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“Flexibility is needed from suppliers”

Meeting at Piovan with Peter Dal Bo, Group CCO and Sara Masiero, Corporate Communication Manager

? *comPETence: Today we would like to talk about the different PIOVAN technologies, their developments and the strategy behind them. To start in the present with a view to the future: What is already in the pipeline?*

S.M.: We see rapid and healthy growth for the company. At the beginning of this year, the construction work for a new facility built according to sustainable construction criteria and with energy-efficient equipment will start in Santa Maria di Sala (VE). We expect to be able to celebrate the grand opening of this new and modern building in 2019, the year of the K trade fair. With our company Una-Dyn (Universal Dynamics Inc.), Piovan is also looking forward to the completion of a high-tech plant in the US this year.

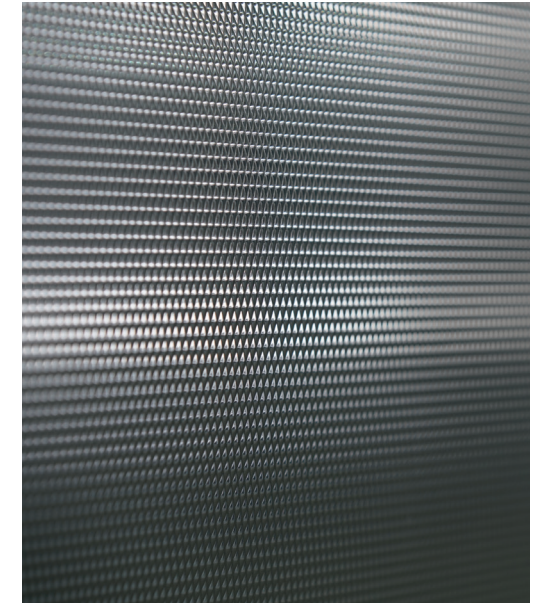
? *Please give us a short overview of Piovan's history.*

S.M.: The Piovan Company is now in its third generation. It was founded in 1934 by Mr Costante Piovan, the grandfather of our President and CEO, Mr Nicola Piovan. In the 1960s, Mr Luigi Piovan ushered in the plastics era. In the 1970s, the company focused on developing its products into systems, designing both machines and the complete factory engineering. Internationalisation also began during this period. In 1989, the headquarters was permanently moved to Santa Maria di Sala, Venice Province.

D.B.: Along with growth and internationalisation, Piovan has focused more and more on the customer's needs. This is the mindset introduced by Mr Nicola Piovan, who made the mission statement “Customers. The core of our innovation” part of the Piovan brand. Today, Piovan is a multinational organisation.

? *This brings us to my next question: Let's talk about Piovan's key topics, its strategy and its plans.*

D.B.: We see very positive market outlooks for the coming year. All of our markets are expected to be at a high level for another couple of years. We have received the same feedback from OEMs and customers. We are also investing in differentiation as Piovan, not only in drying and dosing technology but also in chillers. In the US, we produce mainly Una-Dyn equipment, but we will also manufacture Piovan machines there in order to be more competitive in terms of lead time and to offer faster support to our customers in North America. On top of that, we have plans to expand our business in the field of automated handling systems for food ingredients. So you see, we have a lot of potential to keep on growing in the next three years.



? *What are your plans regarding international business?*

D.B.: We see great potential for growth in North America, but we have also been investing in Southeast Asia, with new subsidiaries and a new local organisation. We already have a strong position in China - where there is Piovan China, with its manufacturing plant in Suzhou near Shanghai - and we aim to bolster our presence there. In addition, we want to focus more on other Far East countries like Japan, Korea and Vietnam. Last but not least, we see good opportunities in Africa as well.

? *How do you see the PIOVAN PET business?*

D.B.: PET is still our core business and we certainly want to remain the leader in this market segment. At the last Drinktec, you saw our AIPC (Automatic Injection Pressure Control) technology. This technology is an upgrade of our Genesys drying system and makes it possible for customers to better control production and quality while also optimising the energy consumption of the complete process. One thing we have been looking at is not only the energy consumption of the dryer itself but of the whole system, i.e. dryer + injection moulding machine. Piovan has always been the leader in energy efficiency for drying technology, especially for PET. Of

course, our competitors focus on this as well. What is different is our approach. Piovan doesn't focus only on resin drying. We invest resources to take a close look at the system as a whole and how its performance can be increased.

