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IN FULL Flight

The biggest aerospace parts supplier in Italy, Avio Aero's focus on cutting-edge technology has only increased since being acquired by global giant GE Aviation in 2013.

Images courtesy of Avio Aero

For more than 100 years, Avio Aero has been at the forefront of the aerospace industry. Founded in 1908, in Turin, Italy, it was originally part of the Fiat Group, and was initially focused on developing engines and parts for the military aviation sector. After the end of the First World War, Avio Aero began to enter the burgeoning commercial aviation industry and established relationships with military and commercial partners, making them the largest aviation parts company in Italy. In 2013, Avio Aero was acquired by GE Aviation for €3.3 billion, one of the biggest foreign investment deals in an Italian company since the Global Financial Crisis. In January 2014, after more than 20 years of

experience within the GE Group, Riccardo Procacci was appointed CEO and President of Avio Aero.

Riccardo is confident that Avio Aero will only continue its growth with GE's investment in the company. After their acquisition of Avio Aero, GE announced they would be investing more than €1.1 billion into the business over the next 10 years to encourage 'accelerated growth'. "We're taking the industrial GE culture and getting that together with the creativity of the Italian DNA of Avio Aero, with the rigour and execution that is what made GE the great company," Riccardo says. "It is blending the two, and we are in the process of creating something that is going to be unique from the cultural standpoint. We're

also adding all of the execution expertise that sits with GE. GE Aviation has about 50 plants around the world. Bringing all that expertise into Avio Aero is just going to exponentially increase the ability of the company."

Avio Aero has always had a focus on technology, and this investment GE is making will only increase their technological ability, according to Riccardo. "Now we can infuse some of the great technologies that GE is developing in what we call GRC, the global research centres—the biggest and oldest one is in New York, but we have them in Bangalore, India; we have one in Shanghai; one in Munich; and we opened something recently in Brazil. All these centres are engaged in developing basic >

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technologies that then can be deployed and industrialised in various parts of the business. Great technologies are being developed there—from technology for repairs, to technology for materials and technology for composite bearings. We can inject all this kind of different stuff in the Avio Aero products that are building the portfolio of the future.”

When Riccardo began as CEO of Avio Aero, he realised that the company had a lot of great technology, and could produce innovative solutions for customers when they asked, but it was not being pre-emptive and developing solutions for the future. “I want to make sure I can instigate and insulate in the company a passion for growth. Strangely enough, Avio Aero was a company that was kind of reactive in the market. Now I



want to make this company develop that appetite—that passion, that strive for growth—chasing new markets, chasing new opportunities in a very proactive way. So we have created a whole organisation that is dedicated to growth and that is made up of a product team that only needs to think how our technology can fit into the market and answer customers’ problems.

“With Avio Aero we have the opportunity to bring a great company with 100 years of history to the next level, to the next

millennium, into the next 100 years. We are a company that had great technology already available in its portfolio. The opportunity now is to make use of this technology and offer to it a greater avenue for growth, both as a partner and now as part of the GE family. Also as an even stronger supplier and partner for the whole of the aviation industry. We believe that with GE we can make Avio Aero stronger as well.”

One aspect of company culture Avio Aero has always prided itself on is the focus on Italian heritage. With 4,000 of their 4,600 employees in Italy, and close relationships with a number of important Italian suppliers and stakeholders, it is still an Italian company through and through. It is important to GE to ensure these relationships stay strong, particularly Avio Aero’s ongoing connection with the Italian Air Force, which has been in place since the company’s inception. “We want to maintain and develop

“In the last seven years, driven by GE Avio Aero, we have constantly been improving our quality standards and our technology skills increasing the added value we can offer to our customers. We are now able to compete in the most demanding markets worldwide.” - Silvio Ellena, CEO, Ellena Spa



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our role with the Italian Air Force,” Riccardo says. “We are the national champion for maintenance, repair, and overhaul for the Italian Air Force. We are very proud of our mission for the nation and we want to improve the quality of the service we are offering to the air force.”

This principle applies to Avio Aero’s suppliers as well, and they are very focused on ensuring they maintain relationships with local Italian suppliers. “Our view of supply chain is quite differentiated. We are very much linked to the territory. When possible, we try to establish long-term relationships and partnerships with local suppliers because that is a way of creating loyalty between the company, the territory and the suppliers, and local institutions obviously love it. We tend to involve local suppliers that are also partners in joint development of newer technology that are often through the local universities.

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Everything that brings Avio Aero closer to their best technology available in the territory and everything that helps the territory to develop through the Avio Aero presence is something we like and we tend to do a lot.”

These themes of engaging with local suppliers and using GE expertise in governance practices to ensure growth focus on Riccardo’s vision for Avio Aero. “Generating growth, thinking about the product, thinking how to position this product in the market, and thinking how to access the opportunity in the market is my first big priority. The second priority is to make this company excel operationally. We not only want to have a technology that customers love to have but we want to have technology that the customer recognises as the best technology when it’s delivered because it’s delivered on time and of a high quality. It is essential that we are competitive in the market. From that standpoint, I think there

is no better place to be than being part of GE.”

For the future, Riccardo wants Avio Aero to continue being a key partner for commercial and military aviation stakeholders, and ensuring their reputation in the aviation industry remains unchanged. “Now, even more than in the past, we want to be partner to the aviation industry. We don’t want to get confused with the fact that now GE owns us. We don’t want to be only seen as an internal supplier to GE. We see and we want to be a key partner for the aviation industry. We have key technologies that we can deploy across our traditional industry, which is jet engines, but also to areas like helicopter transmissions and naval propulsion. We want to retain our key role as an initial champion for the Italian Ministry of Defence and the air force specifically, and we want to keep investing in our leading technologies both for our legacy products and for new applications.”