

## **The Borsalino Foundation: an interview with Roberto Gallo and Elena Masoero**

*by Giuseppe De Luca*

*Asti, October 21st, 2009*

*Fundamental Tenets of the Foundation:  
The Valorization of Borsalino's Cultural Heritage  
and the Development of Corporate Communication*

### **The Birth of Borsalino Foundation**

**G.D.L.:** What motivated you to create the Foundation?

**R.G.:** Borsalino is a 150 year old company whose brand [of distinctive hats] is recognized worldwide. It is an original "made in Italy" enterprise that combines craftsmanship in its handmade products, art and culture; it preserves a historical collection and demonstrates true business culture values. Thinking about it, I felt that a Borsalino Foundation already existed, as a sort of hidden container of these values. But no-one could see it and so it was up to us to 'open' it [ up to the public]. From the very moment that architect Elena Masoero, and I realized this, the Foundation was born. Elena has worked with me throughout all the planning and organizational stages. At one point, I decided to check if there were valid reasons *not* to create a Borsalino Foundation. I found only one short-term financial reason. If you believe in a project, that it has value and an important role to play; all this will be assessed like any investment .in due time. Borsalino possesses a treasure of heritage and exceptional values; I am convinced it would have been a crime not to carry out this initiative.

**G.D.L.:** So the Foundation can be thought of as a sort of collector and a showcase of entrepreneurial values which – to use your metaphor – are a real treasure built up over 150 years of corporate history. Tell me, when did your love for Borsalino's heritage begin?

**R.G.:** My love for Borsalino began the moment I went into the factory for the first time. I am a professional accountant, with a degree in economics and in 1992, when my family purchased Borsalino, it was decided that I would manage it.

**G.D.L.:** Does your family have entrepreneurial origins?

**R.G.:** Yes, it is and we are a reference point for the construction industry in the area of Asti (Piedmont). With the purchase of Borsalino, a hallmark brand whose center is located just 30 kilometers from home, we accepted a real challenge.

**G.D.L.:** So, you were fascinated by this new world that you discovered in the factory.

**R.G.:** Let's say I grew up in an industrial and business environment, but I had never seen a production process like the one I saw at Borsalino. When you get in there and see what it means to make felt – seven weeks of manufacturing, more than 50 steps, a lot of manual work, finished pieces, each one distinct from the other– either you couldn't care less about it because it isn't your field or you fall in love with it. You witness the production process of a hat, which substantially hasn't changed in 150 years. Here is an example: the proportion between the number of items produced and employees is always the same. In 1900, when Giuseppe Borsalino died, the company manufactured around one million hats with 9 hundred workers. After the hat crisis, the market shrank, and consequently, the company produced around 85-90 thousand hats with 85-90 workers. You see, the proportion did not change. How many companies in 100-150 years did not face a technological development or use new techniques to reduce this proportion that weighs strongly on the budget? When, at the beginning, I confirmed the strong element of craftsmanship in the handmade production, I based my observation on hard evidence. In the most important dictionaries, the brand-name Borsalino is listed as a synonym of hat. Even if this might raise some issues about the popularization of the brand, it certainly reflects the evocative strength acquired by the brand.

**G.D.L.:** Your interest and passion for the historical and cultural *core* of the company were sparked with your first contact with the company itself, is that right?

**R.G.:** Yes, indeed.. Long before deciding – in January 2008 – to create the foundation, architect Masoero and I had decided to start some initiatives to highlight and valorize the cultural aspects of the company, which were preliminary to the setting up of the Foundation. I am speaking of all the work we did with Turin and Milan Polytechnics on the research of new prototypes created by their young students. We also closed the Borsalino boutique in Rue de Grenelle in Paris in order to host artistic exhibitions ; so the boutique became an art gallery three months a year. In addition, we decided to go ahead with the project for the Borsalino Hat Museum [in Alessandria in Northern Italy].

**G.D.L.:** This means that even the most specific considerations about the importance of Borsalino's heritage and the historical memory of the company started with its acquisition.

**R.G.:** We understood this aspect immediately and how difficult it would have been to retrieve and catalogue the entire historical patrimony. Architect Masoero can probably add something about this point.

