

In 1979 Piero Cecchini, a young hotel-keeper in Cattolica, invented a digital signal transmission system that would make use of existing electricity cables. Today the lamps that light up Mecca during the time of the Haj pil-

# The Italian who brings light to Mecca

GLOCALIST LEADERS

edited by Antonio Barbangelo

grimage, the street lights of Buenos Aires, Barcelona and other cities around the world are operated by a remote control system that is entirely Italian. Cecchini's company, Umpi, exports to a dozen countries and...

**A**ll his friends laugh when he tells them that Cattolica controls the lights in 2 such iconic Islamic cities as Medina and Mecca in Saudi Arabia. But Piero Cecchini, the owner of Umpi Elettronica, explains that the electric devices his company produces can also be found in Buenos Aires and San Isidoro in Argentina, in the port of Bremen in Germany, in railway stations and several road tunnels in Austria, along the motorways of Wales and Scotland, in Andorra and Granada in Spain, as well as in other places in Europe. And, of course, in many Italian cities, including Venice. Cecchini, born in Cattolica (Rimini) in 1945, is the chairman and founder of Umpi Elettronica, the company that produces electronic devices (hardware and software) using communication techniques based on so-called "conveyor bands". In practice, this is equipment that transmits signals across existing electricity networks, without the need to make holes and run cables through walls, yet it can be installed in complex constructions such as ports, underground tunnels or outdoor public lighting systems in major cities in Northern Europe. In 2006, Umpi had a turnover of 4.5 million, a growth of 70% compared to 2005. Estimated proceeds for 2007 are around 6

million. The company employs 30 people and 25% of its turnover comes from exports (2006). "Production takes place entirely in Italy", Cecchini explains, "just 5 km from our head office in Cattolica, which houses the R&D and Sales Departments". The company, based in the Romagna area, developed from an idea Cecchini had in 1982 when he was trying to reduce electrical installation costs in his family's hotel. In 1979, having searched in vain, in Italy and abroad, for feasible alternatives to everlastingly putting in more wiring for new service and security systems, the present chairman of Umpi thought of investing part of his savings in developing reliable transmitters and receivers that would use the existing electricity network to control sensors and actuators (the "conveyor bands" are also known as "power lines"). Objective: to reduce installation costs and create a multi-functional system that would work with all the services.

## **2007 is a turning point for your business...**

We are reorganising the Group. This year will see the creation of a holding company, Umpi Group. I hold 85% and the remaining 15% is in the hands of Alberto Grossi, the engineer who has given us the benefit of his valuable technical assistance



ever since the company was set up. The subsidiaries are: Umpi Elettronica Srl; Umpi R&D, which handles research and development, and Accaesse, which operates in the building automation and home automation sectors.

**Everything began with a small technical revolution at your hotel...**

I come from a family of building developers. We built many of the hotels in Cattolica. In 1979 I was looking for a system for one of the hotels we had built, one that we managed. That was in the days of the first microprocessors and digital technology. The first pilot plant we fitted in our hotel was very successful.

**So what did you decide to do?**

Right away, I saw a great future for the growth of that kind of technology and I decided to invest in it. Naturally, the first market was the hotels, for the emergency alarms in bathrooms, technical and fire-alarm controls. Later, when I knew more about the subject and we had set up our own R&D section, I found there was a vast range of markets to explore. Alberto Grossi's technical assistance has been vital.

**What about the company?**

Umpi Elettronica Srl came into being in 1982, three years after my initial idea, when we obtained the "patent for power line bathroom alarm systems using power bands". Two years later we had equipped around 300 hotels in Italy with Umpi technology.

**Is your company in an area of particularly high production?**

We're in Cattolica, an industrial centre where there are also a lot of craft businesses, but our particular sector doesn't have any benchmarks in Italy, nor any areas specialising in our type of work.

**Is research a high priority?**

We employ 8 full-time electronics engineers and 2 electronics technicians in R&D. 6 of those work on hardware research and 4 on software. Research currently accounts for 15% of our turnover.

**When did you begin exporting?**

We began in 1986, to Germany and France first of all. That was also the year when we brought out our first range of Building products using PLC and "Bus"

technology for integrated systems: by that I mean intrusion- and fire-detection devices and technical controls. 2 years later our technology was used to equip the Gran Sasso Tunnel, the system used to call ushers in the Senate House, the Sofim production plant, the Gross Exhibition Centre in Rimini, traffic control systems, etc. Another 2 years went by and then we installed the first experimental prototype remote control system on 100 street lights on the Brussels ring road.

**What next?**

In 1992 came the first generation “Minos System” and the pilot installations that went with it.

**What’s that?**

“Minos System” is Umpi Elettronica’s main product. It’s a patented remote control system for outdoor public lighting installations. A remote computer can be used to control and inspect all the components that make up any lighting installation. The system can be used in ports, airports, railway stations, along motorways, in tunnels, industrial centres, etc.

**Does it save much?**

Minos saves on energy and maintenance. Maintenance, because everything is remote controlled, and the average energy saving is 35 percent.

