

An unmistakable style, even for its new headquarters

Interview with the Chairman, Marco Pellini

Marco Pellini, chairman for nine years of the Pellini Group, doesn't like to talk about himself. A retiring entrepreneur, he rarely gives interviews but when he does, he does it enthusiastically, without holding back any information.

Fifty years old, with a degree in Economics and Business Administration, happily married (he emphasizes this), two children, and an important family business: Pellini Caffè Spa with an annual cash flow that exceeds 68 million euro.

Sold in thirty countries, available on every market (at home and abroad) the famous brand of coffee, based in Verona, with the obsession of quality (symbolically represented by the seductive mole in the advertising campaign) has grown rapidly in the last ten years, increasing its turnover by over 83%.

It is a corporation that has taken off at rocket speed (after the incorporation of the Sao Café Consortium, it made a number of acquisitions starting with Mokaceleste, Moka Adi, Caffè Roberta until 2004 when it acquired the Caffè Guarany brand and, in January, Caffè Incas of Padua) but wisely, to the extent that in 2004 **Dun & Bradstreet assigned in a Rating 1**, that is the best index for the evaluation of the financial situation and economic performance of a company.

It is reward for quality that generates high reliability in every way, and Marco Pellini, with all the company management, is clearly proud of these achievements. An indicator recognized by the entire economic community (only thirty companies have obtained it), the distinctive sign of a particular style of operation. **And for Marco Pellini it is all just a question of style. Style in production, style in the distribution management, style in the financial management, style in advertising.** As unmistakable as possible.

In short, Pellini and his staff dislike standardization, they don't aim for the large, undifferentiated numbers (although in the classification of the **most important roasting companies in Italy Pellini is right up there at the top, albeit only in fifth place**), they try to stay away from the idea of a national-popular brand of coffee, but with their prestige brand Pellini TOP they count on promoting the culture of coffee the way Italians have done in the past with wine.

This is the company mission: to make every coffee break more than an automatic habit and turn it into a special ritual capable of expanding the pleasure it gives and of filling the consumer with a sensation of absolute wellbeing.

It goes without saying that the investments in *research and development* are a major item in the annual company report, and another important item is that of *selection of raw materials at the origin*, an operation carried out by highly specialized employees.

Fundamental elements: constant monitoring of the strategy decided through use of the Balanced Scorecard, the company organization by processes in line with the dictates of Activity Based Management, and the management and development of human resources.

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PELLINI CAFFÈ S.p.A.

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But the big news, crowning the strategies and resources placed in the field, consists of the new headquarters, inaugurated on September 23, 2006. Ten thousand square meters of production plants and offices, already designed to be doubled.

An enormous industrial center grouping all the territorial units and trademarks of the company (Pellini Top, Pellini Bio, Caffè Roberta, Guarany, Incas, Sao Caffè, la Crema Caffè, Uik Decaffeinato and the spice sector with Eda and Eda Bio).

A jewel of esthetics and high technology that immediately catches the eye along the Verona-Brenner Pass highway, designed by the engineer Francesco Barbi of Verona, and the Studio Barbi Arca Progetti.

The new headquarters cannot fail to stimulate the curiosity of passersby, with its extraordinary design.

But technology and esthetic enjoyment are just what the company is about, although it is not so common in industrial architecture, is it?

This is our fourth new headquarters and we wanted something really attractive and coherent with our product philosophy: high quality, advanced technology, function and beauty.

In the last ten years we have grown a lot and also gotten older, and we choose to grow culturally. We were already persuaded of this concept at the time the Sao Caffè Consortium was created, but we wanted to avoid any oversimplification of our key product, concentrated on selected know-how, careful choice of the finest raw materials and identification of the systems of production and management that would give us the best output. Our outlook has changed and when the time came to move to new headquarters, we wanted a place that would meet our needs better and more coherently.

We like to plan for the future and we wanted a production plant that would already make room for the future developments of the business, since we believe in further improvement and expansion. To do this we looked around to see what others were doing. I think we should never take anything for granted and that it is important to know what others are doing.

Personally, I traveled a lot, in Italy and abroad, studying other companies and other sectors, because our own sector is, I have to say, very traditional and set in its ways. And I found a lot of ideas, especially as regards logistics. Francesco Barbi, with his son, Marco, who is also an engineer, designed exactly what we wanted: the vision of a dynamic company, a refined design with outstanding details”.

The new plant in Bussolengo is one of the few in Europe to use a software system for network synchronization of systems through a multi-supervision M.E.S.(manufacturing enterprise system).

Yes, we are among the few in the vanguard of this field and we took advantage of excellent professional consultant services and invested heavily in the know-how to develop this M.E.S. software.

Did you buy new machinery?

Pellini

il pallino del caffè

The entire plant is brand new except for a packaging machine that we brought from the plant in Verona. With the new plant, our current production capacity is 30% higher.

