

Fratelli Piacenza S.p.A.

Regione Cisi – 13814

Pollone (Biella) - Italy



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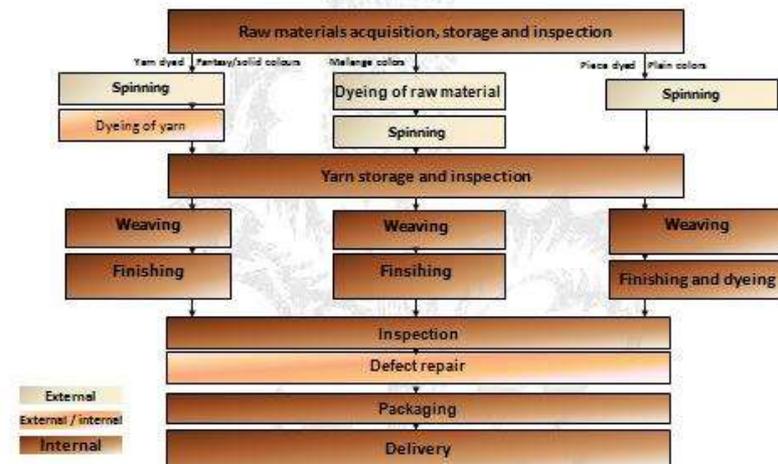
Who is Piacenza

- Manufacturer of fine woolen fabrics, leader in the top segment of noble fibre fabrics for luxury market, and pure cashmere knitwear
- Supplier of fabrics to all world-leading fashion brand manufacturers (Zegna, Gucci, Prada, Louis Vuitton, Hermès among the others)
- Based in Italian textile district of Biella, where all its production is realised
- One of the oldest textile industries of the world, founded in 1733 and from then on owned by the Piacenza family
- SME with 210 employees and a turnover of 40 million Euros



Strategy

- maximum differentiation of the product, in terms of raw material choice, style, and color – 1000 fabric design per year
- design know how and quick flexibility to customer requests
- offer of new, customized and/or exclusive fabrics in close cooperation with fashion stylists
- not to increase quantity but average price, enforcing market barriers based on design, know how, personalized service and sharp delivery
- Average price of 60 €/m of fabrics (i.e. >1000 € jacket and >2000 € per coat – retail price)



Clothing EU Fashion industry trend:

- EU is absolute leader worldwide: 4 of the 5 largest conglomerates fashion-luxury groups are located in EU
- luxury is one of the fastest growing markets worldwide, with an increase of worldwide turnover of +30% in the last 4 years.
- they exploit the peculiar competitive advantages of EU in design , quality and service and image for the sophisticated luxury mkt
- design proposal, quality, flexibility in production and delivery, service and quick response to customers' need are critical to build the added value and overcome the pressure on prices
- the presence of a local manufacturing industries still located in EU is a critical factor to sustain the competitiveness of European fashion and luxury leadership
- Return of manufacturing to EU countries is a reality, with a growing re-shoring

