

LAUDATIO FOR SALVATORE RUGGERI

Pavia, 22 11 2010

Honourable Rector, Academic Authorities, Graduands, Distinguished Guests.

I am extremely proud to be performing the pleasurable task of introducing the graduand, Salvatore Ruggeri.

While the apple never falls far from the tree, we can only consciously appreciate Salvatore Ruggeri's professional background, his skills, the results he has achieved and the merits that made the Economics Faculty decide to award him an Honorary Degree by describing his professional career and his work.

Salvatore Ruggeri is an entrepreneur *in the most elevated sense of the term*: with great enterprise and spirit of initiative, putting his technical expertise and knowledge of the market on the line and risking his own capital and his own work, he has constructed a large economic group in the Province of Pavia – VALVITALIA. The group is now soaring in Italy and internationally, not only due to its size but also as a result of its social and cultural involvement, its contribution to employment, its specialisation, innovation, professional growth and relationships with the local environment that it has lavished in the countries it operates in, creating complete consensus from all stakeholders.

The amazing thing about the VALVITALIA GROUP is not so much its present economic dimension but rather, having been established only in 2002, the almost exponential growth of its economic variables.

Beginning with a turnover of 29 million euro in the year it was established, in the following two-year period, VALVITALIA quadrupled its turnover to arrive at 110 million in 2004 and then redoubled that in 2007, when it reached the 265 million euro mark. And that's not all! In 2009, despite the global crisis, it stabilised at a massive 353 million euro, continuing this run in 2010.

The growth of employment has been just as rapid: in 2002, VALVITALIA had 234 employees, which grew to 652 in 2006, and it now numbers 1000 employees.

These growth figures are even more sensational if we consider the fact that they derive from high technology production – valves and fittings for oil and gas pipelines – for extremely specialised markets. By the very nature of the manufactured items and its distinctive use in extreme conditions, this production requires not only cutting-edge design and construction technology, but also an extremely advanced structural quality control system that only very few companies possess.

In addition to its growth in size and quantity, VALVITALIA has also implemented a remarkable geographical expansion and from its purely Italian origins it has now become an international group, operating worldwide, with 13 factories (five in Italy and the others operating in England, China, India, Canada, Russia, Brazil, Saudi Arabia and the Arab Emirates) and with sales offices in key centres, where leading gas and oil operators are active – Ho Chi Minh City, Abu Dhabi, Beijing, Houston, Lugano, New Delhi, Kuala Lumpur, Moscow, Calgary and Alger.

This entrepreneurial success is not only based on an uncommon innovative insight, it is mainly attributable to an extremely solid background of knowledge and management experience that

Salvatore Ruggeri built up during his long, flourishing career and that, by transferring all of this into Valvitalia, enabled him to set up a business model based on three successful hunches, giving the company a solid, long-lasting competitive advantage.

His **first hunch** was to abandon the single-centred vision of having production concentrated in one factory only, whether super-specialised or not, to give rise to an *Extended Production Enterprise* model, grouping into one production network other qualified companies operating locally and, at the same time, locating production and innovation in different sites, with a central regulator – the headquarters in Rivanazzano – that can manage a complete supply chain created by the *Extended Enterprise*.

His **second hunch** was to group together manufacturers specialising in different items under a single economic umbrella, setting up the *one stop shop* business model to offer a complete *product catalogue* with such a wide range of items that market operators can converge all their orders onto Valvitalia as sole supplier.

His **third hunch** was to abandon the mere *hard* product concept and replace it with *soft conceived production*. No matter how high their quality, technical manufactured pieces, valves and fittings can be copied; but the thing that distinguishes the Valvitalia production is that it is inseparably integrated with the inimitable *specialist know-how* of the installation, maintenance, repair and replacement services, provided on site through units located with the *hard conceived* product users.

I would now like to explain how entrepreneurial vision and success – that I have just explained – derive from Salvatore Ruggeri's highly prestigious, international ranging management experience during the early decades of his professional career.

Forced by family necessity to drop out of his Economics studies at the University of Messina, in 1969 he began working in the delicate area of management control; and it was that first position that laid the grounds for his knowledge of the management mechanisms presiding over the production of value in enterprises.

He showed such professionalism and tenacity in this specialised and vital position that, after a few years, he was promoted to the position of Controller, then *Vice President Finance* for Grove Italia, a company manufacturing mainline ball valves for large installations, expanding his knowledge to the vital mechanisms of corporate finance.

His management preparation was completed with increasingly qualified experience at the organisational and strategic level of the business activity.

In 1986, precisely because of the broad spectrum of management skills demonstrated in the positions he had held until then, Grove Italia assigned him to restructure one of the Group companies located in California – so Salvatore Ruggeri moved to the United States and stayed there for more than one year.

This high level professional experience brought the Italian manager into contact with the American entrepreneurial world, enabling him to share the values and know-how of overseas managers, and draw on their experiences.

The total success of this operation was duly recognised and when he returned to Italy in 1987, Salvatore Ruggeri was appointed General Manager of the Grove Group; in this top management role he very noticeably grew the Group, bringing it to the top of the Italian metalworking and

mechanical engineering sector and at the same time turning it into a global benchmark in the industrial valves sector.

