

## **The Malacalza Group**

*By Alessandro Lombardo*

The parent company is called Castel, but everyone knows it as the Malacalza Group. Although Vittorio Malacalza, of noble origins, officially handed over the reins to his two sons Davide and Mattia, he is still perceived as the head of the company in Genoa and in Piacenza where he was born. This is typical for a country in which family capitalism still provides the principal framework for entrepreneurship. The Malacalza Group is active in a variety of sectors: sheet metal production and industrial carpentry; special structures, bridges, multi-level buildings; production of piping systems for energy, gas, water, chemical and oil industries; supply of modular systems for gas processing; supply of parts of plant for power stations; pressure components production; packages, skids and systems for thermonuclear plants; engineering services, technical assistance and spare parts for steel industry; trading of iron and steel products.

An extensive group with some outstanding achievements: ASG, heir apparent of Ansaldo Superconduttori, which the Group took over from Finmeccanica and transformed into an international player (ASG took part in the creation of the world largest particle accelerator at the Cern in Geneva, and in the building of Iter, the nuclear power station whose aim is to make nuclear fission possible thereby creating the so-called clean atom); and Paramed, who operates in the field of biomedical sciences developing state-of-the-art products such as “open” magnetic resonance. And, last but not least, there is the enormous challenge of Ferrania’s reconversion and revival.

These events, like those in the iron and steel industry, where an important agreement with the Ukrainian company Metinvest was recently undersigned, have a common origin: the driving entrepreneurial initiative of Vittorio Malacalza. He was born in Bobbio – a small town in the north Italian region of Emilia-Romagna – and moved as a schoolboy to Piacenza where he stayed until his fourth year of secondary school. He moved again to Genoa where he finished high school and started University in the faculty of Engineering. A story like many others if it weren’t for the fact that Malacalza set up his company in Italy following the ideal of the American Dream. «Because – he says – entrepreneurs are born, not made».

And that is just what happened. From Vittorio’s first steps, when he gave up an important and well-paid job as employee to set up on his own business, up to the moment when the meeting with a high official from Anas (a joint stock company of the Italian highway network) gave him his first real shot: to enter the bidding for Highway contracts. He was not too sure but he grew more convinced and started an experience which would end abruptly when he was asked to pay a bribe for the contracts: «It was a matter of principle, moral and professional. From the ethical perspective there isn’t much to say; from the professional one I could not accept such a disgrace to my profession».

And from that point on, as he says, «my luck started to grow!».

He entered the iron and steel industry with a utopian project: to sell a holding for the international market to Ilva (a Company based in Terni). «They said I was crazy, that Ilva would never buy such a holding; on the contrary, not only did Ilva want the majority share, but I also obtained the management». Ilva became an enormous trading company, with a turnover, at that time, of 4-5 thousand billion lire. When Ilva's fortunes took a steep plunge, Malacalza didn't give up; on the contrary, he created his own company. From that moment his business development was unstoppable right up to recent days, when he passed the over company to his sons.

Vittorio still keeps an eye on the company and is ready to offer advice and, if necessary, to get back into the game. It's a family matter; that is to say, family capitalism. But not with the negative meaning that we might imagine. When he speaks about the family, Malacalza always includes his commitment to his colleagues, to the small and medium entrepreneurs who strive for excellence. And for all the people who cherish the American dream in an Italian context. The path he chose is to run for president of Confindustria (Federation of Italian Industry) in Genoa. «Being an entrepreneur is something you have in your soul that pushes you every day to take risks, with the responsibility of knowing that you need to create value because many people and their families are depending on you. This is an entrepreneurs' real challenge».