

# LES HENOKIENS CASE COLLECTION



## *“Garbellotto S.p.A”.*

### *Introduction*

"Garbellotto S.p.A.", an Italian centenarian family business, has its roots in the ancient tradition of wood artisans. Specialized in the manufacture of casks, vats and barrels, it has become a leading company in the sector at international level.

In its long history, Garbellotto has distinguished itself for its professionalism, reliability and ability to respond dynamically to customer needs, as shown by the prestigious awards received.

Through eight generational transitions, overcoming the obstacles of the two world wars, and the social and economic crisis imposed by historical circumstances, Garbellotto has now become a well-known witness for Made in Italy worldwide, drawing its success from the ability to combine tradition and innovation, while, on the one hand, preserving its identity and, on the other accepting the impulses of modernity.

Thanks to the entrepreneurial spirit, tenacity and integrity of the Garbellotto family, the Art of Cooper in Italy is a vivid and profitable reality, bringing scents of wood and wood aromas in the era of technological consumerism.

## ***1. The history of the family***

### ***1.1. The roots***

The Garbellotto family has been carrying on business in the wood industry since 1775, when the founder, Giuseppe, opened the first artisan workshop for the manufacture and repair of barrels and vats.

The story begins in San Fior, a small town on the outskirts of Conegliano, province of Treviso (Veneto), where the founder undertook the craftsman business: he "modeled and worked wood in all its forms"<sup>1</sup>, also making fine furniture in addition to vessels.

It was his passion for the fascinating art of Cooper that began a long family path of specialization in the manufacture of wooden vessels, which nowadays are known in enology from the five continents. At that time the activity was run in a laboratory in the courtyard adjacent to the family home. It made use of the talents of Giuseppe's successors, his son Pietro, and grandson Augusto Emilio; a dozen of people worked for the business at that time.

In the second half of the 19th century Augusto Emilio was succeeded by his son Giovanni Battista.

He led the company for half a century, with the help of his many sons, among which emerged as his successor Narciso. The eldest son, Emilio, in fact, decided to take his personal journey, emigrating to Brazil where he settled the Brazilian branch of the family; this is still active in the furniture industry with three companies between Passo Fundo and Porto Alegre.

Narciso, with the help of the two remaining brothers, developed his father's business, specializing in the manufacture of barrels supplying especially the area of Lombardia and Veneto.

In those years, the reputation of Garbellotto grew so much to count among its customers even Charles of Habsburg, the future emperor of the Austro-Hungarian Empire. He commissioned Garbellotto to repair the barrels in the estate of his wife, the Princess Zita of Bourbon, triggering a series of orders to provide the House of Austria. What made the company prosper until the early twentieth century.

### ***1.2 The Twentieth Century***

During the twentieth century the company underwent major changes, alternating periods of growth and difficult times of recession.

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<sup>1</sup> Garbellotto, *Arte del Bottaio*, [http://www.unioneimpresestoriche.com/associati\\_dett.asp?lingua=\\_ita&idlink=3&idass=45](http://www.unioneimpresestoriche.com/associati_dett.asp?lingua=_ita&idlink=3&idass=45)

The business prospered, in fact, until the beginning of the century, when the advent of the First World War blocked all production activities, and the family home was occupied by Austro-Hungarian troops who settled there a military emergency.

Garbellotto's workshop of barrels, including precious family archive, was completely destroyed. Nothing survived that first dark moment of the twentieth century, if not love for their art that pushed Giobatta Garbellotto, son of Narciso, to reorganize the business adopting an industrial model.

He concentrated on the production of casks, vats and barrels and restarted the business, while transferring the head office in Conegliano, an area better equipped in terms of infrastructure, thanks to its proximity to the railway network that facilitated transport.

Giobatta and two minority shareholders created the "*Società Bottai di Garbellotto e Soci*" that would take, after a few years, the current name "*Garbellotto S.p.A*".

The business expanded rapidly and soon became the leading Italian company in the industry and one of the best in the world.

World War II imposed a new stop in production, but fortunately the activity resumed after the end of the conflict.

After graduating from the wine school of Conegliano in 1946, Pietro's son Giobatta, soon began to learn the secrets of trade from his father, and helped in the reconstruction of the company following the bombings during World War II.