When he was 44 years old, Ruggeri was the head of an economic group composed of nine production units located in Italy, the United Kingdom and the USA, with 1,200 employees and a turnover of more than 300 million dollars.

Just a few years later, in 1993, with a far-sighted hunch he promoted a *management buy out* operation through which the Grove management obtained control of the parent and, in 1995, he concretised the transfer of the Grove Group to *Dresser Industries*. In recognition of his professionalism, he was co-opted onto the Executive Board of the large American group and was also asked to be President of the *Dresser Energy Valve Division*, a *strategic business unit* operating in Italy with local business activities in Europe and North America; he then became the director of **Dresser Flow Control**, a “giant” international division under the full control of Salvatore Ruggeri.

Therefore, in a completely entrepreneurial role, Salvatore Ruggeri was managing a business worth to the order of 700 million dollars, with 33 production units and services centres located in every strategic region in the world, employing 3300 people and with sales that penetrated some 120 countries.

In this position, he managed to organise and lead people with profoundly diverse cultural backgrounds, in a unitary corporate project, as proof, even then, of his transnational business vision, which was then realised in VALVITALIA.

So now we can clearly “interpret” the establishment of Valvitalia in 2002 as the “natural”, almost inevitable final evolutionary step of Salvatore Ruggeri’s entire instructive path, which led him to mature and to make his business idea come true, giving rise to an Italian centre of valves, systems, fittings and supplementary products at the service of the natural gas, oil and electricity industry, which is placed fifth in the world in this sector and is one of the 500 largest enterprises in Italy.

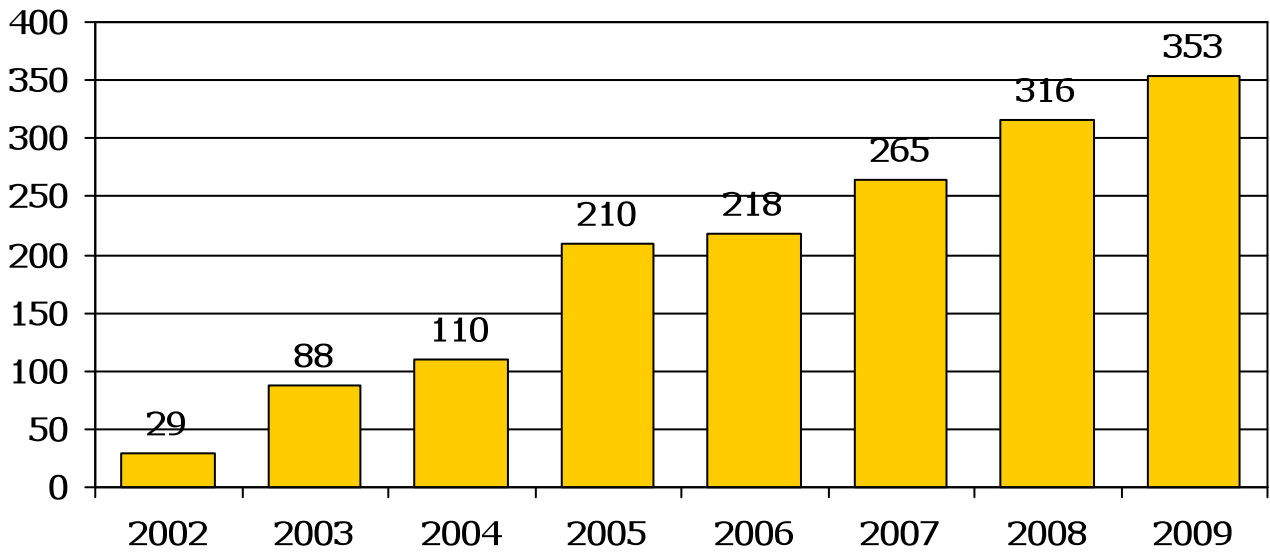
Just this brief mention of Salvatore Ruggeri’s professional and cultural background, shows why we shouldn’t be surprised by the success of Valvitalia and by its growth and expansion. This is not the result of particularly favourable accidental circumstances, of a positive economic situation in the market, of good opportunities “grasped immediately” – they are the result of the spirit of enterprise, consolidated by the extremely important technical know-how that this person has built up and refined through his long professional career. Justifiably, in 2009, in recognition of Salvatore Ruggeri’s fine merit in his business activities, Giorgio Napolitano, President of the Republic of Italy awarded him the prestigious title of Cavaliere del Lavoro, the highest Italian honour conferred

Honourable Rector, Distinguished Dean of the Economics Faculty,

since the dictate of article 169, in consolidating act 1592/1933, establishes that a "Laurea Honoris causa" may only be conferred to people whose work or publications have resulted in them deserving a singular assessment in the subjects of the Faculty it is conferred for, I believe that Salvatore Ruggeri’s curriculum and his accomplishments are tangible, incontrovertible proof of the expertise that he has acquired in the international management and business areas, for which the Economics Faculty aspires to educate excellent graduates.

I therefore request that the application of the Economics Faculty to confer an honorary degree in International Business and Economics to Salvatore Ruggeri be confirmed.

Turnover in millions of euro 2002 – 2009



Number of employees

