

The devil is in the details

“The expression the devil is in the details refers to a catch or mysterious element hidden in the details.”

Since December 1st, 2008, Alessandro Bulfon is the new CEO of Fabio Perini S.p.A.. The Perini Journal met him and had a pleasant conversation with him.

Perini Journal

“It would have been easier if I had entered into a company that was undergoing a crisis period,” explains Alessandro Bulfon, for a little over a year now, managing director of Fabio Perini S.p.A.. “Instead, 2008 was an excellent year. One of the best in the history of the company. It’s as if I had been called to train Federica Pellegrini or Michael Phelps: athletes who have won all there is to win, who continue winning and banking in world records and who would probably continue to win for a while longer even without me...”

BUT LET’S GO BACK A BIT. For some decades now, Fabio Perini S.p.A. has been worldwide leader in the production of tissue converting machinery. Technological, sales and service leadership, with a market share very near to 60%. It has offices worldwide and is head of a group of companies that allow it to offer integrated, complete, turn-key systems as well the services necessary for their management and maintenance, in every corner of the globe. The reason for such long-standing success does not lie exclusively in technological and manufacturing excellence, but also in the ability to have a strategic vision: knowing how to grasp the signals coming from the market and anticipate their evolution, quickly intervening on the company’s structure and organization in order to create, consolidate or increment its competitive advantage.

In the course of 2008, the administrative board of Fabio Perini S.p.A. interpreted market signals as indicating a strong change in the works, and decided to anticipate the next move: don’t wait until the critical moment arrives to take remedial action, but rather be organized to face the change when it first begins to appear.

MOMENTS LIKE THESE HAPPEN PERIODICALLY IN THE LIFE OF A COMPANY. They have taken place before at Fabio Perini: the first time, through the acquisition of a truly multinational dimension and the entrance of the Körber Group in the shareholder base; and a second time, more recently, with the integration project of the different companies belonging to the tissue field into Körber PaperLink, the strategic management holding of the Körber group’s Paper Division. In both cases, structural and organizational revolutions were followed by a phase of evolutionary progress that supported the changes and adapted the strategy to the changing market conditions.

The turning point of 2008 corresponds to the need to formulate a new long-term strategy faced with a rapidly changing market configuration. In particular, Fabio Perini’s administrative board identified signals at various levels. On a macro-economic level, the financial crisis has exacerbated certain trends toward change and, in particular, has initiated a new phase of globalization that sees a gradual but progressive migration of the center of the world economy toward the East, toward the large emerging countries such as India, China and Brazil.

From a market standpoint, the process of concentrating the companies of the field into a few large groups has led on the one hand to the need for complying with the requests of large global customers demanding large, integrated, turn-key systems with standard technology, production and service features worldwide. And on the other, it has brought about the need to offer the same service to small and large local companies who – since they have to compete locally with the branch offices of the large multinationals – must adopt the same standards and offer superior technical and economical performance in order to compensate for the absence of an equally strong brand. And also, from a competitive point of view, the presence of new competitors in the field – even though these had not yet subtracted market shares or in any way menaced a consolidated leadership – suggested an emphasis on a continuous

improvement process, giving the company newfound vigor through the development of internal talented personnel and the acquisition of new, non-field-specific outsourcing.

IN SYNTHESIS, OUR CUSTOMERS HAVE STARTED ASKING US – AND THEY WILL INCREASINGLY MORE OFTEN DEMAND OF US – TOP RELIABILITY AND PREDICTABILITY. *Only in this way will they be able to accelerate ROI and reduce risks. Starting from this essential requirement, we have formulated a strategy based on three inter-connected pillars: maintaining leadership in innovation; attaining operational excellence through process standardization at top quality and efficiency levels; development of internal talents and transmission of knowledge and competence to new operational staff.* The connection is evident, although not banal. The technological advantage that Fabio Perini S.p.A. enjoys today derives from the sedimentation of years of work. This sediment must be further put to use by transmitting it to fresh new minds that guarantee continuity of excellence. But even the most ingeniously designed machines must be skillfully built and installed, handled and maintained based on predictable, standardized processes capable of ensuring that the same excellent level of service and reliability is guaranteed all over the world, by all the companies of the group.

AND HERE WE GO BACK TO FEDERICA PELLEGRINI, OR TO MICHAEL PHELPS: athletes that spend up to five hours a day in the water, their trainer by the side of the pool, stopwatch in hand and video camera nearby. Each stroke is segmented into simple movements, each segment is analyzed, corrected, repeated to infinity, until the execution is perfect. Because no champion, not even the best in the world, executes everything perfectly. History teaches us (the history of sports in particular) that there is always room for improvement: it wasn't long ago that swimming the 100-meter freestyle in one minute was considered an insurmountable barrier. Today, you need to do it in less than 50 seconds if you want to make it to the World Championship finals. The work of the coach is hence a meticulous one, made up of microscopic analyses, a quest for the most minimal improvements at the cost of an enormous quantity of work to be done – by the coach as well as the athlete.

