When Italy Exports Technology: A Talk With Paolo Scudieri, CEO of Adler Group

Francesca Giuliani (April 11, 2012)



Scudieri recently visited North America to seal two very important deals for Adler Group: the opening of a virtual reality design laboratory in Philadelphia, and a design and experimentation center in Montreal, Canada. i-Italy discussed these two projects with him, and the importance of innovation for business in the globalized world.

Italy does not only export top quality foods, precious wines, designer items, and the latest fashion creations to the United States.

Although common wisdom holds that the exportation of technology moves from the US to the rest of the world, some excellent Italian firms have the ability to invert that route, especially when enlightened businessmen are at the helm.

It is the case with <u>Adler Group</u> [2], an automotive colossus that specializes in engineering and designing car interiors, from the acoustic components to the seat covers, with the principal aim of maximizing comfort.

The business was founded in 1956 in Ottaviano by Paolo Scudieri's father Achille in one of the toughest neighborhoods of Naples to do business due to the Camorra's heavy presence there. Achille Scudieri was also personally attacked by camorrists, when in 1984 he reported an extortion to the police and was then shot while driving his car. The accident was not deadly, but the memory of it is still very strong today. Adler, in fact, never left Campania, with the intention of having an active role in fighting organized crime by empowering workers and helping the economy to grow.

Achille converted his shirt sewing factory into a polyurethane production plant, following his intuition that this material would have had a fundamental role in making life more comfortable with their countless uses.

The intuition was a very fortunate one, and it was followed by many others: Adler has now over 25 patents and counts 58 plants all over the world.

In the Americas, the group has been active for almost 20 years, and its contribution to the economic growth of the United States' automotive sector has recently been acknowledged by the National Italian American Foundation, which awarded CEO Paolo Scudieri with the <u>NIAF Special Award in International Business</u> [3] in 2011, when Adler opened a manufacturing plant in Detroit that gave work to over 3,000 people in the area.

Scudieri recently visited the United States and Canada to seal two very important deals for Adler Group.

In Philadelphia, he will establish a design laboratory at the <u>College of Science and Technology of Temple University</u> [4], where students from different backgrounds, from medical to engineering, will be able to experiment with virtual reality simulations of the design project, using a technology that will dramatically shorten a process which would normally take 10-15 months.

In Montreal, he met Albert De Luca, President of the <u>Italian Chamber of Commerce in Quebec</u> [5] and Vice-President of <u>Deloitte Canada</u> [6], where he is head of the Research and Development department. With him he discussed the establishment of a Design and Experimentation Center for North America, which will be strategic for Adler Group's activities in the continent, as well as globally.

We met Scudieri at i-Italy's headquarters in New York, after his visit to Philadelphia and before he left for Montreal. Scudieri told us about his excitement for these two North-American projects he just accomplished: "In such a moment of globalization we need to invest in innovation, competitiveness can't just be a matter of costs anymore," he commented.

The Philadelphia virtual laboratory for design is something that will help Scudieri realize his dream of "sitting at a table with our clients and plan the vehicle's characteristics together, as the clients themselves imagine it. It's something that has never been done before and it will give us an intellectual advantage on our competitors, and it will benefit clients that will be able to skip to the implementation stage right away."

Scudieri's brilliant intuition consisted in imagining such a research partnership with the Sbarro Institute, a most important US incubators specifically dedicated to the medical and pharmaceutical industry.

"In order to grow, you can't just focus on your core business anymore, you have to develop a lateral vision and associate with others doing things in fields that may seem unrelated, but that are instead really strategic," he told i-Italy. Medicine students and researchers in fact, focus their studies on the person's well-being, which is what Adler Group designs for the vehicle user: "It's about putting men

at the center: the well being of men in all contexts, including vehicles. On average, we spend 3 hours per day driving. If those 3 hours are spent comfortably, the whole society derives a benefit from it."

Scudieri's ability to combine knowledge from different fields resulted in an innovative and unique project of using carbon, largely employed as a construction material in the aviation industry, to produce cars that will be more sustainable and safer at the same time. "Working in synergy is key," Scudieri said.

Although in his vision "globalization does not equal to delocalization," and although Adler Group still has 7 production plants in Italy, Scudieri told us that his trips to America are always refreshing: "Here I get the energy to go back home and deal with the problems we have there." Scudieri mentions bureaucratic obstacles to doing business, a legal system that is too unresponsive and slow, and little or no reward for investment.

"Italy is still largely absent from the world's dynamics, but I hope that it can change and I believe in the power of the younger generations," he comments, while telling us that his young collaborators are the greatest source of his inspiration to never give up: "We never have to be satisfied, we can never sit back and relax. I look at the youth and I fall in love each time, and I take from them all the strength I need to be competitive."

Scudieri believes that the drivers of the change for Italy will be those younger Italians moving around in the globalized world: "Open-mindedness is what they will bring back, contaminating in the most positive way the Italian reality, too tied to its past."

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Links

- [1] http://ftp.iitaly.org/files/scudieri-niaf1334158942jpg
- [2] http://www.adlergroup.it
- [3] http://www.niaf.org/news/index.asp?id=854
- [4] http://www.temple.edu/cst
- [5] http://www.italchamber.gc.ca
- [6] http://www.deloitte.com/ca