

# KEEPING IT IN THE FAMILY

Matteo Storchi becomes second generation of Comer founders to lead Italian powertrain specialist

**Editor's Note:** In April 2017, Comer Industries elected its new board of directors, and Matteo Storchi was appointed chief executive officer. He represents the second generation of the Storchi family, which founded the company. Diesel Progress International recently spoke with Storchi after his first few months at the helm.

**DPI:** As the new CEO of Comer Industries, what does it mean to take the reins of your family's company and follow in the steps of the generation that founded the enterprise?

**Storchi:** It is for sure a big responsibility, both from the professional point of view and in relation to all the people that compose and surround our company; not just our employees, but also our partners, customers and suppliers.

On the other hand, I am very proud to have had this chance and I believe with our team effort we can reach the targets we have set and be a reference point for the markets we are active in.

**DPI:** One of your first official statements mentioned "an increase in dimensions and financial returns in the next five years." Can you explain how this will unfold?

**Storchi:** The dimension of the off-highway market we are able to serve with our products is huge and gives us lots of opportunity to grow.

Our plan is composed of two major parts. One is based on organic growth, sustained by extending our market share in the existing customer portfolio and leveraging our technological know-how to penetrate particular niches.

This expected profitable growth will ultimately give us the strength to follow our global customers in their international projects, which is a key point for our future developments. In the short- to midterm, after the creation of our subsidiaries in China and India, we'll certainly look for opportunities in the South American continent.

At the same time, though, we are also looking at improving and diversifying our product portfolio.

The second part of the plan involves the possibility of acquisitions or industrial partnerships, including projects with our customers. It is premature to provide details, but we are certainly open to hear from interested parties.



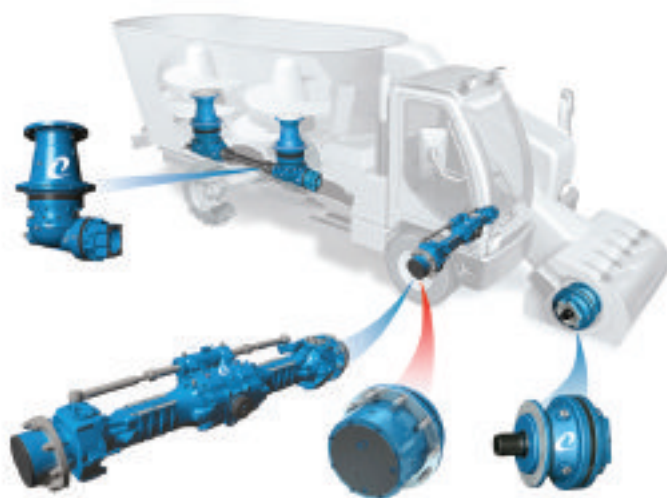
Matteo Storchi is the new CEO of Comer Industries. The Storchi family founded the company in Italy and still owns it.

**DPI:** The year 2016 closed with a slight decrease in sales and margins compared to 2015. What are your expectations for 2017 and 2018?

**Storchi:** Well, 2017 seems to be registering a significant recovery, both in the construction and the agricultural markets. We expect to close the financial year with a double-digit growth percentage.

Unfortunately, we are not foreseeing to increase at the same pace in 2018. We are consciously forecasting just a single-digit increase. Year 2017 showed a growing demand for components characterized by the recomposing

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An example of Comer Industries' capability as a complete drivetrain supplier: For self-propelled vertical feed mixers, the company can supply a number of components, including the new steering axle S-328 and planetary drives.

of machine stocks that were previously depleted. This effect will fade away in the next year.

**DPI:** *Comer Industries' main market remains agricultural machines. What are your expectations for this segment, in particular in the various regions around the world?*

**Storchi:** The most promising markets are again, Asia — mainly with China, followed by India — and South America.

We expect South America to emerge, sooner or later, from the difficulties it has encountered in the past few years. And with the sheer vastness of its territory, it is a market with an enormous potential.

**DPI:** *The theme of your 2016 Annual Report was "Easy To Partner With," and Comer Industries also was announced to be the first supplier of CNH Industrial to have surpassed 40 points (achieving 49) in CNH's World Class Manufacturing standard. What's the company's approach with customers?*

**Storchi:** We try to be as open as possible to our customers. We believe that today competitiveness is measured on price, timely deliveries and quality. These are three basic criteria which need to be fulfilled, no question.

But we think we can offer something beyond these key metrics and it is something closely linked to our Italian background — that is the capability to understand customers' needs beyond technical specs and adapt to them.

It is a flexible and adaptive mindset which we try to apply to all our external relations, not only with customers but suppliers as well. And it is an approach we definitely use also in our international subsidiaries.

**DPI:** *Among your latest product launches are the S-328 axle for off-highway applications and the Powershift*

**A-614 agricultural transmission for feed mixers. What are your expectations for these products?**

**Storchi:** We have evidence of a good response from the market. Our new products demonstrated that they are perfectly responding to and anticipating the market's needs. Surely we are now in a consolidation phase, but it is well promising.

This market reaction is giving us the boost to carry on the development of new products that complement our portfolio, such as gearboxes and transmissions, with the aim to become a complete drivetrain supplier.

**DPI:** *Another topic that is dear to Comer's development strategies is mechatronics. What will be the impact of these technologies for your company in the coming years?*

**Storchi:** This year we introduced a new area within R&D (research and development) called Innovation. It is a dedicated group of four, five people working on new manufacturing technologies, evolution in materials and lubrication, and sensors. We also work a lot with partners and with universities.

**DPI:** *Regarding digitalization and new technologies, what are your newest developments?*

**Storchi:** We have organized ourselves a conference on digitalization. This is a vast and complicated topic, hard to explain and analyze, but we believe that any process in digitalization needs to ultimately aim at improving performances and returns.

**DPI:** *For a family company like yours, how important is the "human factor" and the collective knowledge that is transmitted down the line?*

**Storchi:** The human factor is actually a distinctive element of our company. And not only in departments such as R&D, but also and foremost on the shop floor. This is what sets us apart from the automotive world. In our company the personal involvement in a project and the personal contribution towards the success of that project is fundamental. We like for all our people to be involved.

**DPI:** *Apart from the financial side, where do you imagine your company to be 10 years from now?*

**Storchi:** For sure we aim at the chance to make a difference, to become a main player in our business. Of course, the possibility to put these plans into practice will greatly depend on many boundary conditions.

We will be a dynamic and growing company, easy to work with. We will also be very open to opportunities to increase the size of our enterprise. **dpi**

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