

Sustainable Practice in an SME. The Case of OMB Saleri*

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Abstract

Sustainability may appear to be the exclusive territory of larger businesses. By analysing the case of an SME we can get a better understanding of the essence of what sustainability means and its profound links to an organisation's business idea and the essence of its corporate values.

The corporate vision should be an integral part of the corporate culture, an asset of the business, and as such shared by the entire organisation. In this article we analyse the case of OMB Saleri spa, a company from Brescia (Italy) with 40 years of history behind it, operating in the sector of gas valves (for LPG, natural gas and hydrogen) 45 million of revenue and 220 employees starting with the entrepreneur himself (Paride Saleri) and his business concept.¹

Keywords: Sustainability; SME; OMB Saleri spa

1. The Case of OMB Saleri spa

Discussing the issue of sustainability practices within an SME can be particularly interesting and useful because, although sustainability and the relevant practices may appear to be the exclusive territory of larger businesses, by analysing the case of an SME we can get a better understanding of the essence of what sustainability means and its profound links to an organisation's business idea and the essence of its corporate values. In fact, an enterprise cannot be defined as sustainable unless its very existence is founded on a precise vision and awareness of its role within society and the growth of the community as a whole.

In our opinion, this corporate vision should be an integral part of the corporate culture, an asset of the business, and as such shared by the entire organisation.

* Invited Article

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Therefore, an examination of the case of OMB Saleri spa, a company from Brescia (Italy) with 40 years of history behind it, operating in the sector of gas valves (for LPG, natural gas and hydrogen) 45 million of revenue and 220 employee inevitably starts with the entrepreneur himself (Paride Saleri) and his business concept.

Paride Saleri, who holds a classics high school diploma and a degree in political sciences (earned whilst working to put himself through school), initially joined the small business run by his father with Paride's brother on a part-time basis, combining work for the company with teaching economics and law at a local technical high school.

As the family business gradually grew, Paride developed his business idea and his concept of the role of the entrepreneur who, in his opinion, must think not only about *what* a company does (products, customers, market) but also about *how* it conducts its business, and about the responsibilities, towards the company itself and towards the outside world, of the entrepreneur and management in their corporate roles.

This vision led to a parting of the ways with Paride's brother, whose share of the business Paride bought out (taking on considerable debt).

However, we shall first look at the main pillars of Paride Saleri's vision, on which he founded his business model and with which he has built up a successful company with excellent prospects for future growth.

2. Innovation for OMB

In a typical Schumpeterian approach, innovation at all levels (from the product to the process and the organisation) has been central for OMB. It was essential in overcoming the loss of a major Moroccan customer that moved its procurement to China. It was fundamental when lean production and the associated improvement projects were launched within the company. It was central to the start-up of the hydrogen project, begun about ten years ago and now the basis of the company's growth. In fact, OMB is one of the few companies worldwide able to supply the valves used in the fuel cells that transform hydrogen into electricity for cars, trucks, trains, off-road vehicles, ships and aircraft.

Innovation also requires openness towards the outside, towards centres of technological knowledge, not just universities but also customers' research centres, with whom new product designs are developed.

3. OMB People Engagement

At OMB, people are the centre of attention, every day. People are empowered and enabled to grow through engagement and transparency. All staff are involved in the continual improvement process. For years, courses on how to understand the profit and loss account have been held for trade union representatives, who are invited to meetings to inform them about the company's economic performance every two months.

Everyone knows what the director earns, and following the example of Adriano Olivetti (Paride is a fan); he has set himself a ceiling of 10 times a production worker's wages.

At OMB, people's engagement, growth and empowerment are further supported by profit sharing mechanisms (2,100 euro net each in 2021) and the introduction of a special committee, to which the trade unions are also invited, which sets the criteria for this sharing, also considering merit.

These factors are the foundations of the all-important trust that holds the group together.

The three managers who head the company today and who sit on the Managing Board (Plant and Lean Manager, Sales Manager and Finance Controlling and Auditing Area Manager) have all grown up inside the company, learning their jobs from the daily routine, with specific continuous training and through the gradual acquisition of responsibilities.

The Company Academy was launched in 2019 to promote excellence at OMB and to encourage lifetime learning and knowledge exchange.

OMB has long-standing and significant corporate welfare projects, especially manifested by its company creche. At OMB, they are happy when staff have children (in fact, it is one of the figures the company monitors, and publishes annually amongst its results, alongside sales, new products and profits). The creche has also helped to boost the company's credibility in relation to customers.

□ *Paride Saleri recounts: "We are in direct contact with carmakers (General Motors, Volkswagen, BMW). The first time the Germans came to see me, they saw the company, and were quite impressed, but I could tell they still were suspicious, afraid I might be the typical Italian on the make. All their doubts vanished when they saw our creche. They realised that when we say people matter to us, it's true!"*

Flexi-working has been adopted to help with the work-life balance, and some staff were already working from remote before the practice became common during the pandemic. October 2017 saw the introduction of an "hours bank", which enables colleagues to share hours worked with employees who need to care for a family member but have used up all their leave.

4. OMB. The Organisational Model

OMB has four Business Units, Automotive, Hydrogen, Industrial and Aluminium, each with some dedicated, specific functions (sales, purchasing and quality, with the latter two also overseen from the centre), and there are also fully centralised functions

serving all units: Research & Development, Finance and Control Administration, IT, HR, Health, Safety and Environment, Communication and Logistics.

