

LOCCIONI: THE MARCHE REGION RELAUNCH

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Topicality: *Nowadays, the solid relationship between companies and their territories is a viable strategy from an economic point of view.*

Purpose: *The aim of this paper is to investigate how some companies could relaunch the economy of the region and the area in which they are located.*

Research: *The study is based on the analysis of Loccioni company. Born in 1968 thanks to the innovative ideas of its entrepreneur. Nowadays, it is one of the most known enterprise in Italy. Its strong suit is based on the innovative push and on the strong connection with the territory.*

Method: *Thanks to a qualitative study started in 2020, it was possible to understand how this enterprise has grown in few years and how it has gained a worldwide connection of customers, suppliers, and partners. Their innovative push and strategy enabled the creation of different business area. All these elements bring the Loccioni enterprise to open many international branches and to collaborate with customers like Volkswagen, Siemens and other high-level clients.*

Results: *The study has given the chance to understand that the entrepreneurial system is crucial for relaunching the geographic area where the companies are settled. Moreover, the territory in which this company is located, represents the principal background of many projects which are based on the revaluation and improvement of the countryside, that became an important characteristic of the region, not just for the company but for all its stakeholders.*

Key Words: *Territory, economic area, environment sustainability, partnerships, stakeholders, strategy, Business to Business, Customer relationship management.*

JEL classification: *G34, M14, O18*

Introduction

In Italy the territory where an enterprise is located represents an important element to take into consideration for its success, as well as a fundamental aspect in order to be competitive in the reference market. This importance largely derives from the consideration given to sustainable economy. In the last decades, sustainability has become a crucial theme to succeed. The projects connected with the territory give positive synergies to the enterprises to have a better competitive advantage and improve the economy of the area where it is located.

Nowadays, several organizations have understood the need to manage the territory and make it a fundamental part of their strategy. Using this approach, the community stakeholders' satisfaction is the objective, but it is possible to achieve many other goals, such as the social and economic ones. As regards the stakeholders, their importance is well known in today strategies and their satisfaction is the key for the organization's success. Hence, it is always more important knowing how to deal with the stakeholders. They undergo the consequences of the activities carried out by the enterprises. Besides, they are ever more involved in the territory management (Johnson et al., 2017). During the years the

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territory management changed, becoming a real strategy to be followed, not just a necessary action to satisfy a particular group of people. This different vision of the territory has characterized a lot of Italian organization's strategies. The vision is changed because of different laws, such as the ones connected to the pollution management. Besides, a huge number of organizations picked up how important the territory management is. This is known as *the shaper of society approach* (Ibidem. Johnson et al., 2017), a particular attitude that highlights as the social role is the most important and also the last aim of the enterprise. This vision is totally different from the one taken by less innovative enterprises; they consider the financial elements as the most important achievable goal. The organizations that embody this philosophy are considered as visionary, described as the future successful enterprises.

In addition, another characteristic in the Italian organizational net is a well-known phenomenon: "the Industrial district". It defines a strong connection between numerous enterprises located in a restricted area. However, this phenomenon gives the possibility to create a strong entrepreneurial net. The Italian economic districts could be seen as the answer to the crisis of the 70's (Palmi, 2013). Districts are a connection of different enterprises that are present in a restricted area and each organization is responsible and specialized in a specific production phase (Corò et al., 1999). Researchers claim that this strategy allowed Small and Medium Enterprises (SME) to succeed in the international market and to be competitive. At the same time, it was launched for the first time the *Made in Italy concept*. In the district theory, the territory is one of the most important elements, because it allows the connection of different organizations and their development real. Moreover, in the last decades the focus of this visionary enterprises moved from the well-known Corporate Social Responsibilities (CSR) to the new Territorial Social Responsibilities (TSR) (Del Baldo et al., 2016). This adjustment was powered by two main reasons:

- the organizations consciousness on the importance of a sustainable management.
- the improvement of national and international laws that established limits on pollution and regulated the territory management.

Based on this evidence, the aim of this paper is to clarify how the surroundings around an organization play a vital role in order to improve the economy of a geographical area. One of the most clamorous examples is Marche region. Marche came up with some useful economic actions in order to relaunch its territory and economy. During the last years the EU has provided some guidelines to achieve common goals, as an example the European Agenda 2030 (ONU, 2015). Most of them were based on the revaluation of the territory and a more sustainable development. Furthermore, it is interesting to understand how Marche region has implemented these policies. This region is particularly involved in achieving these goals and the main reasons relate to its structure. It is characterized by different SMEs that usually create functional districts. Moreover, the territory is strongly connected with its traditions.