Biggest and best
European Luxury Firms

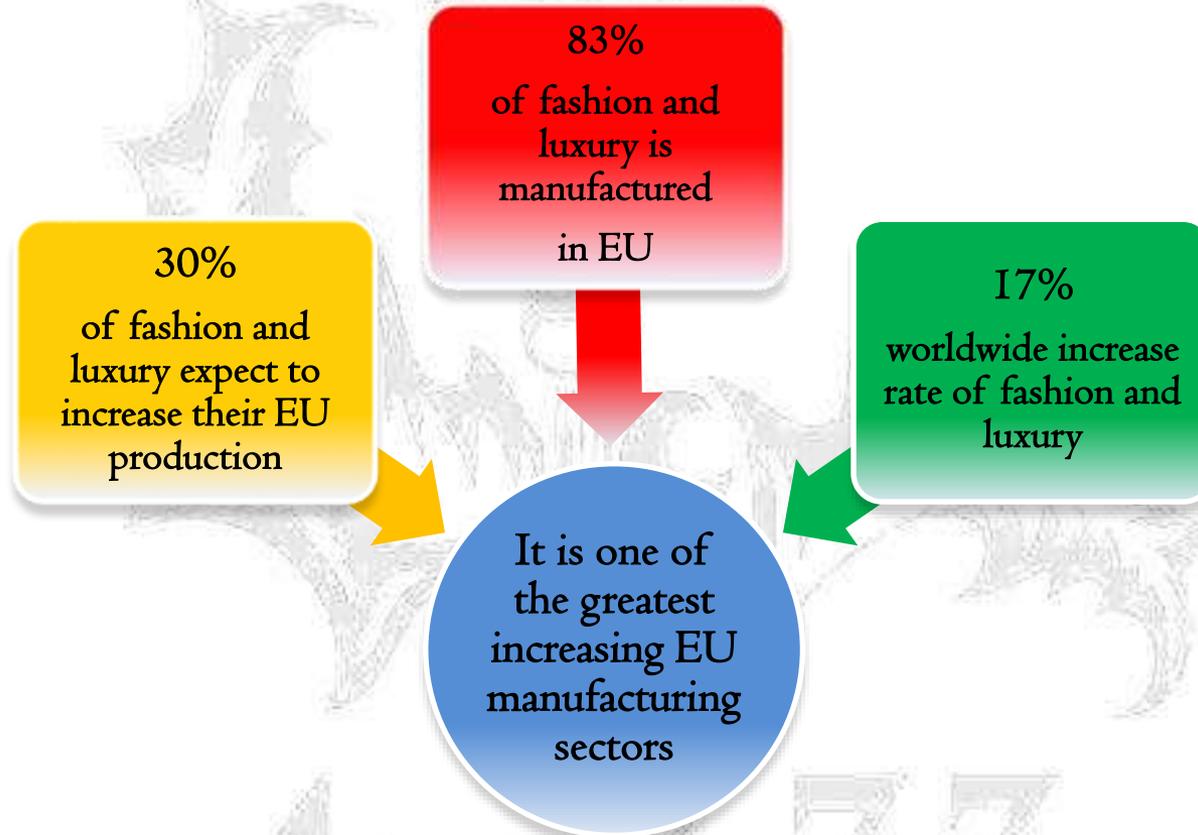
	Selected brands	Main products	Total sales 2013, \$bn
LVMH	Louis Vuitton Moët & Chandon Bulgari Guertlain	Leather goods and fashion Champagne Jewellery Perfumes	36.38
RICHEMONT	Cartier Van Cleef & Arpels Net-A-Porter Piaget	Watches and jewellery Jewellery Online fashion Watches and jewellery	13.29
KERING	Gucci Boucheron Bottega Veneta Yves Saint Laurent	Leather goods and fashion Jewellery Leather goods and fashion Fashion	12.17*
swatch	Breguet Blancpain Omega Harry Winston	Watches Watches Watches Watches and jewellery	8.50
HERMÈS PARIS		Leather goods, accessories, fashion and jewellery	4.69
PRADA		Leather goods and fashion	4.48†
BURBERRY		Fashion and accessories	3.65†

Sources: Company reports; The Economist *60% of sales from luxury †Year to end Jan 2014 †Year to end March 2014

Manufacturing Re-shoring to EU

- 52% of clothing mid price average production is produced in EU

AND...



Refraining effects

In the conclusions of a recent FP7 EU project:

“If there is an interoperability standard format and a fast and open data transmission between 3D virtual prototyping and production machinery management system there would be no reason to maintain production in China - I would return it to EU ”

