

FEATURED BRIEFING

Africa's disorder

Longitude #173

The Italian Monthly on World Affairs

€ 12.00 IN ITALY
EU € 18.50 - US$ 26.00

AUGUST/SEPTEMBER 2026

Would be fighters

Poste Italiane SpA - Sped in A.P. - DL 353/03 art 1, comma 1, DCB Verona

9 772039 555400 00173

Iran's starvation - Space and Sea



Skilled in creating value

BY GIULIO VENTURA

The SMEs revolutionary path inaugurated by the holding *NoiImpianti* explained by a senior engineering manager of the group not only as a numerical answer to economies of scale, but as a qualitatively advanced way of building. As such, they can compete with multinationals and large groups.



A team of engineers from the Group at work

Recent studies report that Italian micro, small and medium enterprises make up 99.9% of all companies and contribute substantially to national output. Yet, features such as long-term strategy, competitiveness and the ability of adapting to change still are holding back their growth.

The picture of the productive fabric is stark. Micro firms – with fewer than ten employees and revenues below €2million – number around 4.3 million and make up 95% of the entire business population, yet contribute little to GDP and show clear weaknesses in financial capacity, managerial skills, innovation and scalability. Small and medium enterprises – with between ten and 249 employees and revenues of € 10 to 200 million, number around 221,000, or 4.9% of the total, and deliver a significant share of output thanks to their productive capacity and their specialization. Large companies – above 250 employees – are just 4,300, a mere 0.1% of the total, yet they weigh heavily on GDP through their systemic reach and national importance.

The moral is that the SMEs productivity puzzle is missing some key questions. What environments are most conducive to meaningful innovation? Are these ecosystems defined by institutions that can be reproduced, or by mysterious, unidentifiable factors? How does new performing adaptation lead to faster economic growth? What's the best way to translate abstract ideas about industrial progress into stuff that we can count?

First of all, the advantage of the small and medium enterprise isn't that it costs less. It is territorial. It lies where it works, knows local suppliers, local authorities, local ground features, local traffic and weather that will decide whether a deadline holds. It is rooted, often for generations, to the point where reputation becomes a currency worth more than any advertising budget, because in a province everyone knows who finished the job and who walked away halfway. It is specialized to a degree that only near-ob-



sessive dedication can produce, after decades spent doing one thing, such as ventilation, electrical switchboards, restoration or medium-voltage lines, until this tacit knowledge comes to live in the hands of those making the work. The loyal, skilled workforce of a well-run SME is not a sentimental outcome by chance. It is the reason the firm can act directly and immediately, without the layers of outsourcing that, in larger organizations, come between the decision and the deed. Ultimately, add a fleet of machines and equipment that, within a federation of such firms, is at once widely spread and capable to the full degree: assets in every region, ready to move in hours rather than weeks. The result is an industrial capacity that is small only on paper.

Large enterprises and multinationals. Usually, they are the target SMEs are urged to admire and, sooner or later, to join. Their strength is real and deserves to be honestly acknowledged. This model rests on the standardization of processes: the same procedure carried out in the same way in Milan or in Mumbai, delivering predictability, verifiability and a certain kind of reliability at scale. Yet, standardization carries a cost that rarely appears in corporate presentations. It pays little attention to the specific features of each contract, because the very purpose of a standard is not to bend to the particular case. It produces operational rigidity. It multiplies procedures to the point where every deviation must climb a chain of approvals before anyone can act. It stretches reaction times by the moment the corrective decision is finally signed at a distant head office until the concrete has already set. The large organization is perfectly equipped to carry out what has been foreseen and strikingly clumsy in the face of the unforeseen, which is to say in the face of the ordinary reality of a building site.

Our SMEs reorganization may not have asked their market what it wanted, but they were masters of understanding needs, desires, and the potential meaning their way of quickly working could have for customers. It's this understanding that make SMEs so special.

How the market is won. Why, then, do the giants so often win at the expense of micro and SMEs? Not through agility, which they lack, but through mass. They command strong bargaining power and the force that comes from large volumes. They buy at special, centralized prices that no single SME could



Europe's largest photovoltaic installation at the Fiumicino airport

obtain, and in doing so they can shape entire markets for supplies and services, imposing terms that smaller buyers can only accept.

