

CONSIDERATIONS ON THE PROMOTION OF THE ITALIAN DENTAL INDUSTRY AND ITS EXPORTS

In a conference-study session sponsored by the Banche del Monte on the topic of "A Good Image - the Secret behind Exports", it was stressed that the successful marketing of products abroad is influenced by the image of the country in which the products originate.

Before the Second World War, the dental industry in Italy was almost non-existent, while industry in general lagged fifty years behind other Western European countries for various historical, political and economic reasons. At the end of the war, Italy's image abroad, set in that back drop, was one of the immigrant looking for work as he could not find any his own country.

Italy's post-war image could not therefore support exports, and this was not the only obstacle: there were other difficulties such as the general lack of knowledge of foreign languages, the twenty years of isolation through Fascism and the subsequent sanctions, the lack of raw materials and energy resources, and the shortages which increased the cost of products and their processing.

Yet there were exports, and in the dental sector these did develop, particularly dental equipment, an area in which Italy is considered to be a key player globally.

The post-war period was a time of reconstruction, characterized by a general scarcity of all kinds of consumer and durable goods, where national and international policy initiatives (the Marshal Plan) were promoted to relaunch the Italian economy. During this time, an unexpected phenomenon occurred called the "The Italian Economic Miracle", a trend which also drove the dental industry.

The decisive entrepreneur had the advantage and, aided by some favourable aspects, Italian entrepreneurs managed to overcome the obstacles.

Today, businesses export because they need to increase revenue to amortize fixed costs, the moulds and the special equipment. During the miracle years when demand was greater than supply, profit margins were wider and the problems were different: it was the opportune moment to enter foreign markets. Driven by the desire for success that underpins every entrepreneur, several Italian companies in the dental industry seized the moment and crossed borders, paid their dues and, for the most part, were able to achieve positions that now allow them to be present on foreign markets, even where local production is very fierce.

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As a result, companies with attractive products, through years of hard work, good manufacture and punctuality, have created an image of reliability and stability. Woe to err, however. Errors are always paid for dearly in the free market and the customer, while reaping the benefits gained will abandon the old product to give preference to the better, more up-to-date and cheaper one. There is no moment in time when you can say "I gained a position that no one can take away". In the market, your position is threatened every day and you have to continually strive to earn it. Product, pricing, advertising and organization, these are the essential ingredients. No industrialist's ability or prestigious brand name can sell an out-of-date product or one which is not competitive. The free market selects products and companies for the sole benefit of the purchaser, in our case for the benefit of the professional. Competition is not a burden and not a difficulty but is indeed an incentive. The entrepreneur, like an athlete, enjoys competition and finds satisfaction in it.

Sometimes bureaucracy and policies create problems and obstacles when a company want to export, and give rise to situations which often leave the entrepreneur powerless.

Recently, the well-known sports commentator Bruno Pizzul when asked by some friends "what was the greatest moment of discomfort during sports coverage abroad", he replied: "When foreign colleagues commented ironically on the inconsistency between the Italian public debt and the wild spending in buying foreign players." This particular comment highlights the yardstick by which the general public abroad judges us, a view emphasized by the foreign press and television which, too often, describe us as a nation of gangsters and thieves. Such treatment, favoured by the media's desire to make headlines, is certainly not free from nationalistic and defensive forces aimed at protecting internal interests as well as the interests of companies affected by Italian exports. Several times I lost the battle with my competitor, located a little further north of Italy, simply because the potential client (informed by the press and television rather than by direct knowledge) did not want to associate the destiny of his business with a product from a country where unprofessional conduct is described as normal practice.

The dental field is still small, where its manufacturers and business people known each other quite well, even in different countries, and where those who have earned the esteem of the market and have been accepted, are not generally marginalized simply because of the lack of credibility of their country of origin.

We mentioned that we cannot take our eyes off the ball: to put it more clearly for those who do not live the daily battle for the survival in trade and industry, the entrepreneur must be extremely focussed in the playing field every day otherwise, like the athlete, he will lose his competitive edge. There will be no "extra time" and before long he will drop down in the league table.

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The entrepreneur's job involves taking great responsibility towards society and the Law. The careful person who does not want to take any chances when playing the role of the entrepreneur, risks bankruptcy or prison, even when weighing each decision with the utmost caution. The Law, often incomprehensible or interpreted in different ways, the bureaucracy, which is never clear and simple, are land mines that seem made to discourage the entrepreneur. And, these problems are magnified when dealing with exports: for the state official, the exporting company is necessarily involved in the export of currency, not realizing the added cost of exports nor the need to lower prices abroad to compensate for the extra step that is the importer's reward. Nevertheless, many persons, driven by vocation, interpret their work as a duty and manage their private company forward with that burden of social and financial roles necessary for the company.