Just after the war, with a special pass to cross the border area occupied by the Allies, he was the first to get in Yugoslavia to search for the precious wood, the raw material needed to build quality barrels.

With many sacrifices and some risk, he opened the channel that allowed the company to procure in the forests of the Balkans a quality wood, with very few knots, a characteristic required to build perfect barrels.

During his many travels, he learned to know deep forests, plants and woods, adding to his entrepreneurial skills strong technical expertise, so to be chosen as a consultant by the Ministry of Agriculture of Yugoslavia in the 70s.

In the early '60s he was the proponent of the business turnaround: he decided to move the plant to a new bigger and modern premises (the current one) located along what became the Pontebbana Highway. This choice proved to be a winning move, which allowed a new qualitative leap: the increase of production capacity for cooperage, and the creation of the largest wood park in Europe.

Sales grew very rapidly, asserting Garbellotto as the leading company in the industry on both domestic and foreign market.

A few years later, Pietro had another brilliant intuition: alongside the historic production of barrels also trade in timber, creating important synergies between the two activities.

In this way it was possible to reduce the seasonality of barrels (at that time dependent on the harvest) and buy large quantities of timber, at particularly favorable conditions. Furthermore the choice, selection, and curing of the raw material could be made in house, what ensured the best use according with the characteristics of the wood.

The 60s were, for Garbellotto years of large supplies to distilleries with a quantity of daily orders that came even to 30 vats of 350 hectoliters each, counting among its customers such well-known brands as Vecchia Romagna, Fernet Branca, Stock Strega, Amaro Montenegro, and Amaro Braulio.

### ***1.3. Rebirth***

In the 70s coopers began to see the first signs of a crisis that would weigh heavily on the characteristics of the sector. The international economic situation that led to the oil crisis, caused a shutdown of long-term investments, including purchases of vats and barrels. Changing consumer tastes from aged to young wines, what rendered almost useless aging wine in barrels. The increasing use of containers made of other materials, starting in the '50s with cement, to get to fiberglass and steel, in more recent times spread at the expense of wooden barrels.

In particular, 1978 was the year with no orders for the company, nevertheless the Commander Pietro Garbellotto took over again a great entrepreneurial intuition: he decided not to close, causing a huge financial deficit, to support all those families who depended economically by the company, (often employed for generations to Garbellotto S.p.A.) by assigning them the maintenance of the factory.

He recalled in an interview: "I could close the factory. What prevented me to do that was thinking of the families who depended on our business. I decided not to resort to layoffs but to pay salaries to the workers, who then took care only of the maintenance of the factory for months because there were no barrels to build. Financially it was a disaster from which we saved by a miracle thanks to a providential order. In 1980 Gallo: an enterprising Italian-American winemaker, set off from California in search of a European company able to build giant vats for his winery in Modesto, California. He chose us to build 712 tuns-barrel, with capacity of 6600 liters, high more than 3 meters and a half "<sup>2</sup>.

The Commander's tenacity was well rewarded by the request of the largest supply of all time in the industry of wooden vessels, from the Gallo Winery of Modesto (California).

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<sup>2</sup> *Addio a Pietro Garbellotto, L'Imprenditore delle Botti*, La tribuna di Treviso, 28 Novembre 2011

It was not easy, especially if one considers that the job entailed a tremendous amount of high quality raw material, transport and final assembly (which took place on the spot, in the cellar of the client), but that provision, which lasted for five long years, was the salvation of the company.

Pietro led the company for over sixty years, but this was not his unique interest, he also devoted to the training of young people through the creation of a course for "Wood Expert" at the college Dante Alighieri in Vittorio Veneto. At that time, in fact, despite being one of the most flourishing markets in Italy, there was no schools or training activities for young people who wanted to prepare to work in timber industry.

Pietro's experience in timber industry was such that soon he became a leading expert of Oak in Italy and was appointed president of Federcomlegno (today Federlegno Arredo), then the trade organization for the logging industry, which treated the agreements framework for imports of sawn timber with the other states.

