

Constant growth in Italy, reaching a turnover of 285 million, 1,000 employees and a net profit of 9 million. Then foreign expansion, from Serbia to the USA, from Germany to Ukraine. An unusual corporate story in the publishing industry featuring linguistic barriers that have never favoured internationalisation. Sergio Giunti spoke to **east** about it

Giunti, how to become a glocalist with books

GLOCALIST LEADERS 2

edited by Guido Vigna



As a child he dreamt of becoming a bookmaker, but destiny, which in his case came in the shape of his strict father, had decided otherwise. His father was a publisher and so would his son be: thus Sergio Giunti became and still is a publisher. A big publisher one may say, talking about bookmakers, with many bets won. Because the Giunti group, which consists of more than just books, can boast an impressive series of firsts, which Sergio Giunti, born in 1937, tells us about with a certain indifference, as a true gentleman, with his

slightly refined look and a mild touch of carelessness.

Thanks to Dami, the group is number one in Italy in the publishing sector for children and one of the first for young people. With the acquisition of Nada, it is also the leader in the automotive publishing sector. It is uncontested in the manual sector and a leader in Europe for cookery. With the purchase of 50% of the publishing house of the Touring club italiano (Italian Touring Club) a few months ago, it has also risen to the highest levels in tourism publications. That is not all: Giunti is the most international Italian group around since, acquisition by acquisition, it is putting down roots throughout the old continent, and even overseas. Plus, if we look at bookshops, it is number one with its chain ingeniously called "Giunti al punto" (Getting to the point). At the beginning of 2007, there were 138 throughout Italy, probably increasing in number as we write. A short-term plan has also already been defined for the invasion of the Eastern European market.

Getting back to what we were saying, Giunti does not just mean books, as Giunti OS, (OS stands for Special Organizations) testifies, by being a leader in Italy and among the top companies in Europe for instruments for psychological assessment. Giunti labs, a leading provider of new educational technologies, has a research laboratory which is hard to match in Europe; with an office in Boston, and others to be opened soon in England, Germany, Scandinavia and Holland.

Without forgetting that today Giunti also means the names that have written the history of the great Italian publishing sector, such as Bemporad, Martello and Marzocco. There are also the graphics centres of Prato, which are state-of-the-art in composition and printing.

All told, this man, dressed as a country gentleman, who couldn't be more Florentine than he is, who answers to the name Sergio Giunti, has a great story to tell.

Let's start with the youthful dreams. It is true you wanted to be a bookmaker when you were young?

Absolutely. My academic record was in no way exceptional but at least it was fast. I finished high school at seventeen. I was a lazy student. I liked playing cards, horse racing, only the trot though; I liked gambling. I would bet on anything. I had no desire to study. One day my father, who was very strict, made a friend of the family, a psychologist, ask me what I wanted to do when I grew up. I answered innocently "a bookmaker", just like I am saying it now. I liked risk and wanted to become rich overnight.

How did it end?

When my father was told about my desire, he showed me a newspaper report on a publisher, Angelo Rizzoli, who was one of the top tax-payers. Plus the profession of publisher was second to none concerning risk taking. I gave in.

What did you do then?

I enrolled at university and graduated in political sciences here in Florence, and then took the same path as my father.

Was your father also following in his father's footsteps?

No. My father, Renato Giunti, started as a clerk for Le Monnier. In 1935 he changed to Bemporad, becoming managing director and general director. At the beginning of the nineteen hundreds Bemporad was a large publishing house and had authority even at a European level. Then a crisis, combined with racial laws, caused it to change its name. It became Marzocco. My father purchased Marzocco in 1955 or maybe 1956, and re-named it Bemporad. Before this acquisition, he had already founded Universitaria editrice.

Which, I would imagine printed university texts...

Not only. Universitaria editrice has a place in the history of books because it brought psychology to Italy.

So, basically, while you dreamt of becoming a bookmaker and began working as a publisher alongside your father, Giunti had already reached a certain position.

Although sales mainly came from educational texts, Giunti had a portfolio of large publishing names: Bemporad, Marzocco, Martello.

Also Martello?

Martello too. We bought it in 1970. Nobody remembers it now, but it used to be a fine publishing house. Based in Milan, it had a brilliant collection of great narrative names. Its catalogue included Cronin and Hermann Hesse. We purchased Martello because I dreamt of supporting great literature as a publisher. Unfortunately this dream faded away quickly as we did not manage to block the copyrights of Martello's authors in time. We lost them all and Martello just became a nice name with a nice past. A serious blow, with more to come.

Really? Go on.

I am referring to our adventure with magazines between 1984 and 1986. In the meantime my father had died, and, from 1980, I was guiding Giunti. We already had "Psicologia contemporanea" (*Contemporary Psychology*) and "Vita scolastica" (*School Life*), two magazines which sold well and caused us no problems. For example "Vita scolastica", a fortnightly available only through subscription, has an impressive 65,000 subscribers. These two niche magazines were not enough for me; I wanted cultural magazines, written by great names and understood by all. Thus "Scienza e dossier" (*Science and Reports*), "Musica e dossier" (*Music and Reports*), "Storia e dossier" (*History and Reports*), "Arte e dossier" (*Art and Reports*), "Medicina e dossier" (*Medicine and Reports*) were born, with great writers like Maurizio Calvesi, Romano Vlad, Rita Levi Montalcini, Giorgio Tecce, Jacques Le Goff.

The results?

“Arte e dossier” is the only one remaining of the five magazines I had very ambitiously started with. Okay there is also “Archeologia viva” (*Archeology Alive*), a wonderful publication, but I did not find it, I bought it from a small publisher.

