

# STRONG FINANCE FOR MODERN MACHINES

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***In the current historical period of the western industrial manufacturing, the modern technological solutions are not enough. Nowadays, the company must have solid economical basis and adequate finance solutions. Punishment? Being out of the market. Following, the interview with the General Manager of Monzesi, Riccardo Pessina.***

In the globalized economy, thanks to the communication systems, which enables quickly information exchanges and evolutions in consumer tastes, the small Italian company, has had to change. From the beginning of the crisis, in 2008, a lot of manufacturing companies have been transformed not only for the productive processes and for the single products, but also for what regards credits and loans catching. An example of a company hardly affected by the global crisis and which is now arising with new ideas, new projects and an entrepreneurial structured organization, is Monzesi Srl. Monzesi Srl represents the natural continuance of the old Officine Monzesi Group, producer of centerless grinders and opposed wheel grinders, founded more than hundreds years ago.



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## Accounting Balancing and high technology

Rita Rigamonti (in the picture), CEO of Monzese, tells us her experience regarding the company organization and how to deal with business nowadays. "Companies need to be introduced in the market not only with innovative and functional products, but also with an adequate rating for their size and turnover. It is not possible to organize a company basing everything on the "technological know-how".

From already ten years, Basilea 2 rules, impose to the companies more specific strategies. It is necessary to make a leap in order to switch from good artisans to industrial figures: innovative product, production modern processes, research and developments, internationalization of the markets, finance and organized department and an accurate and coherent business administration of the economic account. "Only in this way, we can assure a future to the company, also for the future generations. The Italian entrepreneur faces to an important choice: on one side, building a company for the stakeholders and, from the other side, developing the company for the people who work for it and for the related market.



Monzese has chosen the second opportunity. It is true that in the next future, the monetary policy, decided from the BCE, could distance this long stagnation but, structural reforms in financing field are required in order to guarantee a positive impulse to the companies." This is the reason why it is necessary a change in mind both for the entrepreneurs and for the lending institutions. If in the past, the patronage of the company was only based on the technological innovation, the real estate and the warehouse, at the moment everything is changed. The financing part is fundamental in the capitalization of the company. "If the companies problems", has concluded the manager, "are increased due to the crisis, it is because the Italian companies have collected financing weakness conditions during the time, which have been dramatically amplified from the margins profit collapse. It is time to reopening the companies to a new finance and a new product developing action but also it is very important to give credit to the company"

### *According to the preconditions above, what are the main parameters to "do business" today?*

"In our country, there is a lack of the most important thing for the companies development; the financial aspect. It is a department in which we have a strong delay; the finance structure of our PMI is less advanced compared to our European competitors.

It is only in this way that we can combine the Italian creativity, the made in Italy technology and the adequate economical resources to make research, development, to plan new investments and search for new markets. Monzese is based on these concrete principles. The fact of "doing business" today, is different from ten years ago. In the past, the heart of the factory, was only related to the productive and technological department. The new idea of the single technician played an important role. Today everything is different. The management of the company is more complicated but also more interesting. The financial / administrative aspect has got a foothold and it is strategic for the company success. In the second decade of the 2000 years, the relations between company and lending institutions and/or finance subjects are changed; to relate with the government is different from the past; the field in which an Italian company operates is uncomfortable starting from the energy cost to the raw materials until the cost of the less competitive work compared to the foreign competitors. This is the reason why it is necessary to develop industrial products having clear the economical aspect of the investments, the feedbacks, the margins and the risk. Every company must have a proper profile, the rating of reliability to repay the loan.

Only in this way, it will be possible to obtain new loans, to develop new ideas, to hire staff and generate wealth. It is not possible to go through other ways. Monzese Group has begun this virtuous path since it was born.