In the early nineties, once certain ideological positions had been superseded, European governments were engaged in the study of new and urgent economic and social reforms. The laws of some countries were updated and, from what we have read in various newspapers, this appears to have led to significant practical advantages.

In Italy, strongly conservative currents have hampered the realisation of such advantages, the operation of the legislature has become more and more difficult, and the season of legislative inefficiency has begun. There are various reasons for this inefficiency: they range from prejudices, lack of updated policies which are still tied to superseded ideologies and the fact that anyone can block anything.

In the years that followed (from the early nineties to the present day) it seems that some politicians have abandoned the concept of politics as a mission and a service, only to chase personal ambition and profit. This moral degeneration has also spread to the suburbs, regions and local authorities. We do not want to accuse politicians in general, rather we are talking about people who have been found with their hands in the till and have already been convicted.

Politicians with similar aims could hardly be expected to bring about reforms, or promote a more equitable distribution of wealth, avoid waste, reduce public debt, etc.

There are numerous politicians in our country so it follows that there are more than a few misguided ones, especially if you also consider their assistants, from the bag-carriers to the consultants. Given their number and their expectations, the costs of politics greatly burdens the country's budget, and the public financing of political parties, as well as the reimbursements and privileges of politicians, is now no longer enough, so some have resorted to bribes and other offences.

Public men and women, as champions and leaders, should be incorruptible, because they are easily imitated. In fact, things have got worse over time: crime is rampant as tax evaders increase, the prisons are full, and so on.

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Many people now have lost hope: industrialists, weighed down by an unsustainable fiscal burden, a justice system with biblical times and an ever more complicated and cumbersome bureaucracy, are now taking their companies abroad, which is not easy, but considered essential in order to save them. Here is a concrete example: an industrialist that takes his or her company to South Korea - an industrialized and avant-garde country, where there is no bureaucracy and tax evasion is the exception - will find a tax burden of 25%.

Words no longer convince anyone, the same politicians have for half a century have taken turns in leading in the country, promising changes that never come to fruition. There will be a recovery if the current government can make progress in the right direction, but if we continue with the current chaos, the road will lead to bankruptcy.

We repeat that we have not yet lost all hope: Italy is a country with a vocation for industry and we have demonstrated this. We still have many industries that can be re-launched and many young people willing to make sacrifices. To get out of this situation we must have faith and courage.

Politicians must lead by example: immediately, they must drastically reduce the number of parliamentarians and cut their benefits, they must have the courage to tell people the truth, eliminate the bureaucracy that is not at the service of the State and is of no use to citizens, and they must make the justice system work efficiently. This is what we mean by "doing." We do not go further because we do not have the skills, but we realize that politics must make government work with a steady hand before a dictator thinks to do so. The situation is deteriorating in a frightening manner, we have already read in the newspapers of a revival of the "Red Brigades" and far right fringe groups.

For the rest, we must appeal to young people in order to save Italy. Young people are idealistic and sensitive to the cry for help that we now hear repeated by many, and if they are empowered, they are the only ones able to "revive the Italian economic miracle."

We wanted to talk about the dental sector today, and we got lost in our thoughts on the general situation. However, we could not avoid considering the difficult times the country in which we operate is going through.

We believe that a company can be saved without moving it abroad. It is true that in Italy we have a world-record breaking tax burden, while it is 50% lower elsewhere. But, it is also true that not all roads can be downhill, moving a company is a difficult step, and whichever country we move to, we will find uphill struggles. It is very positive that we have the freedom to move, but whatever we do it is certainly prudent to do it gradually and leave the door open for a possible return.

Companies that carry out research will save themselves. They will produce equipment or products which are state-of-the-art and, in the case of durable goods, we must produce environmentally sustainable products and equipment. Environmental sustainability is without

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doubt the most important aspect at the moment. The supply of raw materials and solid and liquid sources of energy limited, given to us free by nature and have allowed us to reach our current state of well-being. Man has always consumed these materials carefully, giving nature time to regenerate. But, for the last few years, consumption has overtaken nature's capacity to reproduce these materials, and continuing at this pace, future generations, that is, our children, will no longer find these gifts from nature. We don't need to work out precise figures; these have already been calculated by international organisations and are in the public domain. On the other hand, what can be saved by using modern technologies in our sector has been published in various publications which you will find quoted on our website.

I wish you all the best and good work.

Augusto Cattani

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