



Ladies and Gentlemen good afternoon.

It is my great pleasure to be here today after some years of holidays. I see many familiar faces and this is for me source of deep emotion.

I have a dream and this dream is to see a company manufacturing enamelling equipments making money every year.

I was unable to fulfill this target in the past having seen alternately exciting success and deepest anxiety.

During the last few years I had a lot of free time to think.

I finally knew in my mind how the ideal company should have been.

Customer oriented.

Lean in its structure but well supported by information technology.

Outsourcing parts but responsible of the final assembling.

Flexible with customer but extremely demanding with suppliers.

Not so much active with restyling but extremely active in real research and innovation.

Providing an excellent after sales and spare parts service.

Capable to diversify but without making too bold steps.

I believe these to be the winning drives in our market.

When I was approached by Mr. Melone Newtech CEO and asked if I wanted to help in defining a strategy of growth, I said to myself that, possibly, at the very end of my working life, I could contribute once more to try and build this ideal company having treasured all my experience of good and bad times.

I said to myself that Newtech was young enough not to be too much set in its ways, that the average age of people was mentally and by birth low enough to still have a lot of enthusiasm and to be humble enough to be willing to listen to the advice of a "little old lady", old age-wise but still capable, I hope, of some creativity.

Most of them had worked for me and I knew their strong and weak points.

The deal was made.

We spent the first many weeks to discuss the strategy and consequently to design the company.

We analysed market and competition.

We used as bench mark the best state of the art level and we set as our target to be better.

question came to our minds :

- how can anyone be better manufacturing equipment with a mature technology which is slowly but steadily drifting away in different parts of the world much more competitive and giving raise to a deadly price competition ?

-how can anyone be better in a market where our potential customers are struggling to reach decent margins for their final products and therefore are reluctant to invest unless having a decent return on their investment, which again gives rise to a price problem ?

We answered these questions with a simple reply : if a company is located in Europe, this company must be always a step ahead in technology and in helping to reduce the finished product production cost and consequently making the return on investment more attractive to the customers.

Not only that but, knowing that most low price companies have a very poor after sales service, sometimes accompanied with a language barrier, an European company must provide an excellent technical assistance service.

An other question was : how can we make money every year having to deal with a volatile, relatively small market, which has the bad habit to invest all at once and then stagnate for sometimes ?

The answer to this question was to enter other niche markets where the size of competitors is comparable and the technology not so different.

To be a step ahead one needs to invest in research.

But when talking about research I mean real research, based on science and not only on experience, not on restyling, (the oven a bit longer, the speed a bit faster , some new process control,) but based on a deep scientific knowledge of all the variables involved in the process.

The enamelling technology requires experties in many different fields : mechanical and electrical engeneering, flu dynamic, chemistry, thermodynamic, metallurgy, electronic engennering.

A small medium size company, like all the insulating machines manufacturer are, can not afford to have, within its structure, professionals each specialized in all these different fields.

At the same time can not posses any of the powerful CAI computer aid software, easily available in these days. The investment would be out of reach and oversized compared to needs, as well as the expertise to utilize it.

Therefore one has to seek for help.

Newtech is fortunate to be located close of Turin which host one of the most reputed academicals institutions.

The Politecnico di Torino with whom a long term cooperation agreement has been signed.

The first results are exciting as you will learn in the continuation of this conference.

To diversify, as Newtech already has a know how in copper and aluminum conductors insulation, we choosed a similar technology, and again a niche market, that of fiber glass insulation, which we believe will have a promissing future.

The present state of the market sees practicaly only one supplier in the western world, with a price level dictate by the existing almoust monopole in this field, and some manufacturer in Asia with a very low price level but also with very low reliability.

We thought there was some room in between and we were willing to break this monopole. Only time will tell if it was the right choice but we are very confident and our confidence is supported by some orders.

I am sure that after all this talking you are willing to know how the decisions have been put into practise and for this I will leave the stage to Mr. Motta Newtech Technical Manager.

Thank you very much for your attention.