OPERATIONALLY SPEAKING, THIS IS MORE OR LESS WHAT IS HAPPENING AT FABIO PERINI S.P.A. TODAY. *I do not want to speak of restructuring, because at Perini there is not much to be destroyed and rebuilt. But this does not mean that there is nothing to be done. The devil is in the details. And the quest for the “diabolic detail”, the one that can change things and allow accessing a superior level of efficiency, must be detected. Once found, we must understand what we have to do to correct it, redesigning effectiveness and ingrained procedures. And this is by no means easy nor is it without consequences. The company must rethink itself, redesign itself starting not from a traumatic event but rather from the awareness of the damage that “business as usual” – doing things this way because that's how they've always been done – entails. The enemy, in the end, is habit. Above all if habit pays off. But there is nothing more difficult than eradicating calcified habits, starting to think again about “how” and “why” we do things, and do them in a certain way.*

LISTENING TO ALESSANDRO BULFON SPEAK IN THESE TERMS, THE MIND IMMEDIATELY RUNS TO TAYLORISM and scientific task analysis: Henry Ford, assembly chain, 1920s. *In reality, things are very different. Nowadays, we are no longer dealing with prevalently manual (and hence easily quantifiable and analyzable) work. Today, what we require of employees and collaborators and of laborers, too, is a contribution of knowledge and creativity. Things not easily measurable. Things that, up until yesterday, were handled by confiding in the exceptionality of personal performance, in the capability of the single individuals to give their best in every circumstance.*

Starting from this competence base, it is possible to start systemizing, making processes more fluent, adding elements of constant assessment, verification and comparison. And all this in order to avoid that everything be managed as an exception: from human resource development to the assembly of a line at a customer's plant in Chile; from the design of an integrated technological platform to the delivery of a spare part. Alessandro Bulfon makes it a point to highlight that Perini is not merely pursuing a quest for operational efficiency. *It does not often happen that a company re-considers itself unless it is forced to do so by an external event. At Perini, we are doing it. And it is a step that entails deep consequences: sometimes, in order to make a leap forward, we must take a step back in order to take a good run. This strategic and operational re-designing inevitably creates some friction. Mainly because, at Perini like in every other company, the agent of change is man. Faced with a demand for change that the market is just now starting to show but that will shortly become more evident, you are bound to find those who procrastinate, those who close themselves up as a clam, those who think about it a bit before acting and those who enthusiastically launch themselves in the new adventure. Dialectics among these different behaviors is bound to create temporary tension.*

HENCE, A KEY VARIABLE IS TIME. *Undoubtedly, because the next ten, fifteen years will be characterized by risk:*

systemic risk, connected to a crisis that will take a long time to pass; market risk, tied to the natural – but today particularly unpredictable – evolution of economic systems; and operational risk, connected to the reliability and efficiency of the company-machine. Fabio Perini has set the aim of helping customers resolve at least two of these problems: we can help them build their market in tranquility, continuing to qualify ourselves as reliable, long-term partners. The systemic risk is instead something that we'll all have to deal with.

THE NOVELTY THAT THE MARKET PROPOSES IS, IN A SENSE, AS OLD AS THE UNIVERSE: today, companies producing consumer goods want and must concentrate on their own core business, because competitive pressures and market changes require a constant focus. This means that companies like Fabio Perini must transform themselves from suppliers of technological solutions into managers of the system's life cycle. *Today, customers ask us to be able to forget that they have a production system. We must be able to handle all the problems and issues connected to the use of the solutions we propose, as a company and as group leader, in the realm of the overall relationship that stretches to the long term, passing through all the different moments of its operational activity.* This reduces margins for error and imposes maximum flexibility in operating procedures and in the flow of communication.

BUT, ACCORDING TO BULFON, THIS ALSO MEANS THAT STARTING FROM TODAY, PERINI WILL HAVE TO BEGIN TO HANDLE THOSE ASPECTS USUALLY RETAINED SECONDARY, concerning the use of the system rather than its design, manufacture and installation, such as environmental impact, the assessment of the suitability of the production units and job safety. *I worked for years in Germany and I know what the word "Grüne" means in that cultural environment, a word we translate as "Green": it is not so much – and not only – a generic love for nature and a desire to protect it, but an overall behavior that starts from the details of everyday life. On the whole, it aims at the sustainability and the diffusion of the wellness that the world has conquered in the course of the past two centuries. Indeed, the concept of "Grüne" is what should and will inspire the activity of Fabio Perini, both within the company and in its relationships with customers, partners, and the other companies of the group. Within the company itself, because only the spirit of innovation and continuous improvement through hard work will allow us to maintain the role of leader that we have conquered in the course of the years in a difficult and strongly competitive market. Outside the company, because everything we do must have as objective the containment of every kind of risk: economic, financial, technological, human, environmental. Only if we succeed in doing this will our customers continue to be satisfied in working with us. •*

Alessandro Bulfon (41 years old), since December 1st, 2008, CEO of Fabio Perini S.p.A. and responsible for all the activities of Körber PaperLink in the tissue field, possesses great managerial experience in the multinational scenario. He was born in Venezuela and studied there as well as in the USA (Northeastern University and Duke University). He has worked in the USA and in Europe. Since 2003, he has held various managerial roles in different companies belonging to the Ingersoll Rand industrial group in Belgium, Italy and Germany. He is married and has two children.