**Do Italian cities still waste much on lighting?**

There’s waste all over the world. You have to remember that the cost of public lighting accounts for the third or fourth expense on the balance sheet in every community in the world. In Italy a single lighting point – that’s one street lamp – costs on average 130 a year, including maintenance. With a few exceptions, there are no remote diagnostic systems. A great deal of electricity is wasted because of technical faults of some kind. For example, condensers that go wrong. In Italy there are around 10 million lighting points.

**What other innovative products does Umpi make?**

As well as the “Minos System”, we have another system, “Sirius”, and the “Proxi”

range, which are aimed at both public and private building installations. Then there are “Minos Homeland” and “Gipiexe” for local authorities, transport companies and insurers. We’re also looking at other systems. We have 3 European patents for industrial inventions; also TUV Quality Certification under Uni En 9001/2000.

**You have important contacts. Are any of them City Mayors?**

Yes, mayors and councillors. Often it’s the councillors who are responsible for the budget, not so much those who look after the public building sector, because what we’re talking about is savings. In Italy our sales staff approach communities, rail companies, service management companies, local authority-run concerns, installers, etc. direct. We’re strengthening our Sales organisation to use a trickle-down strategy with the 8,120 Italian municipalities and the major institutions, and to branch out into the service sector and industry.

**Do you know the public authority representatives and your clients personally? Even those abroad?**

Yes, certainly. I have had the opportunity to meet many of our foreign clients, including those from public authorities. I know a number of mayors in towns and large cities, in more or less every country, and I’m on very good terms with some of them outside of business too.

**What significant differences have you come across in recent years between public and private clients?**

In a nutshell: public clients take a long time to decide and to pay, but you can be sure they will pay. Private clients decide more quickly and are not as slow to pay, but there’s a much greater risk that they won’t pay at all.

**Is there a difference between clients in Italy and abroad?**

All our foreign sales are handled by importers who distribute products that use Umpi technology. Foreign market requirements are more or less the same as those in Italy. We are looking for large partners who can help us penetrate their territories with all the Umpi ranges and

we're also looking at joint venture arrangements.

### **Staying abroad, can you tell us about the sales set-up?**

Outside Italy we have distributors that are independent companies. They're subject to the legislation of their own countries. The management and staff are not employed by Umpi. There's an organisation like this in each country we export to. They're small firms of 4 to 6 people.

### **How does the arrangement work?**

The staff in those firms learn the basics here with us in Cattolica. Of course, we have to be very strict about who we choose; usually they are people with technical knowledge, but also with a liking for innovation and a penchant for marketing. There's a kind of "route" with obligatory steps they have to follow. For example, there's a 6 month trial period before the first agreement is signed, then a few more months training and technical preparation for the staff of the foreign sales company. In the beginning it used to take 2 years to get an organisation ready in any given country. Now things are a bit quicker. The foreign firms act as our "antennae" to sound out the market in a particular country, but also in the surrounding areas.

### **Where are your distributors?**

We're represented in 12 countries: Argentina, Saudi Arabia, Austria, Belgium, France, Germany, Greece, the Czech Republic, the UK, Romania, Slovakia and Spain.

### **After the first steps in Germany and France, where did you go next?**

We've been exporting to Spain since 1989. Then, the year after, Belgium, Norway and the Czech Republic. We discovered a lot abroad and we learnt that without the proper means of financial support it's a good idea to be cautious and wait for the right moment.

### **It wasn't until 1989, after the fall of the Berlin Wall that you moved into Eastern Europe...**

No. We were there even before the events in November of that historic year. We had

signed 2 preliminary agreements with the Ukrspez Automatica Group in Kiev to take our part-finished products and the value was over 20 billion liras. They were able to pay in roubles but the currency wasn't convertible then and we couldn't get any backup from Italian institutions. So we had to withdraw from the deal.

### **Have any foreign companies tried to imitate your products?**

The Umpi brand is registered in Europe but not worldwide. So far we don't know of any attempts to copy our brand.

### **What's your next target?**

The countries that are coming to us. We have a list of about 10. We'll soon be setting up with firms in Turkey, Scandinavia and Peru. Then it will be the turn of Brazil, which nowadays is "followed" closely by companies in Argentina, Malaysia and Korea. As for Europe, we'll be planting our next flag in Slovenia.

### **What about North America?**

In the USA, we'll be in Maryland in the very near future.

### **And China?**

We think it could be an attractive market but the economic situation and other circumstances in China are so particular that we are thinking of going in there as a consortium with 3 other Italian companies. We have to remember we are still a small company. Every country deserves proper preparation and research which takes years. In some countries our technology is considered very advanced. We're also looking for business relationships that will very quickly let us get into areas we can't reach on our own. Our real enemy is time. ■■■■

## THE GROUP IN NUMBERS

Established:	1982
Turnover 2006:	4.5 million
Net consolidated profits 2006:	31,127 million
Number of employees:	30
Main foreign markets:	Argentina, Saudi Arabia, France, Germany, Greece, Romania, Slovakia, Spain, United Kingdom.