**E.M.:** When we started to think through the values of Borsalino and its cultural heritage – that it should not be neglected, but valorized – we felt that the first step was to communicate it. We took small steps and decided to organize and grow slowly, trying to understand from past experiences what didn't work and what could be improved so that we could create the Foundation with conditions that were reassuring to us and, at the same time, strengthened our credibility outside the company. After the first initiatives, we created the Museum, the result of an agreement between Borsalino spa and the Municipality of Alessandria. This was an important step since it meant the return to its territory of a past, a history, a bond that had loosened over the years. For a long time, every family in Alessandria had at least one member working for Borsalino. This percentage decreased with the passing of time and consequently, this living bond diminished. While we were working on setting up the Museum, we were told that the life of the city revolved around the time schedules of the factory – as it happens in every *one company town* – and that there was a total overlap of public works, daily rhythms and cultural offers. Making this Museum a reality meant giving the city and the territory their history back, but it also meant communicating the company's past and its longstanding values to people who work there now. Therefore, this was the initial investment by Borsalino spa, first created as “Progetto arte e cultura” (Art and Culture Project) and then redirected to the Foundation.

## **The Borsalino Hat Museum**

**G.D.L.:** The different collaborative efforts with the universities, the creation of the Museum and the various cultural projects promoted by the company were a sort of rehearsal for the formulation and the creation of the foundation itself. But now, what is the relationship between the museum and the foundation? Is the first one part of the second one; How does it relate to the company .....could you tell us a little about that?

**R.G.:** The Museum was quite difficult to create. In 1992 when we bought Borsalino, we found a file named “The Hat Museum ” This contract provided for the donation of the entire collection of furniture and historical archives to the Municipality of Alessandria and delegated the formalization of all aspects to a future agreement. As soon as I arrived, the Municipality called me and we started to exchange documents and hold meetings. It was an endless stream, through three different administrations each one with a different political stance. There were many changes in strategies and cultural policy but finally, we managed to open the Museum with our project and an investment of 600 thousand Euros to set it up.

**G.D.L.:** Therefore, the Museum was created thanks to Borsalino Spa.

**R.G.:** That’s right,, the Museum opened thanks to 600 thousand Euros that Borsalino invested and to an agreement with the Municipality of Alessandria that pledged to give us the use of these pieces and they took charge of the management. We dealt with all the preparation work, carried out by the Masoero-Tondo Architectural Studio. We really believed in this project; otherwise no-one would have ever taken on such an operation. It was difficult to get it ready after so many years of preparation and now we have this controversial relation with the Municipality of Alessandria. We believe we are very proactive and accommodating; however we are constantly confronted with certain dynamics of public administration that we find difficult to share but we cannot ignore. Everything is very jumbled and bureaucratic and this is one of the main difficulties the foundation encounters in its efforts to valorize Borsalino’s cultural heritage as well as to make it economically viable for the company.

**G.D.L.:** When you say economically important for the company, do you mean as a vehicle to communicate the products and the activities of the company?

**R.G.:** The foundation is the most effective instrument to carry out marketing and public relations. First, because we do not merely tell stories; we have a “history”, we have a tradition of longstanding craftsmanship, made in Italy, and our brand is well-known all over the world. Second, if the Borsalino Foundation is part of Borsalino Spa and is completely financed by it, all resources that the company puts into the foundation stay within the company itself. Through the foundation, we don’t have to use the usual methods to communicate; for example, we don’t have to buy pages in the newspapers. If tomorrow morning, we decided to stop advertising in newspapers, we could do it because we have the foundation and we invest through it (although, of course, we wouldn’t do it quite so drastically). I don’t have to invent some new fashion product in order to be seen; instead I have to make an extremely cultural product become “fashion”.

**G.D.L.:** So, are you saying that the Borsalino Foundation can also be seen as an innovative element of the company’s advertising policy?

**R.G.:** Yes, this is what we have been trying to do since the beginning of 2009. If the foundation addresses a target of people who, instead of buying a hat because they read an advertisement in a fashion magazine, buy it because they went to an exhibition, or participated in a conference or some other event that we created, we have achieved the same result with the advantage of having enlarged and increased Borsalino’s field of action. We have taken a brand – the Borsalino brand is always linked to that of the Foundation – into a cultural domain, but addressed it to a target that is

very similar to the potential Borsalino client in terms of age, spending power and standard of living. In this way, we have the possibility of increasing the number of our potential clients. In other words, the Foundation is the right instrument to present the brand and the company in an original way to new people and potential clients.

### **The Foundation's Relationship with the Company and its Management**

**G.D.L.:** The foundation began, to use your words, as part of Borsalino; above all in order to valorize the company's cultural heritage, but also to broaden its communicative potential. Well, in this initial stage, How would you describe the relationship between the two groups?

