

A focus on the Italian fastener distribution sector

A key feature of Fastener Fair Italy was the free seminar programme that provided valuable insights into technical and regulatory issues currently impacting the fastener market. Here Bruno Troiano, from FrontLine Consulting, gives a summary of his presentation, which focused on the market situation and trends that are changing the fastener distribution sector in Italy.

Italy is one of the six EU founding countries and is the second largest manufacturing country after Germany, in terms of manufacturing levels. In addition, it also ranks sixth among the major exporting countries of fasteners worldwide.

In recent years the Italian fastener distribution market has withstood the 2008 economic crisis, which now appears to be the longest and deepest crisis having exceeded the 1929 one, which lasted four years. The industry mainly consists of Small Medium Enterprises, which include several typical aspects: Organisational and managerial flexibility, ability to operate in niche markets conditions and the continuity of family owned businesses.

These companies have reacted to the economic recession by adjusting costs and increasing efficiency – by adopting streamlined and flexible organisational structures relying on lean management.

A sample survey carried out on distribution companies showed a diverse situation in which, the majority of these companies had suffered in recent years because of poor domestic demand and a decline in profits – in order to maintain market share in presence of fierce competition.

However, the sample showed a number of successful companies were able to seize opportunities brought by the financial crisis and increased sales and consolidated gains.



Bruno Troiano from FrontLine Consulting

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In most cases, these companies pursued a strategy focused on technology, organisational and managerial innovation. Offering both services and warehouse logistics to customers has the consequence of blurring the boundaries between production departments and distribution warehouses. The distributor becomes part of the client's supply chain and is integrated into the operational processes. This trend shifts competition in favour of innovation, customer proximity and brand strength.

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FrontLine Consulting is specialised in business development in the fastener market and family business enterprises. To contact Bruno Troiano email: info@frontlineconsulting.it