? *When can the industry expect the next Piovan innovations for PET?*

D.B.: We do not have plans to launch any major innovations in 2018. Instead, we are targeting the K 2019 as an important milestone for introducing a new generation of dryers and innovative technologies, especially for PET. This year, at the NPE in Orlando, one of the most important events for our industry, we will present Piovan products, such as the Quantum blender, that will be launched in the North American market and produced in the new US facility. Our main focus in 2018 will be on our healthy growth and huge investments in new ambitious projects.

? *What, in your opinion, is driving the optimisation of injection moulding systems? We see a trend toward creating partnerships.*

D.B.: I agree - we have also noticed this trend. And we support it. Basically, partnerships depend on the companies and their strategies. Some are open to sharing their knowledge, while others prefer to develop on their own.

Piovan, by its nature, is always willing to cooperate and to define partnerships in order to develop innovative solutions. This willingness is driven by our strategy of providing maximum support to our customers. We often suggest modifications or solutions that could benefit our customers. In plastics processing, I sometimes think that we have to change our mindset. In the past, we worked with clusters: injection, moulds, dryers and so on. The trend shows that in the future, cooperation will be at the centre of all efforts. Customers are increasingly asking their suppliers to work together to find the best solution. This kind of flexibility is really needed from suppliers.

? *Piovan is experienced in many areas of plastics. Are there synergies?*

D.B.: Definitely. The strength of Piovan is that we have broad knowledge of the plastic industry as a whole. So we definitely take advantage of many synergies - in the packaging, automotive and medical industries and so on. This makes us a valued partner when it comes to optimising systems. Our know-how is certainly an important selling point. But there is also another aspect. We recognise that customers today want to better understand our business, namely the business of what is in front of and behind their own machines.

? *Will digitisation facilitate cooperation?*

D.B.: Yes, I think so. Piovan has been the first in the industry to implement a digital approach with its supervision software. Based on our experience, I am convinced that digitisation offers an opportunity to break out of this sort of "cluster thinking" and cluster technologies - in the future, everything will have to work together. This is coming, even if it is not yet clear how it will happen. The protocols have not yet been clearly defined. There are also a lot of other things that need to be defined and standardised. Once all the auxiliaries and the machinery business are using machines equipped with the OPC UA protocols, big data will be available. But how should we use these data and how do we integrate them? That is the next challenge - and this is the key. So for me, it is very important to be open to and to benefit from a flexible approach. Industry 4.0, the Internet of Things, will help machines to communicate with each other and maybe help us to remove barriers and boundaries, as systems will speak the same language.

? *The aim is to develop the perfect product, the perfect machine or - according to the trend - the perfect system. Do you think Industry 4.0 will lead to a new level of production with regards to flexibility and efficiency?*

D.B.: I strongly believe in the potential of digitisation. This technology with all its possibilities will change the level of efficiency. It will also change our mindset. The change in

mentality will require a lot of effort. In the past, everyone was busy with his own business; there was no thought of integrating things or working together. This will change. We will share a lot, and - on the other hand - we will learn a lot.



In my opinion, end customers already have an idea of the possible paradigm shift and they will challenge us.

? *Let's talk about human resources. Digitisation needs specialists, software engineers. What is the situation at Piovan?*

D.B.: We have a software team that is very well established. It has been a strong team for nearly 20 years. Of course, keeping pace with this evolution is not easy. Today, among all the young technical professionals that we are hiring, the software specialists are the most difficult to find.

S.M.: This is also why we have an educational programme inside the company, called "Vivaio", which is an Italian word that refers to a pool of young skilled talents. The aim is to train and motivate our young employees just after their graduation with our technology and our philosophy of continuous innovation. This is very important to us.

? *Many thanks for this interview.*

DIALOGUE PARTNERS



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