A high level of technology and craftsmanship are the key ingredients that have led to the success of Italian company Alcantara S.p.A.

Luxury material manufacturing company Alcantara S.p.A. prides itself on developing products for a variety of sectors which have absolute exclusivity and emotional beauty, while also adhering to stringent sustainability practices. Its mission is to be ‘extraordinary every day’—a statement that is well-known across the European and international market. The business is constantly engaged in projects and activities that reflect how it is turning everyday life into an extraordinary experience.

Alcantara is synonymous with quality, innovation, and attention to detail. These are all attributes the company pursues with extreme determination. Alcantara is renowned for its unique and proprietary technology, and it has developed a wide portfolio of global luxury brand partners in the fashion, interior design, marine and automotive industries. The company’s headquarters are in Milan, while its manufacturing plant and research and development centre are located in Umbria’s Nera Montoro.

CEO Andrea Boragno has been leading Alcantara since 2004. He has a diverse background with experience in areas including engineering, marketing, sales and finance. He joined Alcantara for the first time in 1990 when he was assigned to set up a system of integrated logistics, which, at the time, was somewhat different to what was being used in the rest of the marketplace. “I had the responsibility, with the support of a system that had to be established, to enhance the value chain,” he says. “That was my responsibility. So that was one part of my role and the other was to be the managerial control processor by leading the information technology department. I was given the responsibility to see things from different standpoints, which made me more inclined to innovate. If you have a variety of experiences in many different business sectors then you become fully aware of what the company is. This is a great asset.”

In 1998, Andrea took over as CEO in another company of Toray Group in the US and, after six and a half years, he was called to lead...
Alcantara. “I think the reason why I was able to become CEO is that they would give me a problem and say, ‘Okay, this is your baby’, and then there I was solving the problem. After that one problem, then there would be another one, a bigger one. So the level of the problems was getting bigger and bigger and bigger, and certainly the broad and varied experience I had in the past was extremely helpful with that.”

When Andrea was appointed to the top spot at Alcantara, the company was coming out of some tough times. Andrea got to work to help revive the company’s sales and credibility: after bringing it out of the red, from 2009 to 2014 he even succeeded in tripling operating profit and doubling sales. “There was a problem with the positioning of the brand,” Andrea says. “We had to reduce some costs but at the same we had to also increase some costs, specifically in regard to research and development and marketing. We were treated exclusively as a functional brand and that was a big mistake. We were losing a real opportunity in the marketplace.

“Obviously to grow a business you also need to grow sales, but this of course takes time. In fact, in the first year 2005, the only effect that we could see was the reduction of costs. There was no increase in sales. I remember sales actually went down by about 17 per cent. In 2006 we started to see the light at the end of the tunnel with the level of the sales, and that’s when things started to pick up. This was the process we took to gain credibility within the market and to reposition ourselves.”

Andrea says the business has developed a long-term idea to enhance its capability to meet the needs of the industries it operates in. Customers are looking for something that is exclusive, functional and also beautiful, and all of these things work together to create the unique brand which is Alcantara.

In ‘Made in Italy’ tag is an attractive selling point and is something the business has been committed to since its inception in 1972. While Alcantara could produce its goods offshore for a cheaper price, Andrea believes this would compromise the quality and the core values of what it is ultimately all about.

In 2009, the company introduced the concept of sustainability, which was a revolution. At that time it vowed to respect the social, economic and environmental equilibrium, and today allocates on average more than 50 per cent of its annual global investments to sustainability-related activities. Sustainability is about looking towards the future, and Alcantara quickly realised that to do that it had to be completely aware of its own identity and responsibility.

Andrea says Alcantara means ‘excellence with no exceptions’. This relates to the products it sells.
Alcantara produces a sustainability report each year that outlines exactly what its practices are environmentally, economically and socially. The business is proud to say it reduced its greenhouse gas emissions to a net balance of zero in 2009 and continues to engage in a 100-per-cent carbon-neutral production. It has obtained the coveted carbon neutrality certificate from TÜV SÜD, has installed advanced high-efficiency cogeneration and phyto-treatment stations at its Nero Montoro plant, and uses recycled raw materials for some of its products.

“We have reduced the emissions of carbon dioxide significantly and we plan to further reduce these over the next three to five years through investments; however, in this world it is impossible to eliminate carbon dioxide emissions completely. That is the reality. So we compensate the amount of carbon dioxide that cannot be eliminated through the participation in green energy projects patronised by the United Nations in developing countries.”