The organisational style is informal, with a flat, loose structure intended to empower staff, encourage them to take the initiative and enable young people to grow. Responsibilities are spread widely and not centralised.

The daily working mode is in teams, which would be unable to function with an organisation centred on strong figures at the top holding all decision-making power.

The organisation is headed by the Managing Board (MB) comprising three managers whom Paride Saleri has trained and prepared in the field, and to whom he has delegated general management functions, including the writing of the business plan and strategies. In the OMB culture, these managers are not expected to “play the boss”; their task is to empower and facilitate the development of teamwork. They do not impose decisions from above and they grant a large degree of independence and responsibility to operational staff, including function managers, project managers and team leaders.

The MB generally meets every week, on Friday, for one/two hours, depending on the topics for discussion, but information is exchanged every day. The members of the MB also meet with each head of department every two months to analyse critical issues, growth targets and projects and to ensure there are no gaps between the corporate vision and that of the individual department.

Ultimately, everyone at the company reports to the Chairman and CEO. Although, in the last couple of years he has been less directly involved in operational management decisions, on which he is updated in daily meetings with the individual MB members.

5. Sustainability as OMB Management Style

With this business concept and “management style”, which have not come about overnight but are the outcome of deeply held beliefs and decades of work alongside staff who implement the entrepreneur’s model, ESG principles and practices are not just window-dressing or a matter of marketing policies.

Within OMB Saleri, corporate welfare is highly variegated and ranges from the creche and library already mentioned to cultural guided excursions for staff families (which always attract large numbers, even exceeding initial expectations) to free breast cancer screening for women from 30 to 50 years of age.

The in-house sustainability team comprises four people, three of them with a background in the humanities. OMB Saleri adheres to the United Nations Global Compact and is committed to complying with its 10 principles: to highlight the common commitment required, a corporate iconography has been created to display the 10 goals in various points around the company.

50 fruit trees have been adopted and every week 20 kg of seasonal fruit is made available to employees as snacks. The carpooling platform has been a great success within the organisation and its results are monitored by means of a green dashboard to encourage employees to use this scheme for their commute. The JojobRT platform also

provides employees with a fleet of bikes: this has been an amazing success and the fleet is to be enlarged (some of them travel 30-40 km a day, even in winter). Healthy competition has been created among employees, who compare their results in terms of CO2 savings; some 60 members of the workforce are registered on this platform.

From the points briefly set out above, it is clear that the entrepreneur's value set has been accepted and adopted by all his employees, and this collective adhesion has transformed the business vision into a business and enterprise culture. Therefore, initiatives taken with regard to sustainability meet with an impressive and in some ways surprising response.

This is also particularly significant for the expansion programme being implemented by OMB Saleri and for the impressive corporate results it is achieving, with an Ebitda Margin consistently above 10% and steadily rising employment figures and per capita added value figures.

In 2021, a private equity fund acquired a minority stake in the company with the aim of accelerating its growth, rationalised over a 10-year business plan with a three-year visibility during which sales are expected to double. This also provides an appropriate solution to the issue of the company's continuity, given that the entrepreneur's children have chosen careers outside the family business. What matters to Paride Saleri is not so much the managerial role of his own family as the continuity of his business, its industrial history and its values, which are effectively interpreted by the managers who currently sit on the Managing Board.

OMB therefore provides us with confirmation that the issue of sustainability is inseparable from the nature of the company itself, which, by definition, regardless of size, must achieve the best possible synthesis between what it supplies to and takes from the market.

In fact, to qualify as such, an enterprise must deliver more than it receives (in terms of raw materials, personal energies, knowledge, credit, etc.). The differential between what an enterprise produces, in both tangibles and intangibles, is its added value (which did not previously exist) and benefits the enterprise itself (self-funding and organisational enrichment), its shareholders (return on investment) and the community as a whole.

Therefore, an enterprise is important to the community because its generation of added value, simultaneously benefiting the enterprise itself, investors and the community, makes it a fundamental factor for growth. This concept of the enterprise is certainly not new. Rather, its roots go back a long way, from Xenophon to Cattaneo and Drucker².

Sustainability is therefore an integral part of the enterprise and its development mission. More specifically, it is the central theme of the responsible enterprise, meaning a concern, which, above and beyond its elementary legal obligations, believes that it is answerable to the public and private authorities and public opinion with regard to the economic, social and environmental consequences of its business³.

Therefore, the case of an SME like OMB clearly reveals that the issue of sustainability is too important to be reduced to just a fashion or, even worse, to become a checklist for compilation with the aim of complying with merely the dictates and standards enforced by a regulatory body, or by tax breaks often combined with popular ideas.

Notes

¹ This article is based on and inspired by the case history written by Stefania Bertolini and Vittorio Coda for the Istituto dei Valori d'impresa (ISVI) as part of its "Cultural and Technological Innovation" research project.- <https://www.isvi.org/>.

² Marco Vitale, *L'impresa responsabile, nelle antiche ragioni il suo futuro*, Edizioni Studio Domenicano, 2014.

³ Marco Vitale, *L'impresa responsabile, nelle antiche ragioni il suo futuro*, Edizioni Studio Domenicano, 2014.