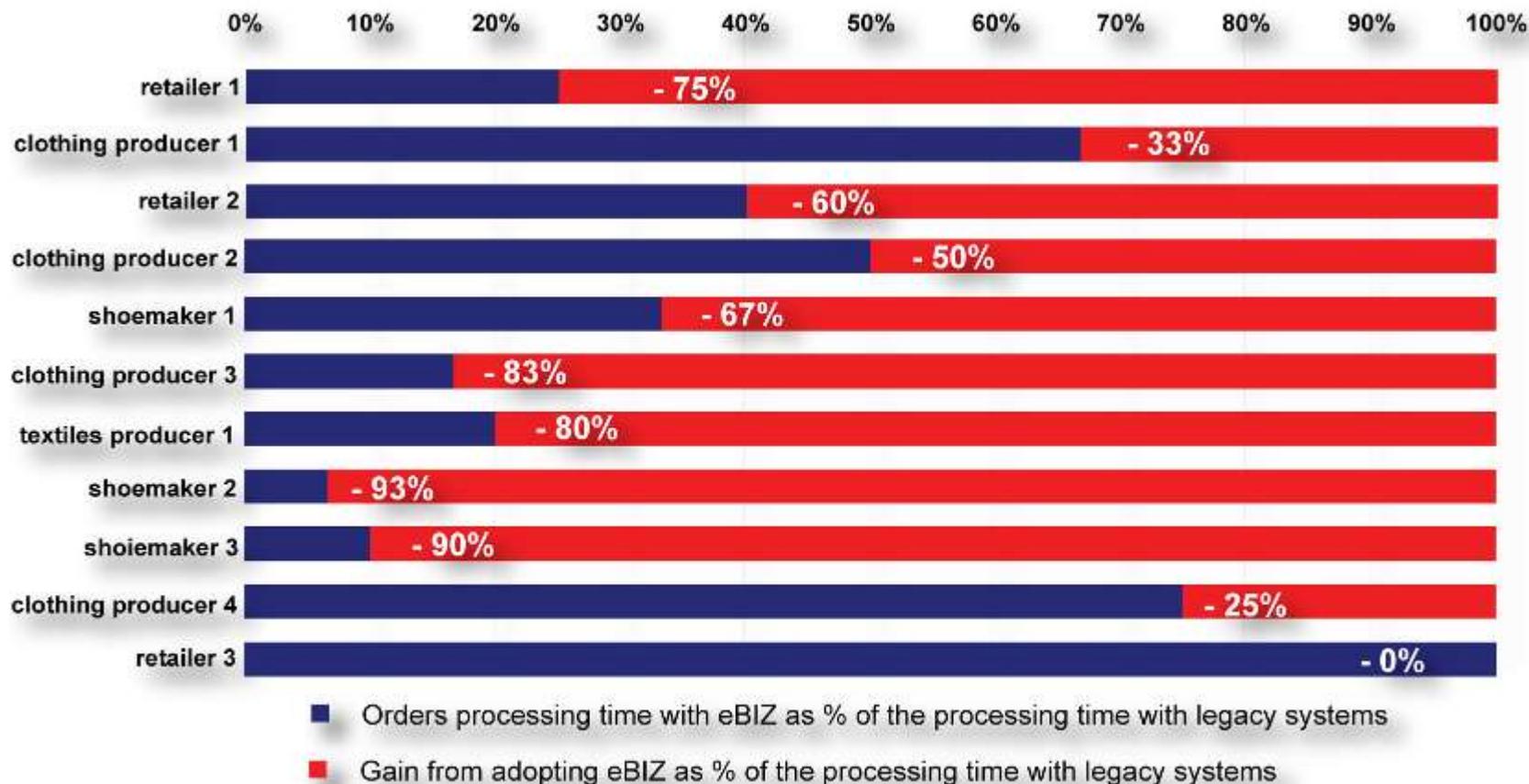
One of the largest 3D VP IT provider:

“I have no interest into opening my formats , I want to impose mine.”