In regard to economic sustainability, Alcantara allocated more than 80 per cent of its investments into processes innovation in 2014. The aim of this was to improve the environmental impact of its operations and to reduce energy consumption. It has been monitoring its own supply chain since 2007 and has been asking all of its partners and suppliers to respect the universal principles of human rights, labour standards, the environment and anti-corruption. This has also extended to the regularity of salary and insurance payments, and the health and safety of employees and the workplace in general.

In the social sphere, Alcantara protects its employees by following safe work practices and claims an ever-decreasing injury frequency rate, which the company reports is up to four times lower than the average of the Italian manufacturing industry. The business has more than 456 staff and managers and motivates them through incentive and development policies and measures. Additional initiatives are defined and planned yearly to reward skills expressed on an individual level.

The company aims to consolidate a positive and constructive system of industrial relations on all levels that is consistent with its strategic, organisational and cultural developments and based on maximum transparency and participation. Training is systematically included in Alcantara’s strategic plans and is considered an indispensable tool for building, developing, and consolidating professional skills and know-how.

Andrea believes all these elements of sustainable practice work together to increase awareness and generate new ideas which benefit a great number of people. Alcantara has collaborated with various businesses and organisations with similar aims to deliver its approach. During Milan Design Week in 2013, Alcantara teamed up with the World Bank to create a series of panel discussions on the themes of climate change and sustainability. Influential leaders from the design, architecture, fashion, global advocacy, entertainment and arts industries attended to develop a greater understanding about how sustainable design and business practices can impact social behaviour to mitigate climate change.

In late 2014, the company organised the International Symposium on Sustainability in the Automotive Industry, which focused on the importance of sustainability and how it will affect future business models. Held in Venice, the event was run as a joint exercise with Venice International University and the Centre for Automotive Mobility and Innovation at Ca’ Foscari University. Conference speakers and panellists included representatives from carmakers such as Audi, PSA and General Motors, as well as suppliers such as Recaro and BASF.

“The goal was to have a better understanding on sustainability in the sector of automotive and to have a state-of-the-art plan in place,” Andrea says. “It was a successful event and most people were pretty satisfied with the outcome. It was very interesting and covered a lot of subjects. A lot of ideas came out and everybody was excited about it all.”

Andrea says opportunity is important when talking about sustainable practices. “It is a key point of our competitive strategy because being serious about sustainability adds value.” Having its main suppliers on board and in the same mindset is also essential. The business regularly interacts with suppliers to ensure they can effectively work together to always find the superior solution. “The supplier is not just somebody to squeeze” he explains. “Due to our commitment to sustainability, we want to make sure we check what the situation of sustainability is with our supplier. We have been successful with this in a number of cases. We have to calculate the emissions that come from reprocessing our raw materials, the emissions in the transportation of the finished product and the emissions in the cycle of the products from the cradle to the grave. So that’s why we like to consider our suppliers in this process, and their carbon dioxide emissions as well.

“As a player in the market you must be a partner—you must have people who are able to find innovative business solutions. It’s not just somebody to squeeze to reduce the price. Maybe you can reduce it to a better price but then you might get very good service and you lose the contribution that you need from them. This is the same approach that we have with our customers. We try to ask them to add further value to their final product.”

Alcantara has a special and longstanding relationship with designers and creative talents. “We want Alcantara to be the means of their inspiration and let them interpret Alcantara as an extraordinary material to be moulded in countless shapes. We really think Alcantara is something special and unique with a huge amount of potential. We give the designers the possibility to express their creativity and they then come back with a new creation, and new
ideas on how to use the product. Design is very important in the decision-making process for us and for our customers.”

Alcantara has an established partnership with MAXXI, the National Museum of 21st Century Arts in Rome, to generate sensitivity to the topic of sustainable development. In 2013 it held its third exhibition titled Playful Inter-Action, which was aimed at showcasing the multisensory nature of Alcantara material.

Every year, the business invests between 3 and 5 per cent of its turnover in research and has a research and development centre that ensures continuous improvement of its own products and processes. An integral part of the faculty is the modern CSA (Application Development Centre), which focuses on the operating performance of the product and the application technologies used at the main customers’ sites. This is in order to provide a customised solution.