He was a man of great culture and strong sense of civic duty, strongly committed to the promotion of initiatives for the development of the area and young people, what made the Mayor of Conegliano appoint him "Ambassador of the Culture and the Area of Conegliano".

His death in November 27th 2011 has not destabilized the fate of the family business: his three sons Piero, Piergregorio, and Pieremilio picked up the baton with determination and sense of responsibility, determined to continue the long family tradition, demonstrating as much entrepreneurial capacity as their ancestors and bringing the company to continuous expansion into world markets.

## ***2. From Father to Son***

### ***2.1 Mission and Values***

Way back in 1775, Giuseppe Garbellotto began this adventure, and since then the art of Cooper handed down from generation to generation.

Are eight generations that followed one another at the helm of the company, with a mission: to ensure ongoing customer satisfaction by offering quality.

The search for quality is indeed a value that accompanies the company incessantly, and that is not only about products but also the services that are offered.

Their passion, alive today as it was then, the craftsmanship combined to innovation and their many patents, continue to make the story of this Italian company, became a world leader in the field.

The key element that has ensured the continuation of the business and a good generational succession is due to the ability to go beyond the simple handover, transmitting a passion for work that creates something unique and unrepeatable that customers perceive and appreciate.

Giobatta led the company in the first half of the twentieth century, and led it successfully overcoming the obstacles of the two world wars, while many of its competitors were forced to close.

What set him apart from any other main contractor of that time was the vision, the ability to see in internal and external collaboration the key to success: on the one hand the teamwork of coopers, essential to carry on the business, and on the other hand a relationship with suppliers based on trust and long-term partnership, which would bring significant benefits in financial terms and quality.

Thus he was able to face the present with an eye always on the future.

In the first post-war the business was transformed from a simple workshop employing a small number of highly skilled workers into a more complex joint-stock company, what called for a significant increase of the workforce and the adoption of an industrial organization model. A transformation that made it necessary not only a reconfiguration of activities and processes, from the point of view of operations, organizational and administration, but also and especially the implementation of adequate and sophisticated control systems and the adoption of a corporate philosophy dedicated to rigor and order.

And just to remember the primary importance of business planning and the philosophy of order, Pietro Garbellotto did write in Latin at the entrance of the company, "*serve orderliness and it will be your servant*"<sup>3</sup>.

The brand Garbellotto is also identified by the values of respect, trust and honesty in relationships with its stakeholders; such values are fundamental to cultivate long-term relationships within the company and thereby strengthen the soundness and corporate identity.

While competitors pointed to profit, Pietro put in the first place the satisfaction of customers, suppliers and employees. He argued that the key to building relationships of trust and continuity was in fact the "win with" (win together) and not the payout, which presupposes a defeat of the other party; he had to "do business in two", drawing benefits for both parties.

Setting relationships based on fairness, mutual respect and trust allowed Garbellotto to build over time a very clear and solid reputation among its partners: engendering reliable suppliers, in respect of payments and long-term partnership, ensuring to customers the safety and quality of products.

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<sup>3</sup> Luca Cais (2013) *Longevità d'impresa e ruolo dell'imprenditore*, Tesi di Laurea, Università Ca'Foscari Venezia

Research and quality assurance in products, such as in customer services, are in fact a value that has always accompanied the company: this produces only on order creating highly customized products and observing carefully the needs and requests of its customers.

The policy of transparency and fairness involves employees too. This characteristic is strongly linked to the recognition of the added value created by its team of people, which has enabled the company to develop over two centuries.

In fact, since the days of Giobatta, Garbellotto always considered itself a great family where the owners and employees have grown up together and where humility respect and trust have always been core values.

By cultivating these values, employees have always developed a sense of belonging, recognizing the principles of the company, also fully respecting and sharing the formal rules, and defending the corporate vision.

Giobatta combined a great orientation to orderliness, rigor and precision machining with an equally huge human sensitivity thus forming a close-knit and quality conscious team of coopers. Peter, like his father paid attention and care in the relationship between owner and worker.

In the business still echoes the proverb "*Sa più el Papa e un contadin che el Papa solo*"<sup>4</sup> (The Pope and a peasant know more than the Pope alone) with which he loved to remember his entire organization and especially his children, that listening the advice of the person apparently less qualified provides a plurality of views, which translates into valuable human capital.