They enjoy privileged access to credit and, above all, they do not suffer from liquidity hurdles. This is the decisive asymmetry, and it is financial, not industrial. The multinational is almost never better at doing the work. It is better at waiting to be paid, at financing the interval between finishing a job and being paid for it, at absorbing the long, hard months during which a public contract consumes cash before it produces any. This capacity, what might be called patient capital, is exactly what micro and SMEs lack, despite their excellent industrial skill.

After all, this mismatch has a powerful and dangerous influence on the industrial system where SMEs prevail. The most exposed are precisely the best firms: highly capable, deeply professional, technically excellent, yet chronically short of the capital and liquidity they need to face a market that grows more complex and hungrier for money every year.

Financial fragility also brings a set of side effects: the lack of structured management able to steer micro and SMEs through the many storms of today's economy; the commercial and negotiating weakness that so often leaves them defeated for want of a clear strategy to enter and hold a market; the difficulty of generational handover, where competence is often personal and concentrated in a few individuals, usually the founders or owners, holding knowledge, operational skill and everything else that has shaped their firm's success. How to grow up?

Into this fragility steps the large group as a rational buyer. It offers the exhausted owner a way out, a balance sheet under pressure some relief, and an excellent workforce the certainty of a salary paid on time. This way, the country's finest specialist skills are absorbed, one after another, into organizations that will end up standardizing the very thing that made them valuable: closeness to the territory and to the real work. For a while the excellence survives on the letterhead, then it dissolves into procedure.

Inside the plant-engineering market. In no sector is this pressure more intense than in plant engineering, the main field of *NoiImpianti* the group organized by Giuseppe Iacolino with the aim of bypassing this tricky issue.

In building systems, most suppliers are them-



selves multinationals: manufacturers of components, of ventilation and cable-management systems, of switchgear and of the industrial hardware every installer depends on. The large contractor buys from them directly, at the head of the chain, on the terms reserved for high volumes.

The small firm, by contrast, sits at the far end of a supply chain that keeps growing longer. It does not buy from the manufacturer but from a distributor, who bought from an importer, who in turn bought from the manufacturer. At every step a margin is added, and then a further margin on top of the last. The same physical component reaches the small installer after three or four mark-ups, so that the firm most exposed to price competition is also the one that pays the most for its materials.

Scale is not only an advantage upstream. It turns into a tax levied on everyone downstream. Small firms are asked to compete on price while being denied the prices the large ones enjoy. The liquidity gap deepens the issue. In financial terms a public contract is a long loan the contractor grants to the state: materials must be bought, wages paid and vehicles fueled for months before the certified payments arrive, and those payments arrive slowly.

The multinational funds that interval through capital and credit lines, and the delay is a negligible ripple in its cash flow. But it's a matter of survival also for an excellent SME. Too qualified to fail, too thinly capitalized to survive a shortage of cash. The market ends up selecting not for competence but for the depth of the balance sheet, emptying out a production sector, a territory, a country their own outstanding industrial features.

Most of those companies failed or will fail. Of the survivors, most will never grow into major economic engines. And statistically, a few will turn out to be the next champion, with huge rewards for their economic habitat.

In theory, it is these few ambitious companies that policymakers should be working the hardest to foster. The problem is that no one knows how to identify them. *NoiImpianti* did. And ushered in an entrepreneurial revolution, taking financial, industrial, and competition risks in the hope of succeeding. As the Nobel economist Edward Phelps has argued, innovation requires more than just technical skills, "it requires a cultural revolution."



Self driving mini buses in Imperia, Italy.

Once brought together, dozens of independent firms form a single entity with the creditworthiness, the purchasing power, the staying power and the organizational and managerial capacity of a large group, while remaining composed entirely of companies that stay masters of themselves. Together they can negotiate at the head of the supply chain rather than at its tail, buying components where the multinationals buy them and cancelling the sequence of margins that used to be a penalty reserved for them alone. They can also wait to be paid without any single firm being overwhelmed by the wait. And they can build a shared structure for training, for operational management and for governing growth and change. All of this without giving up the closeness to the territory of work that no head office, however large, can reproduce artificially.

