

# CONSISTENCY, ETHICS AND SUSTAINABILITY: THE MIX FOR A WINNING COMPANY

Luigi Gorza, CEO of ARD, delivers to the readers of *Colore & Hobby* his vision of the market, of the protagonists, of his company and of the future: a lucid, profound and aware analysis.

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Lucid, disenchanted, deep, concrete and aware.

Luigi Gorza is one of the CEOs of ARD Raccanello, the fourth generation in command of the company, and his entrepreneurial profile can be described with these five adjectives.

He is lucid, for his ability to read and interpret the market.

He is disenchanted, because he analyses his company aware of what it is and what it could become. He is deep, because the evaluations do not stop at his vision but aim to observe ARD with the eyes of others. He is concrete, because he has a clear idea of the next steps to take. And, finally, he is aware, because he inherits the leadership of an industry in which work has always been done with criteria and he works to not waste a real and solid heritage.

Luigi enunciates his corporate philosophy with statements that are as sensible as they are powerful.

"A company that expresses healthy growth is a company that is consistent in its performance, especially in the long term, and that never deviates either in terms of quality and services, nor in terms of prices and values - the manager states. It is the continuity of the results that makes the difference and that allows operators to grasp the added value of the products and of the company itself, without giving in to policies of devalued and devaluing prices: quality must be offered at the right cost so that its importance can be fully perceived".

Again, "the coherence between the company's values and its strategies is fundamental to be among the competitors that matter because the protagonists of the supply chain understand the logic and symmetry".

And then, "the fundamental step to be an industry that matters is their well-being".

Strong concepts, interpreted by a young professional who is already widely accredited in the sector. To pay attention to all the stakeholders, how the company interacts with them and the

effect it has on their well-being". Strong concepts, interpreted by a young professional who is already widely accredited in the sector.

### **Luigi Gorza, what are the requirements that a company in our sector must have to be considered a reference competitor?**

I think that a company, to be considered a reference, must have a widespread presence throughout the territory and, everywhere, a significant turnover expression. Almost all the companies that produce paints and varnishes, both Italian and multinational, have offices that are often concentrated in some areas and much less in others: well, this type of distribution does not make them, absolutely, a reference throughout the territory.

I think that in this, Italian industries have room to grow further, by going to cover the areas where there are still many local producers who erode the market..

### **But there are other essential features that belong to a company of weight...**

Certainly. First of all, consistency between its values and its strategies is fundamental. It must be very clear about who it is and what it wants to do: if there is no correspondence between these elements, the market perceives a significant discrepancy and loyalty

" It is the consistency in performance that makes a company grow healthily. Healthy growth occurs if you position products with the right value, without ever selling them off. Only in this way it is possible to perceive their quality and that of the company who produces them "

is no longer so obvious.

Another fundamental aspect is linked to the characteristics of the products and the product offering. The range of paints and varnishes must be vast and deep, complete and responsive to market demands; the tinting must be proprietary and of excellent quality; the products must be perfectly calibrated in price and performance to satisfy every type of request.

Services and marketing are increasingly fundamental: in a world that communicates in many different ways, knowing how to tell your brands and spread them in the right ways and tones makes the difference. The appearance and the story of the products have become essential to determine their success.

Then, last but not least, there are the services: complete, fast and exhaustive such as, for example, on-site assistance and tinting support. They are an increasingly discriminating corollary for the affirmation of a company.

### **So far, the characteristics of a high-profile sector competitor: how do you get to a higher level?**

With specific attention to all stakeholders and sustainability in its infinite facets. The orientation towards stakeholders allows you to never lose the direct line of communication with them, making the company's presence felt and creating the conditions for positive dynamics and satisfaction for all, without frictions and misunderstandings.

It is about the satisfaction of consumers, distributors but also of employees who must work happily and satisfied to collaborate on company projects successfully.

Sustainability does not bring tangible results but it is indispensable: think, for example, of company and product certifications. The community perceives the activity carried out by a producer who is attentive to the legal provisions and who offers paints that make it feel good.

Let's not forget that we are chemical companies and that trust in us also passes through the relationships of trust that we manage to build.

**It seems clear that the success of a company is also measured through the relationships it manages to establish: how does this mechanism work with the distributors of your products?**

It is certainly important to have partnerships in distribution, able to represent the company and explain its business and products.

The distributor who embraces the cause of the company, regardless of its size and turnover, is a megaphone and a precious ally who reaches even where it is not possible to reach directly. Here the concept of reciprocity is expressed very well: if the store shares the cause of the company and becomes its standard-bearer where it already enjoys credit, this is a very powerful added value; moreover, the point of sale has a real partner in the industry. This virtuous exchange increases the turnover of both protagonists and allows for the establishment of long-term collaborations.