The storage zone consists of a beehive system that we can keep expanding. Right now the cells contain 400,000 kilos of raw coffee. While we are packaging 150,000 kilos of coffee every day on three shifts. We have 120 employees and over 100 agents, all carefully selected.

Now that it's completed, how much did the new plant cost?

A total of about 25 million euro. All this to ensure the utmost in terms of hygienic and environmental standards and to create a more comfortable place for our personnel to work and add another plus factor to the product.

Marco Pellini is an art lover and has a particular preference for the impressionists, while when it comes to esthetic criticism he is a great admirer of Umberto Eco, and borrows his concept of the subjective interpretation, the *open work*, that he applies to his own marketing policy.

Every company faces the market in accordance with a personal view, there is no real code for reading it. It is natural that we see things in different ways, emphasizing our out subjectivity. This enables us to develop a certain type of personality and in the last ten years we have worked to make ours unmistakable. We didn't want to become an aggressive company, so we focused on differentiating our product from the common view of coffee as a commodity. Now we have an adequate clientele, ready to listen to us and help us achieve our goal of a superior quality product. We target our product on a knowledgeable user, one to whom can transfer all the information we possess about the selected product.

In connection with superior quality, is Pellini Caffè the only company in Italy that can exhibit the Panel Test?

It is one of the few. Through accurate selection of our personnel we have created a team of twenty qualified judges who examine our products every month, with those of the competition. To keep their "tastebuds" in training, we have them perform organoleptic tests on other products as well. We trust their judgment so much that we give them the last word even on formulas approved by our own experts.

While for the domestic ritual, everyone buys the coffee they prefer, at the bar and restaurant we seldom have any choice. One of the challenges of the Pellini brand seems to be that of developing a doc coffee policy in the Ho.re.ca. sector as well, with information and training designed especially for the distribution channel.

Yes, and our project will also include a strategy of expanding the distribution channel. We are aided in this by our new acquisitions. Currently the Pellini Group has 50% of its turnover in organized trade, 40% in the Ho.re.ca sector and the rest in foreign exports. But we have trained our management and are now able to deal with a complex distribution network, with specialized figures for each channel. In short, the right people in the right place.

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Does that mean you're holding courses at the new Pellini Caffè headquarters ?

We have special classrooms for training courses at our new headquarters. We need to be able to provide information about the features of the company, the peculiarities of its products but also on how to make coffee. We supply the coffee machines and proper cups that we think are important for the preparation of our products, but we need our barmen to have a certain amount of manual dexterity. All this ensures the best coffee. At the same time, we guarantee the traceability of the product and careful selection of the raw materials.

And just recently we obtained another important certification, in accordance with UNI 10939 – 2001. Pellini is one of the first companies in Italy to obtain this type of international certification. It is a system of traceability of the agricultural and processing chain that the companies are not required by law to follow, but that we consider very important as a further safeguard for the consumer. This certification means that we document step by step the full history of the product from its origins to the store where it is sold, guaranteeing the quality of the entire production process through a specific system of rules and inspections.

But what have the cups got to do with it? What are they supposed to be like?

The cups are as important as the proper glasses in the world of wine. The cups have to have a certain consistency to maintain the temperature and fragrances in the most appropriate way. Unlike what some people think in fancy restaurants, a cup with a thicker edge helps to convey the aroma of the coffee better. So we invite the barmen to use cups that have a coherent design, sort of egglike, if you know what I mean, a shape that is narrower at the top, to "trap" all the aroma of the coffee.

A lot of people look at the price. With your superior content you are attentive to maintain a good quality/price ratio.

We do this by constantly monitoring the position of the product's price on the market.

And by informing your business partners but also the consumers in a visionary, elegant, refined way. Your entire advertising campaign is meant to focus on wellbeing, transmitting a pleasant feeling of tranquility. We see that campaign everywhere, along the roads, in many magazines, on TV.

The selected visual, the woman with a luminous gaze and a mole in the shape of a coffee bean on the background of a bay in the color of our Arabica blend, is a reassuring polysensorial image, that brings a sense of pleasure and trust. Pellini Caffè, has made a fixation of its orientation to quality, and that fixation has turned itself into a seductive little mole on a woman's face.

The campaign expresses, in addition to skilled craftsmanship, inherited from the company's founders, the exclusivity of the Pellini recipes and the quality represented by the controls and certifications issued by special organizations.

Pellini

il pallino del caffè

We were among the first companies to receive certification for our Quality System in accordance with UNI EN ISO 9002, followed by the certification from the Mediterranean Institute of Certification for the production and import of organically grown products and, in 2003, the extension of the UNI EN ISO 9001:2000 certification for the Quality Management System. But we want to improve even more: as evidenced by the choice of voluntary traceability which was recently certified, and our recent "Kosher" certification, that guarantees, compliance of Pellini products with the particular food regulations of the Hebrew religion.

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