Peter tributed great importance to harmony and good ways of living and behaving, regardless of the position held in the company; these were indeed important ingredients for the cohesion of the corporate long-term success.

This characteristic is widely recognized by workers and employees, as witnessed in a collection of interviews to workers at Garbellotto, reported in the book "*La Storia della Botte. Garbellotto dal 1775*"<sup>5</sup>, of which we give a short sample.

Piero Tarzaio, a worker who started his relationship with Garbellotto at the age of 24 as a temporal worker for three months, and then spent all his career at Garbellotto, affirms: Mr. Giobatta has been non only an employer for me, he acted like a father. When I told him I was going to get married he gave me very useful advices about building a worth marital relationship. ... Also the relationship with Mr. Pietro have been very good. ... He had total confidence in me and I had in him."

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<sup>4</sup> M. Bolzan, L. Cais, C. De Marchi, D. Maso, B. Soldan, *Project Work: controllo di gestione delle vendite in ottica di sostenibilità, Garbellotto*, Università Ca'Foscari Venezia

<sup>5</sup> Mario Anton Orefice, 2010. *La storia della botte. Garbellotto dal 1775*. Unione Italiana Vini Editrice. Milano (Italy). 83-95.

Giovanni Bottega, has been a cooper and also the personal driver of the Garbellotto family. He started to work at Garbellotto at the age of 14 and recalls the time when at evening, after working all the day in the plant, he drove the Commander Garbellotto around Italy in Piedmont, Tuscany, since at that time there was not a sales network as it is nowadays. ... To me mr Pietro has been much more than an employer. He has helped me in many circumstances. I was a very shy person and I was ashamed because of my hare-lip. ... Mr. Pietro always told me: you do not have to be ashamed, only ignorant persons give attention to certain things, good people do not even notice them. ... When I was about 40, he convinced me to solve the problem of my hare-lip. He introduced me to a specialist from Bologna and then he paid for the surgical intervention. ... Later on he also helped me when I bought my house. ... I also had the pleasure to teach the secrets of the art of cooper to mr. Pietro's children, who made summer work during vacations from school. ... Nowadays, my son works here at Garbellotto, he has taken my place.

Mario Salvador, who has been Pietro Garbellotto's alter ego and personal counselor during the sixties of the last century, recalls: mr. Pietro has been a master to me, he has taught me everything I know in any field. ... He was very demanding with himself and his collaborators. He cared personally the selection process of workers. In his idea, a good worker had to be a passionate for this job, he had to love it, otherwise, better he looked for a different job. He always said that workers are the best investment. Salaries and work conditions at Garbellotto have always been on the top of the industry.

The sense of belonging, the climate of "openness" and almost informality within the organization, have created an array of interests between employees and owners (their good is the good of the company and vice versa) which does not require the presence of trade unions: working conditions have always anticipated national contracts, and wages have always been higher than the minimum trade union, and the problems are resolved talking and listening as in a big family.

In the more than two centuries of history there has never been a single minute of the strike, as proof of the relationship between the employees and the employer.

The heart of the company is still represented by the human resources, that with their experience, professionalism and dedication are an invaluable and irreplaceable value.

The recognition of the value of its coopers, keepers of valuable know-how of the past, is in fact a feature that accompanies even the present management<sup>6</sup>.

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<sup>6</sup> Pieremilio Garbellotto sottolinea in una intervista: *"Il primo capitale di un'azienda non sono i suoi prodotti ma la sua squadra il gruppo di persone che poi attraverso la loro collaborazione e la loro esperienza generano prodotti d'eccellenza"*. (Luca Cais, 2013, *Longevità d'impresa e ruolo dell'imprenditore. Il caso Garbellotto* Tesi di Laurea, Università Ca'Foscari Venezia)

Through the teachings of their predecessors, the Garbellotto brothers, have been able to maintain a climate of harmony and cooperation that generates excellent products, leading the company to the top of the industry.

It is no coincidence that the employed coopers followed for generations such as the owners (it even happened that in a certain period in the company worked grandfather, son and grandson).