**R.G.:** The relationship between the foundation and the company is, for now, the most evident problem. We have established a participatory foundation in which all possible associates should play an active role from time to time . By this I mean the involvement of third parties: companies, institutions, organizations, or whoever shares our objectives and goals and contributes financially or in some other way, to the growth of the Foundation and also wishes to make use of it.

**G.D.L.:** Does this mean that participation has gone beyond the exclusive involvement of the company?

**R.G.:** No, not for now. We are still creating a credible project to present outside the company in order to find partners who want to communicate and publicize their brand, their company and their products in a new and different way, by means of a cultural vehicle. And this is where the problem arises in the relationship between Borsalino spa and Borsalino Foundation.

**G.D.L.:** Are you saying that the company's support of the Foundation and its activities is not yet what you would like it to be?

**R.G.:** The main difficulty stems from the fact that, at the moment, the only ones who are really involved with the daily running of the foundation are the architect, Masoero, the accountant, Caretto and myself, since we are part of the board of directors. In addition, we have the curator, Elisa Fulco and others who cooperate with us. Instead, the people who work for Borsalino should see the foundation as a powerful means to accomplish public relations. Up to now, the results are not what we expected and the participation in our initiatives of the those from the Group is not what we thought it would be. Perhaps this is because the foundation is young and we haven't yet made a strong impression on people. This is a very delicate issue: I certainly don't want to interfere with the effective running of every single business area in the company. [For now,] we will keep working to develop the Foundation, and obtain some results.

**G.D.L.:** What sort of human resources does the foundation have to help achieve its goals? What kind of staff and organization does it have?

**R.G.:** As far as the internal organization is concerned, the principle of strictly respecting roles and functions is applied. I believe this notion is fundamental for the positive performance of all companies.

**G.D.L.:** I hope you'll excuse the joke but...it sounds like a very Savoyard structure.[ note: the Royal House of Savoy once ruled the Kingdom of Italy before it became a republic in 1946.]

**R.G.:** That's true but it's a joke that matches with reality. Surely, my role is to indicate strategies and how to implement them to the Board, but then there are people who look after the administrative part, people who follow the projects, such as Elena Masoero and people who take care of the museum like Elisa Fusco—she also gives us valuable conceptual input. Strict respect for these roles, strong belief in the foundation and of course, hard work: these are the three cornerstones that make up our strong points and give us substantial agility in making decisions. We are fortunate

that we can decide on issues without too many restrictions. It's just the three of us; so we meet and we decide. I began my professional life in a joint stock company and I am not an expert of non-profit organizations or foundations, so I am studying them. I am lucky enough to have wonderful co-workers, in particular architect Masoero, who has followed the project with me from the beginning through all its difficulties. We have had many meetings with professionals but with disappointing results, so we are a little reluctant to resort any further to consultants.

**G.D.L.:** So – let me guess – you still do not have a Scientific Committee.

**R.G.:** Even if the By-law provides for the creation of scientific and ethical committees, as well as the related commissions, for the moment we prefer to have a more agile structure.

**G.D.L.:** [I suppose] this choice avoids what appears to be a burden, the same choice that has been made by several business foundations such as the Dalmine Foundation and the Famiglia Legler Foundation.

**R.G.:** For the moment, we prefer to keep this structure, to clarify our plan for accomplishing our goal and to work hard, with particular thanks to our ladies who are very competent. At the moment I am working on a strategy to achieve full interaction between Borsalino spa and the foundation. Up to now we have only carried out a few actions, but we hope to increase them and to make them successful. In the meanwhile, we are also working to create a network of individuals and organizations who want to cooperate with us. We are well aware that if we just stay in our own backyard, we won't go anywhere. We are making considerable efforts to increase our communications; we take part in conferences and seminars and we have created a large database of contacts that will help us to identify those whose path is similar to ours.

**G.D.L.:** After human resources, there is the issue of foundation's financial resources. Does your budget set limits on your strategy or do you not worry about it too much and just follow your heart in spite of the obstacles?

**R.G.:** If it were only a question of following my heart, I would do anything for the foundation. It's my co-workers who bring me back to reality. Within Borsalino SpA, I'm the one who decides the budget, keeps an eye on it and analyses the variance. However, I still need to work on some of my ideas; so for the moment we are simply moving ahead with all the initiatives we can. Apart from that, I have created, within Borsalino Spa, a funding mechanism for the foundation in which a part of the earnings of the 17 Borsalino shops is directed to the foundation. This way, every quarter, there will be a transfer of funds (taken from the shops' earnings) from Borsalino SpA to the Foundation. This new system started with the quarter which ended on December 31st, 2009.