The development of new products considers all impacts on social, economic and environmental elements. The innovations affect the production facilities, product, process, procurement, logistics and communication, thus creating an authentic business model. It is for this reason that Alcantara is constantly committed to the discovery of processes and products suitable for the market, and to the search for specific solutions for the customer, which are all in line with its sustainability policy.

Andrea says there are endless possibilities in Alcantara’s future. Over the past five years, the business almost doubled in sales and tripled in operating profit, and this looks set to continue. “I think there is still room for further growth, particularly geographically, as long as it is done in a steady way. Our brand awareness is quite strong in Europe and now it is also rising in Asia and the US. We are growing very much in China and we are preparing to raise our profile very significantly in Japan. In the US in 2014 we increased our sales by 82 per cent and, at the same time, we increased the penetration in Europe, our traditional core market. So I think we are on the road to be able to continue to grow.”

Alcantara plans to increase its brand awareness programs in China, Japan and the US, together with a program to consolidate the business and broaden its appeal. In China, some of the initiatives it has carried out have included participation in CarDesignNight13 where it presented a preview of the items made by Italian styling duo Aquilano.Rimondi, a collaboration with Maserati China at the Summer Rally in Inner Mongolia, a parade during Beijing Fashion Week showcasing the work of stylist Riessstra, a press visit to the Alcantara production plant for Chinese journalists, and involvement in the Shanghai Design biennial show.

In Japan, it has opened an official Alcantara YouTube channel in Japanese, hosted a corporate event at the Italian Embassy in Tokyo, opened up its production plant for Japanese journalists to tour, and issued numerous press releases.

In the US, it intensified its communication activities by partnering with the Italian Foreign Ministry for activities involved in the ‘Year of Italian Culture in the United States’, partnered with the French furniture brand Ligne Roset at Design Week in New York, held a press visit to the production plant for American journalists, and participated in the Los Angeles Auto Show where it ran a corporate event dedicated to the world of Alcantara in all its faces.

“The positioning of the brand—the functionality together with emotional beauty and reality in a sustainable environment—is a huge asset,” Andrea says. “We are becoming more and more associated with a kind of lifestyle which is extremely contemporary. Alcantara is for the person who is looking for beauty and sensuality, functionality, and a respect for the environment as well as for the community at large.

“I see Alcantara as a very strong brand worldwide. We have a very strong awareness and a very strong identity. It is something special and unique. It is becoming more and more a matter of lifestyle. Having a top-quality product is not enough if you want to stay at the front of the market. You have to have beauty, sensuality, an exclusive solution, and sustainability.”

“DyStar is proud to be Alcantara’s preferred partner to obtain best results and differentiation in their high-end market. With excellent technical performance, DyStar’s products are ideal to achieve the highest quality and eco standards, maximize efficiency, and minimize the environmental impact of production.” - Umar Orrego, Sales Area Manager Europe, DyStar

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An annual energy reduction of 4,200 TOE, corresponding to a cut of 10,548 tonnes of CO2 per year: these are the key figures of the Alcantara cogeneration plant, providing electricity and heat to the Nera Montoro factory in Terni, Italy.

The CHP package, already taken over by Alcantara for its Nera Montoro factory, has been designed for a nominal electrical output of 6.2 MWe and a maximum thermal output of 48 MWt, with a total production of 48 GWh/year of electricity and 155 GWh/year of thermal energy, in order to meet the energy needs of the factory.

The plant also allows Alcantara to increase the availability of the electrical energy supply, reducing energy costs.

Enrico Colombo, CEO of Cofely Italy declares, “Alcantara’s choice confirms Cofely’s expertise in the field of industrial cogeneration, as well as its involvement in environmental sustainability. With this system, Alcantara increases the reliability of energy production systems, saves on consumption, and reduces CO2 emissions into the atmosphere. It is also almost entirely independent on both thermal and electric point of view.”

The Alcantara plant in Nera Montoro obtained a special mention in the ‘Industries’ category at the fourth edition of the Cofely Energy Efficiency and Environmental Award, a prize that Cofely gives to its clients’ best projects. Cofely Italy operates 39 cogeneration plants throughout Italy, including four of industrial cogeneration, that can produce more than 1 TWh/year of electricity and 1.1 TWh/year of thermal energy.

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Cofely operates with 90,000 employees in nearly 40 countries. In Italy, Cofely operates with 2,200 employees and 45 offices, taking care of 54,000 customers.