The enhancement of human resources and their heritage of experience and professionalism are a strength on which the company roots its identity and direction.

The manufacture of barrels is an art, which, due to its nature, can not be learned from a text; rather the master cooper tries to convey to apprentices from generation to generation all the secrets of the trade with intuition, sensitivity and experience.

The employees with long-standing still today have the most important task, that is to teach new apprentices (often their children, and even grandchildren) how to do the job of a cooper: this requires first of all a great deal of precision and attention to the characteristics of wood (for example, wrong selection of a series of slats from stock could in fact jeopardize the quality of the finished product and the image of the firm at the customers.)

Mario Anton Orefice, in his book "History of the barrel"<sup>7</sup>, reports many examples of employees who recount their experience in the company, wonderful stories like those we already reported before, that exemplify the beauty of work when it becomes art, when the human being is put in the center and can express him or herself in fullness, relating in a calm manner and feeling valued and appreciated.

About the role of technology, while recognizing its importance for the benefits of facilitation of manual labor and lower physical efforts, Pietro placed it on a secondary level to human work. He considered necessary to pay attention to technological innovation, in order to maintain leadership in the market, and complement the work of the cooper in more strenuous manufacturing, but he was convinced that it should never dominate and activity (Art) that is handmade in its nature.<sup>8</sup>

Pieremilio Garbellotto summarizes the company's style, valid in the past and renewed for the future, as follows: "Our company will never be "modern hundred percent "; the human being still makes the difference in our company. Both for the visual recognition of the quality of wood, and for the ability to work it."<sup>9</sup>

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<sup>7</sup> Mario Anton Orefice. 2011. *La storia della botte. Garbellotto dal 1875*. Edizioni: Unione Italiana Vini.

<sup>8</sup> Pieremilio Garbellotto ricorda "il prodotto dell'azienda era per metà frutto della tecnologia e per metà frutto dell'esperienza dei propri bottai: i macchinari sono sempre stati progettati non per sostituire ma per affiancare il lavoro dell'uomo e facilitare i compiti più duri." (Ibidem)

<sup>9</sup> M. Bolzan, L. Cais, C. De Marchi, D. Maso, B. Soldan, *Project Work: controllo di gestione delle vendite in ottica di sostenibilità, Garbellotto*, Università Ca'Foscari Venezia

## 2.2. The “Regolieri”

Despite the structural changes occurred in the last century, Garbellotto has succeeded in maintaining its own identity thanks to effective formalities and strategies to pass on to subsequent generations its core shared values, which are at the roots of the strong cohesion among different stakeholders.

With the transformation from a simple handicraft shop to an industrial firm, Giobatta began to establish a number of rules concerning different ambits of life in the business, such as methods of workmanship, control of quality, behavior at work. Such rules were transmitted only in oral form. They had ethical and moral value, and Giobatta personally monitored that people around the organization respected them.

It was his child Pietro's idea to put those rules in writing. He established the "Regolieri": an extremely minute set of rules, classified for business area, and for typology of rule, with the purpose to instruct workers to face effectively every circumstance, and to minimize possible mistakes in the workmanships. They contain over one century of experience of life concerning organization, job, behavior, safety and prevention; they also give suggestions for life and for the future, for the preparation to the generational passage.

Anything that Pietro held remarkable for himself, for the organization, for his own children or for his personnel was written in the *regolieri*<sup>10</sup> and made available for consultation.

Even nowadays they are continually updated by the children of the Commander, suiting their contents for the evolution of the social and business environment, and every newcomer in the business is required to read them.

An analysis of the *regolieri* clearly highlights the foresight of Pietro: how clear vision he had of the future scenarios for their business and how he meant to educate his children to be able to run the family business in the context of those scenarios.

The transition to the subsequent generation has been prepared wisely.

Since their childhood, Piero, Pieremilio, and Piergregorio spent their summer vacations in the business alongside the Master Coopers<sup>11</sup> to learn the trade. An experience that allowed them to assimilate the knowledge and passion to follow in the footsteps of their ancestors.