### *We are talking about a modern company with roots in the past. What can you tell us about this recent industrial reality?*

"As already told, Officine Monzese, was founded hundred years ago, the Viotto label, was acquired in the middle of the 90'. The company projects and build due kinds of machines: centerless grinders and opposed- wheel grinders, both used in many industrial divisions for the finishing of metallic components. Since 2008, with the crisis in the USA, has begun a really difficult period for the industrialized countries in the world. Italy and its companies were affected by this black period of the economy. It seemed that the world was blocked. In 2009, Officine Monzese had a difficult period, especially for what concerns the foreign markets: Usa, Brasil and Middle East.

Centerless grinder model Monza 620/350 CNC2 with laser measuring system.



Centerless grinder model Monza 620/350 CNC6.



Double disc grinder model Viotto RVV2 760.

### How is it structured Monzese today?

"Currently, our company is in Italy, in Nova Milanese (Monza e Brianza) and there are two other companies abroad. One is in the USA, in Sparta (New Jersey) and the other one in Brasil (San Paolo), which is in charge of the South America part. The manufacturing, the planning system, the creativity and the grinders research and development, is in Italy. We think that the Made in Italy represents an important value all over the world. Facing to the crisis, Monzese was able to react. It has invested in new products, in new markets and has created a new management. We have increased the productivity and competitive index. We are aiming to flexibility in production, organizing modular systems able to satisfy different customers needs. This is the key for the survival in the Italian manufacturing companies. In the same time, we have reorganized the sale net in Europe. We consider Italy integrated in the European market. There is no point in speaking about a domestic market. Monzese label is very appreciated in the old- country for what regards both Viotto label systems (opposed- wheel grinders) and Monzese label (centerless grinders). A great satisfaction in sales and partnership with the users comes from a Turkish and Egyptian market".



**Riccardo Pessina, 1974, begins his cooperation with Monzesi in 1997 back from the United States. After a short period spent in the manufacturing division, he starts to be in charge of post-sale, becoming Purchase Manager in 2000. After three years as General Manager in MonVibro (automation company), he comes back to Monzesi Group as a Sales Manager in Europe. In 2007 is back in the United States becoming Director of Monza Corporation ( American seat of Monzesi). Since 2014, are the General Manager of Monzesi Srl and Manager of Monza Corporation.**



#### *Are the users needs changed?*

"Grinders systems of Monzesi and Viotto, have different application fields: automotive industry, aerospace, electrical appliances, tools, nuclear and oil&gas. Other important divisions which use our machines are ceramic and rough metal. For this reason, are technologically reliable, flexible in production change, easily managed from the operators who work on the machines. A significant point is the high automation rate, which identifies the grinder system. The industrial automation market is always searching for new solutions paying attention to the components features, their reliability and the synergies used by the suppliers both to improve the functions and to reduce the costs. Monzesi uses motion control Siemens and/or Fanuc systems on their machines basing on the user needs. Some technological solutions, enables us to source spare parts all over the world, to execute the diagnostic both in place and from distance, to use CNC with simple and functional human- machine interface, measurement in process. I don't know if it is possible to define it factory 4.0 but maybe we are very close. Future is already here.

#### *A future, which is based on the products concreteness. What are you going to show at the next EMO exhibition in Milan?*

"Research and development, product customized, reliability, simulation of the manufacturing processes and design are all the important points for Monzesi. For this reason, the next international exhibition of EMO tool machine, which will take place in Rho Fiera Milan, represents a synthesis opportunity for the company, which I represent at the moment. In that occasion, we will show new automated machines in the production management which are ergonomically for the operators, energy saving, compact to reduce the space in the factory and with big flexibility. But it is not everything. If the machine, during the exhibition represents the ability of a company, we cannot forget how we have reached this goal. These systems are projected with CAD 3D Inventor software, the managing of the product with PLM (product lifecycle management), simulation and examination of the kinematics before the manufacturing. This modern approach involves also the marketing and commercial office. The order is presented to the customers not only with specific traditional techniques, but also through video, rendering and manufacturing simulations on the virtual machines. This organization of the productive process enables more efficiency and a reduction of time to market. To conclude, to taste our grinders we will see in EMO- Milano from the 5th to the 10th of October 2015.