The operating system. NoiImpianti was a great idea, the portal is the machine that lets the idea run. Everything described so far, from the pooling of qualifications to the assembling of a bidding team and the sharing of specialist skills, happens through a single cloud platform, built in-house and reached by each member through personal credentials at *noi-impianti.com*.

It is not an off-the-shelf management package shaped to fit the needs of the *NoiImpianti* project. The platform was designed around the way this particular federation actually works, and it is divided into three functional areas matching the three main needs of its members: services, tenders and subcontracts.

The first –"services to members"– gathers what a single SME would otherwise have to seek from many separate providers: SOA qualification and quality certifications; the organization, management and control model under Legislative Decree 231; training courses and the whole apparatus of workplace safety, from the risk-assessment document to the interference-risk document; insurance; a temporary staffing agency; equipment hire with and without an operator; and legal support.

Alongside sits a desk for public-private partnership, currently centered on the *Conto Termico 3.0* incentive scheme, together with two selected registers that make the project's supply chain visible in practice: a list of component suppliers, from lighting to fans, from ventilation and cable-management systems to switchgear, and a list of engineering firms



and design studios. Membership, in short, is not a matter of displaying a logo on a website. It means access to a shared administrative structure that no firm with €2 million in turnover could afford on its own.

The second area is where the model proves its worth. A multidisciplinary team examines the national market of public tenders and filters it against an unusual test. It does not look at what a single firm could win on its own, the way every company normally reads a notice, but at what the combined capabilities of several members, pooled together, could secure. The opportunities that pass this screen, chosen by value, by category and by the specific demands of the tender documents, are summarized in a structured briefing and published on the portal.

Every member receives an alert by email. Logging in, they find the opportunity set out in full, with a precise statement of the requirements needed to take part. From this point the member has two options. It can reserve its participation, in strict order of when the requests arrive, or it can put itself forward to support another member's bid by offering one or more specialist capabilities. The project's management then reviews the applications, approving or rejecting them on the basis of the real contribution each firm can make. Where useful, the structure also works the other way round, through a proactive logic: it actively looks for the best matches and assembles the most competitive team the membership can offer. Once the team is set, *NoiImpianti* prepares all the administrative and technical documentation the procedure requires and stands beside its members at every stage of the bid. The member competes; the structure carries the weight of the paperwork.

The third area applies the same logic to the relationships among members. The subcontracts portal collects the everyday needs that arise while work is under way: a firm short of people in a distant province, lacking a particular skill, facing a peak in its workload or needing a specific machine. Whoever needs support publishes a request addressed to the other members. Any firm can answer, and the two sides open a direct negotiation in which *NoiImpianti* takes no commercial part. Its only role is to make sure the procedure stays correct and transparent. It is



The Group's family photo in Rome.

a marketplace of mutual support: governed, but not controlled.

Taken together, the three areas answer the question the whole initiative poses: how do you give small firms the weight of a large organization without turning them dependent into one? The platform is an operating system in the most literal sense: the layer that lets dozens of independent companies behave, for the length of a tender, as a single contractor, and then return to their independence once the work is done. It keeps every decision close to the territory and to the site, where the competence lives, and at the same time gives that competence the collective reach it has always lacked. The fragmentation that the market treats as Italy's weakness becomes, through a login screen, its competitive advantage.

The choice this model poses is therefore not between large and small, nor between modern and traditional. It is a choice between two different theories of how value is created. The first holds that value comes from scale imposed from above: standardize, centralize, absorb, accepting the loss of local knowledge as the price of efficiency. The second holds that value comes from competence kept close to the place where the work is done, and asks only that this competence be given the financial structure it lacks. Italy, with its extraordinary density of specialized firms and its equally extraordinary difficulty in growing them, is the natural laboratory for the second theory.

The giants have the weight. We have the roots. The wager behind the whole initiative is that, properly organized, roots can prevail over weight. So far, the ground is holding.

GIULIO VENTURA *is a civil engineer and senior project manager with national and international experience at the Iacolino Group helping to conceive and launch new business ventures, including the NoiImpianti project*


NOI IMPIANTI
Consortium of SMEs, suppliers and designers building, managing and maintaining advanced construction-sector MEP Systems.
WWW.NOIIMPIANTI.COM