**“ We create quality products that make life better for buildings and for those who live in them and we want this well -being to also extend to all those who work for and in ARD, with the principle of the remuneration policy**

**What are the distribution formats that you consider emerging?**

The most fluid and promising format, at the moment, is that of the building centers that, for the most part, are approaching the world of paint products.

There is no shortage of opportunities and spaces: the majority of the material for building passes through the building centers and the physical spaces often allow us to think of real shops within shops. Of course, it is fundamental to build professionals in charge of selling color with specific training but the prerequisites for their success are not lacking.

The latest strategies implemented by specialized distributors are also interesting, who, at various levels and in various ways, come together to do lobbying, acculturation of the sector and business.

**How did he transfer this way of understanding the market to ARD, operationally?**

I was lucky enough to enter the context of one of the main national companies that already had many requisites to be considered among the most important, built over its 85 years of history.

The first action I took was to visit all the customers possible to understand the market in detail, to know the distribution and its needs and, above all, to understand their perception of us.

Then, I worked with all the employees, of each department, to conduct an in-depth analysis of their tasks, of their strengths and weaknesses, to study together how to emphasize the former and resolve the latter.

This exercise allowed each sector to photograph its state of being and, from there, to start again to continue improving.

With this concrete and shared data, we have developed an industrial plan in which we have

“ ARD practices ethical entrepreneurship, with the correct attention to business and people, with the aim of achieving results consistent with its strategies in respect of the market and stakeholders ”

identified six macro-objectives to achieve in no particular order: growth in turnover, corporate image, relationship with customers, sustainability, motivation and competence of staff, production capacity and inventory management. For each of them, together with the relevant departments, we have identified the tactics to achieve them.

### **How was the industrial plan presented and how was it received by the women and men of ARD?**

We wanted to present it to all ARD workers in all departments and we did it with the utmost clarity and transparency, creating an emotional and active involvement in everyone. We are keeping everyone informed of the evolution of the operations implemented: in this way we are sure to work together for the same purposes.

### **The rebranding was an ambitious project that came to fruition in the best possible way. How was it perceived by the market and within the company?**

In a positive way in both cases. It is a project that was conceived and implemented in full harmony with the company's values, a rebranding that has not denied anything of its past but rather has emphasized and taken advantage of the values built by the previous generations to renew them and project them into the future. This outlines us

as a traditional company and at the same time, innovative, capable of staying firm on what has been to orient itself towards what will be.

### **With the concept of the manifesto 'Colourful wellbeing' you have summarised the company philosophy in an original and effective way...**

Well-being is a strong and fundamental concept for ARD: we create quality products that improve the life of buildings and their inhabitants and we want this well-being to extend to all those who work for and in ARD, with the principle of remuneration policy.

### **Among the most imminent operations of the industrial plan there are other important aspects...**

Of course, for example, we have identified the need to make the product offering even more complete and proceed with innovative proposals to satisfy and, in some cases, anticipate the market needs. We must consolidate our distribution by covering the areas where we are less structured and we will proceed with the construction of a new plant to produce thick coatings even with very large batches to guarantee standardization and quality. And we will continue to work for sustainability. A great satisfaction of ARD, for example, is that of having always managed to pass all the controls regarding the sustainability of the company and the products by the relevant Bodies without any complaint or fine: we want to continue to proceed in this direction.

### **Finally, what does Luigi Gorza see in the future of ARD?**

These are years of great difficulties and opportunities - wars, unstable economies, supply difficulties, building bonuses, green house objectives - difficult to read and it is complex even to imagine a future perfectly outlined. These are situations that impact and influence activities but ARD is a professional company and its product offering takes into account the variables exogenous to its specificity. We are convinced that we have the right answers for the needs that arise even in such complicated times. We are open to partnerships and acquisitions but we are not eager to do so: we have to find situations that bring value to us and also to the other parties involved. On the other hand, we are convinced that the acquisitions concluded to increase turnover have never brought satisfaction results. ARD practices ethical entrepreneurship and we care about the well-being in an absolute sense, first and foremost that of people: we will start from this in any case in the evaluations for possible acquisitions. In reality, I am deeply convinced that our future is linked to the opportunities offered by exports and by the presence on foreign markets. Our goal is to expand and consolidate our presence abroad in order to be able to face the fluctuations of the national market. Today we have a significant presence in the Middle East, China and Korea and we aim to develop the markets of Europe, the States, India and Africa.