several tasks: being there when someone needs to consult the records of the archives, collecting information or references, buying the books necessary for research or assisting the authors when we start a project requiring a long and systematic use of the archives or information concerning the company's history. Beside this formal team, the Foundation employs professionals who deal with the archives—cataloguing, making inventories, digitalizing and restoring photographing materials. Contracts are various, from the professional advisor to a fixed-term contract, depending on the situation. Their number is variable, depending on the amount of work to be done with a maximum of five people for the largest projects. Using professionals requires the difficult task of rationalization because the time our external collaborators dedicate to the Foundation must be reconciled with other jobs they might have in other institutions. I tend not to have too many fixed employees as it means to take some economic risks. On the contrary, I like having a certain number of activities that can be done through fixed-term external collaboration.

G.P.: So the real investment is in the organizational staff and not the professional one.

C.L.: Which might seem a little absurd; an archives not hiring an archivist.

G.P.: No, it's not absurd.

C.L.: But we are not an archives, we are a Foundation that happens to have an archives and our organization could change. So I thought it important to have a solid organization and hire specialists when we need them for specific purposes.

G.P.: That's understandable. One last thing: tell me something about the dimensions of the Foundation's economic activity.

C.L.: In the period going from the birth of the Foundation in 1999 to 2006, the Foundation had three levels of management costs from 100.000 to 600.000 Euros.

G.P.: Of course, the highest amounts are linked to the centenary.

C.L.: Absolutely. That's why I speak about different levels from the basic one to the highest. At the same time, I think that we need to consider, apart from the economic aspects, the benefits of the Foundation such as the free use of its headquarters, its equipment, a series of general and administrative services supplied by the company, initiatives and intensity of work being equal. So the budget is important but needs to be seen within context and in a formalization of a relationship between the company and the cultural organization. We are formally related to Tenaris Dalmine by the loan of this headquarters including its expenses at no cost. Then, we pay the company a flat rate for some services such as accounting.

It's really important to point out that the relation with the founding member does not depend only on material services such as the use of a house and computers. There are also intangible elements that are highly relevant for the final budget of the Foundation in terms of skills and specializations that we can use.

G.P.: I understand; you are speaking to the director of an association that has to pay to its founding member a rent that amounts to more than the annual membership fee. In the interview with Tommaso Fanfani, he underlined that the Piaggio Foundation is based on the participation of two other public entities but in reality, Piaggio gives the Foundation more than the established 50% because of the free loan of the headquarters and because the personnel are at the Foundation's disposal. In this case, the data regarding the formal management are incidental.

C.L.: And I believe that in the economic evaluation of the performance of organization like ours, it is crucial to point this out and quantify it, because of its relevance in many cases. Renting a building in the center of Milan has one cost, while renting a warehouse in Pontedera has another. And these are fundamental issues for the people who manage the whole structure of material and, I cannot emphasize the importance of intangible elements enough. They are essential.

G.P.: You are right. Thank you.