- Fragmentation (90% SMEs, average dimension 10 employees)
- Absence of absolute leaders in production and IT
- Small clusters and closed communities
- Low IT average investment
- Absence of common vision by IT providers, which refrain interoperability of data

Need to build a shared common vision between the interests of manufacturers and IT providers, to boost and not to refrains EU re-shoring process

■ Efficiency: an example of data transfer cost reduction

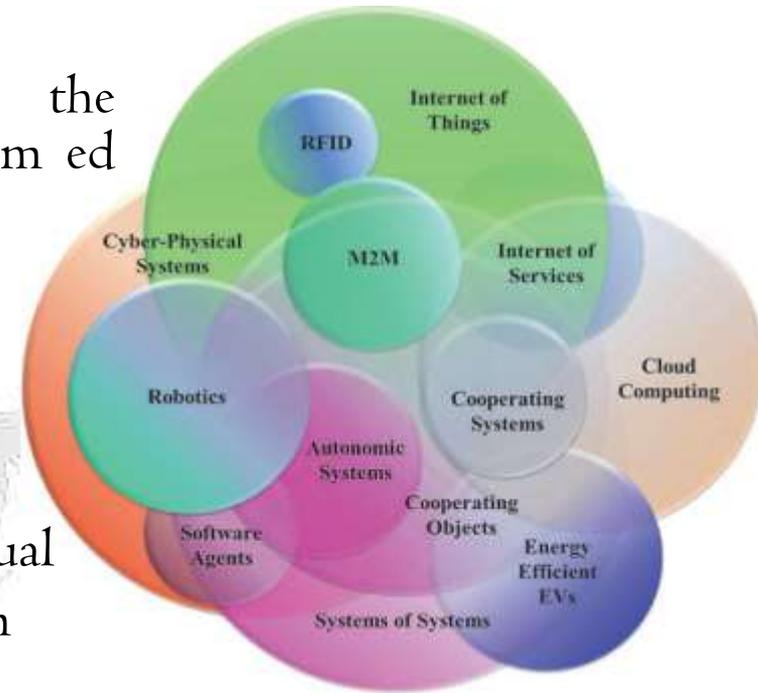


Courtesy

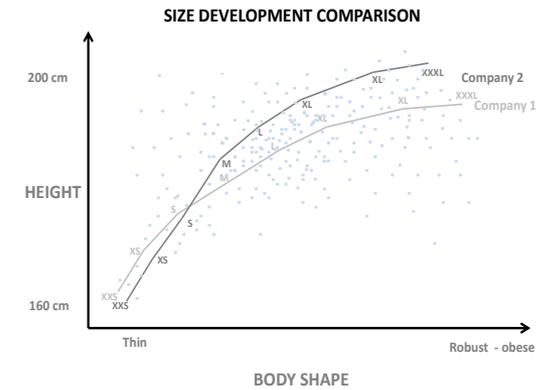
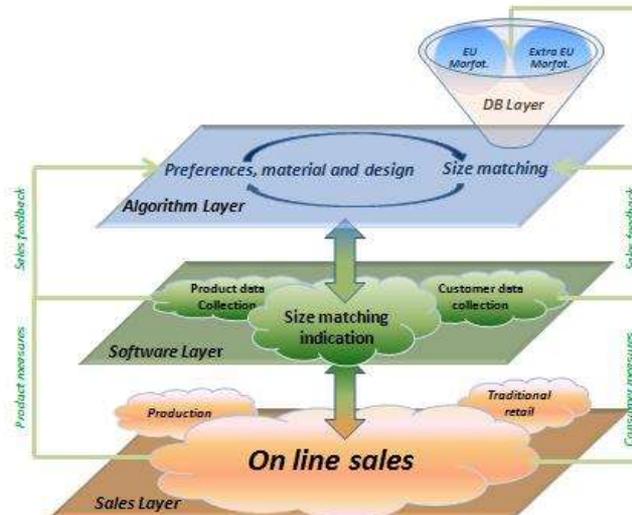
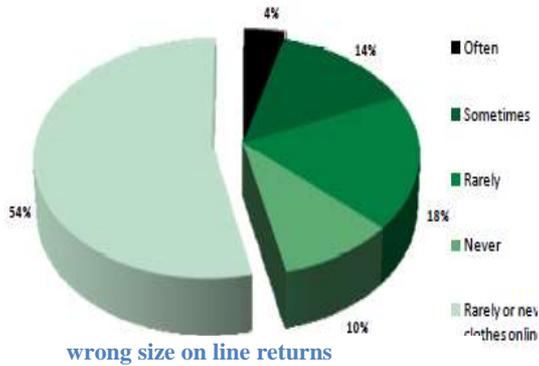