The research analyses the Loccioni Group, that represents an important case of connection with one of the districts of the Marche region, the Fabrianese mechanical automation district. It enhances a growth in the enterprise that has become one of the most relevant organizations in the Italian scenario. Loccioni, during the years, has based a large part of its strategy on the territory, seen as an essential component to long-term success. Nowadays Loccioni is disconnected from the original district and has become an international company that produces control system for the industrial production. It is evident that the participation in the district has permitted its evolution and internationalization. This evolution gave the chance to the enterprise to focus part of its mission on the nearby area, creating positive synergies not just for itself, but also for the community stakeholders.

The study tries to verify the following hypothesis:

H1: The importance given to the territory around the enterprise could be a winning strategy to obtain important and international clients.

H2: The acquiring of these could be a method to relaunch and reevaluate the geographic area in an economic way.

The paper is composed by six sections, including the introduction. In the literature review are analyzed two of the major elements that grant the enterprise to achieve a high level of success and internationalization. In the third part, the enterprise is described analyzing the main projects which have awarded it an international fame. Then, it is described also the research methodology. The main results are illustrated in the fifth section. Finally, in the conclusion the results are discussed, and future developments are proposed.

Literature Review

The research is focused on the Loccioni Group, that operates in the Business to Business (BtoB) market and uses the Customer Relationship Management (CRM) software to manage its clients.

The BtoB market is opposed to the Business to Consumer (BtoC) market. This dichotomy is fundamental to consider because are described two different working methods and strategies. In the BtoC the group of clients is larger, the products differentiation is less perceptible and expensive when a client asks for it: it is difficult to create a personalized output for each type of client. On the other hand, these difficulties which characterized the BtoC market, could be seen as the most important aspects of the BtoB market. It follows that, the number of clients is lower and the enterprise can focus its attention on the necessities and problems of clients, providing them tailor-made solutions. The sharing of know-how and capacities is a key factor for who operates in a BtoB context, using synergies that result in collaboration established between suppliers and client. Generally, the enterprise, operating in a BtoB market, usually bases its work on the troubleshooting of problems, which are common in niches market. The aim of these strategies is to overcome high level technology challenges, taking advantage from innovative solutions. Undoubtedly, one of them is to create strong partnership networks.

The Customer Relationship Management is defined as a software by which is possible to build a philosophy based on creating synergies (Ibrahim et al., 2011). The enterprises have all the useful information to collaborate also with partners and stakeholders. The software can be modified by each organization with the aim to realize an adaptable tool for every circumstance. Therefore, it helps all the employees to track the necessities of clients and to offer satisfying solutions. Its history describes the many changes that this software had during the years. It was created to be a customer's database, but now is the key element to create innovative output, thanks to its evolution: a network that connects the enterprise with the stakeholders. The CRM creates a business culture client-oriented, by which is possible to define a strategy to have a better economic return, to acquire and to maintain customers, thanks to an information application (ibidem. Ibrahim et al., 2011). These strategies are fundamental factors to create a huge network of stakeholders, partners, clients that helps the enterprise to achieve its goals.

The Purpose Of Research

The Loccioni enterprise carried out lots of projects connected with the territorial area where it is located. Thanks to the analysis of these projects results, it was evident that the territory and environment management is the key to success. In some cases, the starting point of projects could not be related to the core of the business, and it may result in some difficulties. What could be crucial are a strong base, but also durable and solid partnerships.

Operating in the BtoB market and using the CRM software have allowed enterprises to create the solid network of partners and to share know-how. In a BtoB context the clients' choice is essential: they could be chosen by the organization because of their different or innovative characteristics that support the enterprise in developing different capabilities and knowledge. In this context, the enterprises following the know-how ideology usually do not work with a large number of clients, but they chose the ones who have specific characteristics. Nowadays, the partner's innovative action is necessary to outline new satisfying solutions and let the enterprise to experiment new ideas and projects. Afterwards, the use of CRM is decisive to obtain information about all the stakeholders and

partner connected with the organization. Due to this tool, it is easier to understand the necessities not yet satisfied and find a way to solve them.

However, taking advantage from software like the CRM or adopting strategy on the BtoB markets is the key to create solid partnership, to gain clients from all over the world and activate innovative projects connected with the territory's evaluation and the environmental sustainability. All of this could be seen as the enterprise's competitive advantage.

Research Methodology

The analysis is focused on the Loccioni enterprise. It analyzes how this organization revalues the surrounding areas from an economic and environmental point of view.