**G.D.L.:** Is it a large sum?

**R.G.:** Bear in mind that 80% of the earnings of Borsalino SpA is made in that period. We are talking about a sum starting from 200 thousand Euros.

**G.D.L.:** That's a pretty substantial amount for a foundation, especially now.

**R.G.:** It is. This financing system was formalized, and accepted by the company. It seemed the best way to start involving them more regularly, rather than asking them for funds now and then.

### **The Foundation's Global Development: "its heart in the village and its eyes on the world"**

**G.D.L.:** From the financial point of view, you are managing to involve the company. How about the surrounding territory? Could you talk about the local reaction towards the Foundation initiatives?

**R.G.:** Our cultural policy is oriented to the community. If there is no integration with the local territory, in terms of institutions, individuals and the broader public, the Foundation can't become a successful project. While it is necessary to widen the borders, our clear intention is to create a

foundation with strong territorial links. Alessandria means Borsalino and Borsalino means Alessandria; at the same time, we would like to Borsalino to be recognized all over the world. This is our starting point and our philosophy of development.

**G.D.L.:** In a manner of speaking, the foundation has its eyes on the world, but its heart belongs to the village.

**R.G.:** Let's remember an essential feature of this company: Borsalino, unique in the world, is a medium size company but its brand earns at the level of a large one. Therefore, certain managerial models simply can't be applied to our situation where a garment or a hat is made to measure; standardized business models don't work for us. When you come to Borsalino you get the impression of a large company but you have to face managerial, commercial and marketing issues that are typical of a medium size company. Our marketing and public relations headquarters are in Milan, the only international city in Italy. Then, of course, we have to face everyday problems that other companies don't have.

**G.D.L.:** So, the foundation is an instrument to expand on this concept; that is, to have company employees as well as the local territory understand that the success of Borsalino also lies in internationalization and that local work culture based on craftsmanship has to come to terms with global logic. The valorization of historical memory is essential to strengthening the stakeholders' perception of a *cultural* dimension, which shouldn't be seen as a superstructure but rather as a fundamental pillar of the territory's social capital.

**R.G.:** We started with a historical patrimony that belongs to Borsalino and that we are now in the process of retrieving. We are analyzing it and verifying what can be exported [for temporary exhibition] but the most important thing is that it is accessible to everybody. If I have an extremely valuable painting in my house and nobody ever sees it or knows about it, it isn't worth much. The first thing to do is to have everyone (the company, the territory and its institutions) grasp the importance of what we have.

**E.M.:** Moreover, the importance of the link with the territory is undeniable. In fact, the first section of the museum is about the territory where the Borsalino workshop was first established and its narrative starts from 1700. It is not a coincidence that Borsalino was set up here; there are facts that led to the creation of the company here and history has shown us how, from Alessandria, the adventure of the company has spread all over the world. Our perspective has two aspects: local, because the territory is inseparable from Borsalino, and international, with a global vision.

**G.D.L.:** A link that hasn't stopped with the company's past, but aims at being part of the present and useful for the future.

**E.M.:** I would like to stress that the existing museum project began as a museum of history: of the territory, of Borsalino, and of attire, but with an inevitable link to the present day. In fact the last part of the permanent exhibition displays a selection of contemporary hats and there is also a small section for temporary exhibitions. The museum should be a living organism that requires nourishment; it grows and generates thought, research and study. Besides, with 150 years of company history, the idea of "the hat" can be interpreted in a thousand different ways, so, given all these cultural links, an exhibition [of this kind] couldn't be held within a static organization. In the past two years, there have been temporary exhibitions, all agreed upon with the Municipality and financed equally by both institutions. In these cases, there was nothing that obliged Borsalino spa to contribute to the financing, but we wanted it like that because temporary exhibitions are an important tool for study, inquiry, and discovery. However, now that the development of similar initiatives must be totally agreed upon by both a public and a private institution, the process can be long and difficult.

**G.D.L.:** The foundation's efforts on behalf of the museum's activities seem to aim at making the museum something more than an institution for merely preserving objects. Instead, the goal seems to be to create a permanent center of interpretation that will give back a valuable and strategic patrimony (whose development is both local and international) to the economy of the territory.