Future scenarios

- Breaking the silos: relations will evolve towards a more complex and inter-related business relationships
- Production sources will be shared and the traditional competing model will be transformed into a more flexible and synergic one
- The interoperability of data and the potential common exploitation of them will lead to the full exploitation of KET
- The present division between IoT and virtual will be broken, with a continuity between them
- The creation of new open databases in EU can enforce leadership of EU manufacturing



Breaking the silos within the sector: sizing

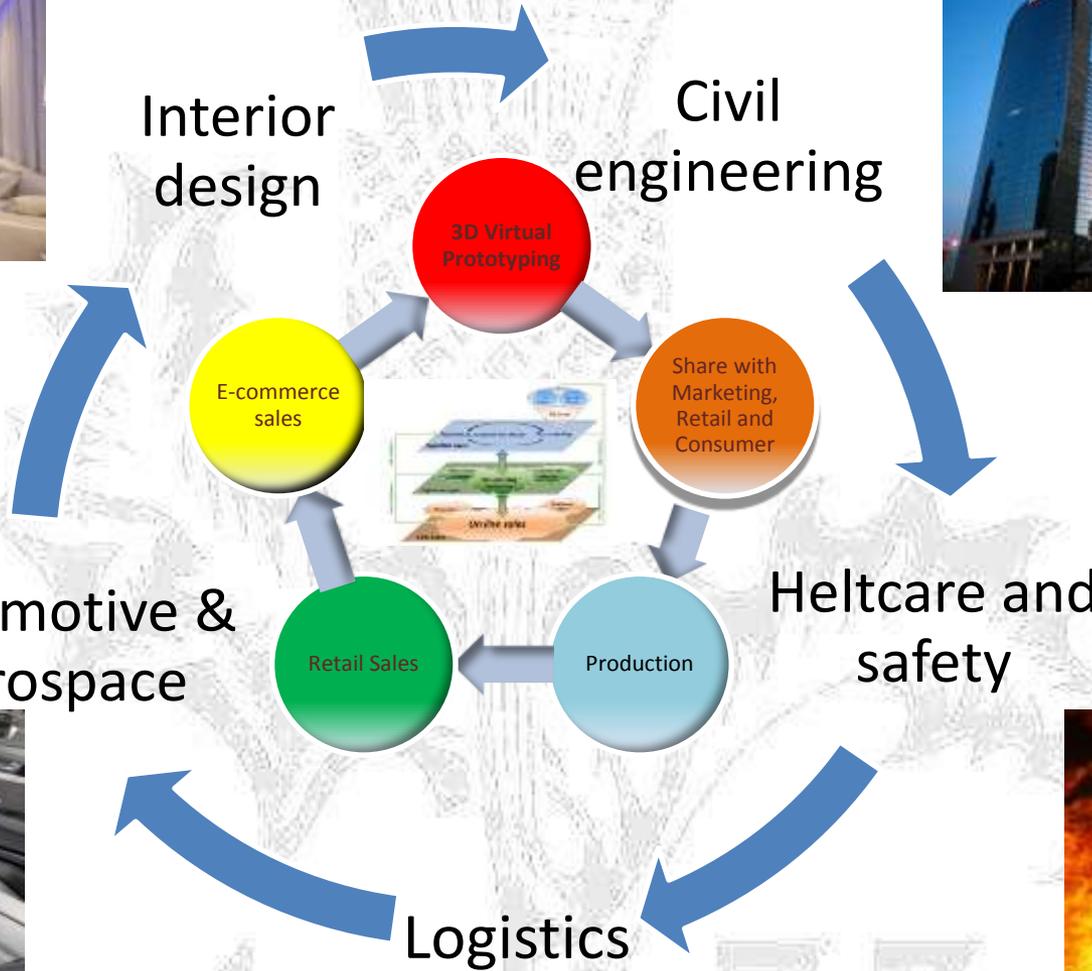


Breaking the silos between sectors



Interior design

Civil engineering





Thank you

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