The research is the result of a period of study started on March 2020 and lasted till July 2020. During this time, it was easy to be strictly connected to the Loccioni reality, and it was brought to light the way this company works and the projects that led it to success. The first part of the research being in the field analyzing closely the enterprise's activities. Due to Covid-19 the research progressed through a telematic way. Thanks to this time, it was possible to make qualitative analysis of the innovative method used by the entrepreneur and his employees. This case study gives the chance to be aware of the importance of the environment's care in order to be competitive.

In the first phase, the direct interview and the qualitative method were used for different reasons. Firstly, to understand the vision of the enterprise and then it was essential to discuss with projects managers and planning and control area. From the beginning of the study till the end, it became clear if both the hypothesis were valid and demonstrated. A telematic research was necessary to carry out an analysis of the most successful project based on the management of the territory and on the environmental sustainability.

Main Results

Loccioni company was established in the 1968 in the Marche region. At the beginning it was a small enterprise, strictly connected with the territorial district. In the decades, thanks to the innovative and visionary approach of Enrico Loccioni it started to grow and today is considered as one of the most important realities of the Marche region and of the national scenario. This study has permitted to recognize how and why this enterprise has grown so rapidly.

Loccioni started as an enterprise that created control system for household's production. It was established near to the Fabrianese mechanical automation district. Due to the interaction between the Loccioni company and many other organizations, took place the first success of the enterprise in the district area. In few years, Loccioni could grow and create a large group of clients. The enterprise operates in the BtoB context in which the collaboration with the clients is fundamental. In this vision Loccioni created a massive network and connections with numerous partners, necessary to the enterprise growth and succeed. Recently, this organization has reduced the number of partners gained during the previous years, in order to convey its efforts to a specific type of clients called "coherent"

In the past years, the ecological and environmental problems had a strong impact on the territory, some flooding of the Esino river has destroyed the area around Loccioni, creating problems to the countryside and to the farmers that work in the area (Magnani, 2014). This is one of the first environmental project carried out from the Loccioni company, called "2 Km of future" (Ludovica et al, 2014), based on the "adoption" of two kilometers of the Esino river. The aim was to invest in the structure of the river to avoid new flooding and fields damage. In fact, thanks to these plans, the farmers could supervise their work (community stakeholders' satisfactions). Concurrently, the organization has created a system for the utilization of hydrological energy. This could be seen as a private-public investment that creates positive synergies between some actors, Loccioni company and the local community. This project permitted not only to avoid future problems, but also determines ripple effect such as a huge number of services completely dedicated to citizens, including a bike lane.

In addition, another typology of project is connected to San Clemente downhill (Larizza, 2018). This area was completely renovated, considered as a project of rural innovation where the mechatronics met the more agricultural ideology. In the San Clemente valley is located Sant'Urbano abbey that recently became the operational headquarters of the Marche region UNESCO's sites,

All these plans are part of a bigger Loccioni's strategy project: "the leaf community" (Baraldi et al, 2009). The idea is to create a zero-emission area in the earth of Marche region countryside. The "2 Km of Future" is a part of this strategy with its hydrological system. This area will be characterized by electrical cars and building based just on renewable energies.

All these missions took place in the past like an ambition of the entrepreneur, always moved by his interest on the sustainability and his necessity to reevaluate the area in which his organization is included. This strict bond between enterprise and territory was always one of Loccioni's key point, a concept that is clearly underlined in the organization's mission: "...for the wellbeing of people and the Planet".

These projects, started as parallel activities, not really connected with the main solutions offered by Loccioni, are now a fundamental element for the success of the enterprise. Moreover, each plan had importance on a marketing level because they gave to the organization an element of distinction from its competitors. They are the key to create and maintain a strict link with clients and other organizations, most of them coming from a totally different geographical and economic situation. This is become an integral part of Loccioni's strategy that conquer clients showing them all these activities, sometimes disconnected from the business core.

Some of these projects were activated thanks to the ability of Loccioni to create new starting points. For example, Loccioni was chosen by Enel to create in collaboration with Samsung, an innovative storage system based on lithium-ion technology, connected also with the Leaf Community project (Rinnovabili.it, 2016.). These partnerships allowed Loccioni to obtain new clients and move the focus from the less big company to the most important worldwide enterprises and top players of different markets. The initial strategy was based on the creation of connection to expand the enterprise's cluster of clients. This was the reason why Loccioni decided to collaborate with less organization between Marche Region and the Fabrianese mechanical district. Some years after, when this organization become bigger and famous, started the collaboration with international clients. Their attention to the environment and sustainability was the surplus that permitted to the enterprise to focus on a specific type of client. This is one of the most important parts of the study. A large section of the research is based on the evaluation of Loccioni's clients. After the decision to focalize the enterprise's strategy on a particular type of customer, a clients study it was necessary. Thanks to the interaction with project managers of the different business area was decided which clients satisfy specific characteristic, they were defined as "coherent". The ones who do not satisfy these qualities were transferred to Loccioni's partners.