A failure...

I held out for a few years, almost twenty with “Storia e dossier”, then, faced with hopeless financial results, there was no other option than closure.

Not a great start as a publisher...

To be honest with you, my start had been in the Sixties, with another adventure, and this one ended happily.



Please tell me more...

The Leonardo editions. An adventure that lasted almost forty years. For the first time the immense work of Leonardo da Vinci was being published in facsimile by Giunti.

Let's go back to the magazines. You mentioned appalling financial results. Do you mean that you closed in the red in those years?

No. I have always earned, maybe not much, but something was always left at the end of the year. You see, I did not and do not have a rich family behind me. So, without profits, there is no market and no hope for expansion by acquiring or founding companies. It was in those years, which witnessed the decline of the magazines I had dreamt so much about, that I purchased Demetra.

What was it?

A small publisher from Verona specialised in high level handbooks. Its bookshops were completely new, a lot simpler than the traditional or great chains' bookshops. Demetra changed us a lot.

How?

It gave us a real popular outlook. Before, Giunti was making books that were far too difficult; with Demetra we got in touch with the people. In Italy there is always the same problem...

What problem?

Getting people to read. When I began as a publisher, I was told that people who regularly visit bookshops in Italy – therefore hard-core readers – numbered between one and one and a half million. The other day I read in a newspaper that the percentage of Italians who buy books is 3 percent. If you do the maths, the fact is that in forty years the number of readers has not increased in Italy. And what does this mean? That something is not working. If the problem is getting people to read, and it is, I think we must try anything. The fact is, I start cultivating readers right from childhood. This is why I purchased Dami. If a child gets bored of a book and switches on the television or videogame console, we have committed a serious crime. I must provide books which are not boring so that children keep reading as they get older; and, as they get older, I must provide books which are easy to understand and give value for money. Our bookshops are based on this philosophy. I have to say that if Demetra has given us a lot, we have given a lot back: we raised the standards. At least I believe so.

With the acquisition of Demetra, you've ended up with a notable number of bookshops. And you've continued to open more...

Sure, we continued opening bookshops, following the Demetra philosophy together with the Giunti sensitivity. Our shop windows are mostly placed in highly visual areas, including stations and airports.

And you have kept on purchasing publishers...

Exactly. Either 100% or 50 percent. We wholly own Dami, the publisher for children

and adolescents. We own 50% of Nada, just like Touring Club. With these acquisitions, our group is the third Italian publisher together with Longanesi. Third place, and in Florence, where the entire publishing industry, which developed between the 19th century and the beginning of the 20th, was colonised. Giunti excluded, obviously.

Having conquered Italy, you have started looking abroad...

You could put it this way...

What strategy did you employ?

When I started thinking about foreign projects, Eastern Europe was the obvious choice.

Did you perform market research?

We did not do any market research. I started based on the consideration that Eastern Europeans have a high level of culture and a

traditionally high number of readers, but with no real publishing organization, as an effect of the past. We started with Serbia.

In what way?

By purchasing 50% of a small publisher, which I have the intention of expanding into neighbouring countries. We are deep into negotiations with Hungary and Ukraine and from there we could go to Russia. Other nearly-concluded negotiations are being held in Portugal.

Which books do you offer?

A large part of our catalogue: children's books, books for teenagers, and manuals. Obviously adapting them to local tastes and culture. However, in Serbia we have also been buying up authors of contemporary literature.

Do you change the management when you make purchases abroad?

No. It's not worthwhile. I decide the strategy, the manager makes it happen. Obviously we are in control.

You have certainly done a lot. Do you have anything else planned?

A publisher must never stop dreaming. And I do not like to impose limits. I want to be able to say something with the great literature, which I have not done yet. In May we will be launching Blu, Biblioteca letteratura universale (ULL, Universal Literature Library).

Have you ever thought about the stock exchange?

Never. We have enough resources, and with no strings attached. I am proud of my publishing house also because it is absolutely independent.

Is there another publisher like you in Italy?

I do not think so.

HISTORICAL NAMES IN THE PUBLISHING SECTOR

Bemporad, Marzocco and Martello are names which belong to the finest Italian publishers and are part of the Giunti group. Bemporad is the most sparkling. It is the publishing house which in 1890 superseded Paggi for the publication of the *Avventure di Pinocchio* (*Adventures of Pinocchio*) by Collodi, an amazing success right from the beginning, when the *Adventures* appeared in 1881 in the "Giornale per i bambini" (*Children's Newspaper*), which reached sales of 25,000 copies per issue, an extraordinary record for those times. Collodi was followed by other writers such as Emilio Salgari and Vamba, the author of another children's classic, *Gian Burrasca*, which with Giunti should have now reached the one hundred and twentieth edition. Due to racial laws, Bemporad, facing a long-lasting crisis, was forced to change its name, even though it no longer had a Jewish owner, to become Marzocco. It was Renato Giunti, once he became the owner of Marzocco, who re-named it Bemporad. Martello was founded by a genial and extravagant man from Milan. Though short-lived, it stood out for the wealth of refined leading names in global contemporary literature proposed in two collections: La Piramide (The Pyramid) and Il Cormorano (The Cormorant).

THE GROUP IN NUMBERS

Giunti was founded in:	1841
Turnover:	285.2 million euros
Net profit:	around 9 million euros
Employees:	938
Foreign countries:	United States, Serbia, Sweden, Hungary, Germany, Holland, Bulgaria, England, Portugal, Poland, Ukraine.