**R.G.:** We believe that culture can be imported and exported. While I can understand the needs of Alessandria Municipality to focus on local initiatives, at the same time, I want them to understand that if the foundation brings exhibitions that include an international perspective into the museum, Alessandria can start to go beyond its territorial borders. If it becomes possible for me to utilize the work I've already done and bring it to foreign institutions and museums, international associations, the foundation and the municipality will both benefit. For example, at the Borsalino Hat Museum, we organized the exhibition of hats that won the Hermès prize at the *7th International Hats'Art Competition* - organized by the Atelier-Musée du Chapeau di Chazelles sur Lyon. They are amazing hats but this initiative shouldn't be shown only in Alessandria; it should be exported or else an international network should be created with the Museum of Chazelles sur Lyon or other institutions. If you limit yourself to your own province, you might be able to carry out your local objectives but you won't go beyond your perimeter even if you have an instrument that can launch you internationally and make you grow.

**G.D.L.:** How many visitors have been to the museum?

**R.G.:** In the first two years about seven thousand in all.

**E.M.:** More or less 3.500 per year: for Alessandria and for a museum that was open only on weekends, it is a fair number.

**G.D.L.:** Are you still open only on weekends?

**E.M.:** Yes, but we have added some midweek openings on request. The (local?) public administration is available to organize guided tours and host school trips. There are no limits in these terms, but this is a small effort. Within the association of business museums that we belong to, the Hat Museum has good numbers for its size and for the public it attracts. For example, in March 2008, we organized an exhibition, which was first seen within the Museum, called *Perdere la testa. Il cappello tra moda e follia*. (Losing your Mind : The Hat between Fashion and Madness). Promoted by the Borsalino Foundation and dedicated to the iconography of the hat and of fashion in the collection Arte Outsider of the Atelier di Pittura Adriano e Michele of the Hospital Fatebenefratelli in San Colombano al Lambro, the exhibition suggested an extremely transversal interpretation of the hat, which had less to do with Borsalino, but showed 'the hat' designed by these patients as a fashion accessory or as an element between ordinary daily life and that of high society, or as something that allows you to conform or stand out. Well, this peculiar exhibition, whose success was dubious, had extremely high numbers and was so successful that it was opened in Palermo and then Rome. Now we are scheduling it for Lecce and Milan and we have also been contacted by some foreign institutions to export it. This example really demonstrates what we would like to do: develop projects, and get involved in studies that, once realized along with the Municipality, will enrich not only the cultural heritage of Borsalino, but also the cultural standing of Alessandria.

**G.D.L.:** [Are you saying that] the foundation is an active agent of a cultural system that is integrated into the territory?

**E.M.:** Exactly. If we can offer both projects and flexibility, then, on the other side, public administration is an added value, being able to provide some types of resources that a private institution would find more difficult to guarantee.

**G.D.L.:** If I can ask a final question, what are the future plans of the foundation?

**E.M.:** We have a folder full of potential undertakings. Since our foundation is still small and relatively new, our plan is to invest in one big project per year, carried out by the Borsalino Foundation, that we believe will generate a meaningful return; we also aim to fund smaller initiatives in order to valorize our archives, increase knowledge of our history and give us a *plus* within the foundation and the company. We don't intend to invest in sponsors or activities that give us temporary visibility; these 'flash in the pan' events are easily forgotten, whereas for us, this is a long-term investment that we expect to bear fruit. Our desire is that everything we have done up to now will be collected and will bring concrete results; this idea has grown out of looking at the initiatives that Borsalino has taken over its long history, from a cultural and a social point of view. The company invested in extremely innovative projects: the first graphics contest for the production of an advertising poster in Italy was promoted by Borsalino and won by Marcello Dudovich; we have also worked in cooperation with outstanding graphic artists and designers; when Borsalino worked with an architect, the main interest was to create valuable, high quality, and beautiful buildings that can be found today in contemporary architecture books. Every activity has left its mark. That's why we hope our projects, even if smaller, will also make their mark.

**G.D.L.:** So, even in planning its projects, the foundation is inspired by Borsalino's long cultural tradition and commitment.

**R.G.:** Yes, we feel this is our duty towards a significant heritage. The founder of the company, Giuseppe Borsalino, was an extraordinary man, a true forerunner of many things: he was a industrialist who made the hat become a product of mass production [while maintaining high levels of craftsmanship], but he was also a benefactor and an adventurer. He was a person of consequence whose complex life has given much to the world. So from our point of view it's a duty and it would be a crime not to continue his cultural engagement.

**G.D.L.:** And this is a very important and admirable reason. Thank you.