The coherent clients are the ones that share the same Loccioni's ideologies and values some based on an economical and financial element, others are:

- large leading group in its market;
- global and international player;
- innovator;
- empathetic with Loccioni's culture;
- high business culture.

All these characteristics are strictly defined and closely followed, not just to permit to the enterprise to achieve its goals but also to maintain the high level conquered by Loccioni in its market. In the following tabs are collected the data before and after the client's study.

Number of clients before the client analysis

Business area	N. of clients	Percentage on total
Home	55	17,19%
Electronics	2	0,63%
Electric Components	3	0,94%
Energy	48	15,00%
Environment	103	32,19%
Humancare	24	7,50%
Industry	49	15,31%
Powertrain	33	10,31%
Railway	2	0,63%
Transmission	1	0,31%
TOTAL	320	100,00%

1. Coherent customers distribution after the analysis

Business Area	N. of clients	Percentage on total
Home	8	10,39%
Electronics	2	2,60%
Electric Components	3	3,90%
Energy	3	3,90%
Environment	22	28,57%
Humancare	20	25,97%
Industry	4	5,19%
Powertrain	12	15,58%
Railway	2	2,60%
Transmission	1	1,30%
TOTAL	77	100,00%

It is obvious the customer's variation in a numeric way, but this was the Loccioni's goal: decide on which partnerships focalize the strategy and keep investing on them. The significant results obtained from this attention on coherent clients let the organization to maintain the focus on the surrounding areas. To support this thesis could be taken as an example "EXPO 2015": in that year Milano hosted the well-known international exposition whose theme was the food. The Italian pavilion was the most important one who hosted the Italian strong suits on EXPO's theme. For each Italian region was chosen one of the most innovative enterprise for strategy and research, cited as "virtuous cases", Loccioni was the one who represented Marche region.

Among them, the region of Marche chose Loccioni as representative of persistence and commitment in creating a great business. In fact, this is an example of territorial revitalization; Loccioni started from being a small enterprise to play a role in the midst of multinationals, working with organizations like Volkswagen and Ford. The organization's sensibility towards environment and sustainability has brought positive synergies to the region.

Conclusions

In conclusion, the present study outlines the importance of managing the organization's territorial area. Entrepreneurs have shown interest in implementing strategies related to environment, stakeholders and partnerships. Thereby, both hypotheses expressed at the beginning of this study could be considered valid.

Considering Loccioni's case study, it is clear that the collaboration between organizations does not include a singular typology of partners (H1). During the last years, Loccioni has become a center of excellence in the field of renewable energies, also thanks to the new projects and partnerships such as Enel, Samsung and the creation of "Leaf Community". As a result, Loccioni takes advantage from these projects by attracting high level clients who prefer Loccioni for its top-quality. Consequently, this kind of synergy enhance customers satisfaction.

According to the second hypothesis (H2), Loccioni's projection allows the enterprise to identify a cluster of well-defined clients. These clients are defined "coherent", as they support company's ideology in order to build a strong and long-term relationship. Loccioni started as a little reality in the countryside of the region Marche. Firstly, it developed thanks to closer enterprises. It follows that the enterprise focused its attention just on coherent clients. Loccioni's clients cluster underlines how much this enterprise is becoming part of the international background. This organization calls out clients from all over the world such as Hair in China, Volkswagen and Bosch in Germany or Ford in USA. Statistics show that the number of 'coherent' clients is quite low. Therefore, the quality of each partnership, based on know-how and positive synergies, is more relevant than the quantity of collaborations. Besides that, Loccioni company is committed on both new and existing projects, by focusing on key aspects like community and stakeholders' satisfaction, territorial revaluation, and internationalization. The success of this agenda is given by the innovative solutions as well as the continuous market research along with high level partners.

Evidence of Loccioni's great work and support to its region is confirmed by the numerous prizes won during the last years (see Loccioni's archive internet site). One of these was the winning prize for 'Good Energy Award' in 2012 and then in 2018 the nomination for best managed company on aspects like strategy, organizational skills, performance, and people caring.

Finally, another interesting area of study could be the effect of the pandemic on the economics of the region Marche, in particular on the strategic decisions taken by the enterprises in order to satisfy the need for sustainable solutions. Or, more specifically, a comparison between Loccioni's strategies and the ones chosen by the other companies. However, the analysis of these topics was not possible due to the lack of data.

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