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<sup>10</sup> Piergregorio Garbellotto: “Pietro scrisse regolieri su tutto e li aggiornava continuamente quando impostava un ordine o implementava una strategia un modus operandi un nuovo modo per gli acquisti, un metodo per catalizzare o dare valore ad un processo interno: lui lo scriveva. (Luca Cais, 2013, *Longevità d’impresa e ruolo dell’imprenditore. Il caso Garbellotto* Tesi di Laurea, Università Ca’Foscari Venezia)

<sup>11</sup> Giovanni Bottega: “Ho avuto anche il piacere di insegnare insieme ad altri bottai i segreti del mestiere ai figli del Signor Pietro che venivano in azienda durante le ferie della scuola. Piergregorio era con me ai lavori di finitura, Piero in ufficio e Pieremilio con altri colleghi imparava a scegliere il legno. Mio figlio oggi lavora qui, ha preso il mio posto.” (Mario Anton Orefice, 2011, *La storia della botte. Garbellotto dal 1775*, Unione Italiana Vini Editrice, Milano)

Nowdays, they can count on the support of several Master Coopers, who hav been working in the company for decades (some even almost half a century) and gained their great experience under Pietro's guidance.

The Commander was strongly convinced that, while learning the art of cooperage, his children should receive good comprehensive education, because "only a good education and respect for moral values are a guarantee of an honorable behavior".<sup>12</sup>

Based on such conviction, he contrived different educational strategies for his own children and for the entire organization.

Since their tender age, Piero, Pieremilio, and Piergregorio were asked to write the "book of faults", where each one of them had to write everything that he thought could be his own fault and the relative remedy; a sort of examination of conscience.

Pietro and his wife Gregoria, examined then these notebooks taking notes, and, eventually, integrating the text with their suggestions. Sometimes, they also inserted some local proverbs, that could be effective to reassume the leading logic of their vision. In such way they tried to motivate their children to think about the correctness of the behavior to undertake, to guardianship of the leading values of the person and the firm.

Such strategy has inspired the "box of the suggestions", proposed by Pieremilio, to welcome criticisms and proposals from employees, whose suggestions are also used as indicators of the degree of satisfaction and harmony in the business.

Another instrument adopted by Pietro to educate his children to become the future managers of the family business was "the scholastic method". Pietro used to propose in playful way to his children, practical cases or articles of newspaper to analyze, to learn lessons at cultural, ethical and moral level, that were then transcribed in the "regolieri".

Among the other values, meritocracy assumes a crucial role, since every employee aware of to work in a meritocratic system, will make his/her best for the comfort of the firm: "none needs to have the pride to be forced to do something that he/she cannot afford".<sup>13</sup>

Furthermore, Pietro was used to assign to his employees simple charges, apparently foolish. In this way he tried to sharpen the technical and organizational abilities of his collaborators: to complete "banal" chergas prepared them to cope with more difficult ones, while feeding rigor and attention for details.

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<sup>12</sup> Ibidem.

<sup>13</sup> Luca Cais, 2013, *Longevità d'impresa e ruolo dell'imprenditore. Il caso Garbellotto* Tesi di Laurea, Università Ca'Foscari Venezia

### **3. *The Business***

*Garbellotto S.p.A.*, specialized in the production of strokes, tubs and barriques, of every format, dimension and wood, has been for over two centuries, the Italian oldest and most famous manufacturer of strokes.

The excellent quality of the barrels is born from the mastery, wisdom and the great experience of the masters coopers, Joseph Garbellotto in primis, that with their conscientious handicraft job give prestige to an art that is handed down for generations from father to son.

Since the 50s, Pietro Garbellotto added to the core business a complementary activity, the “Lumber Deal Industry”, practicing his long experience in the field of the temperate latifoglies. The important synergies among the two areas of business, allowed the firm to overcome moments of uncertainty of the market, and to become a leader on the national and foreign market.

Today in fact, the firm produces 45.000 hl of casks and barrels a year, it extends on an area of 60.340 mqs of which 14.137 covered, employing around 70 employees.

#### **3.1 *The Art of Coopers***

Since the dawning of the history of mankind, wine is the most known and appreciated drink worldwide. In origin the must was poured in tubs of stone, great terracotta vases, clay containers or leather bags, containers of animal skin, in which it fermented.

The birth of the barrel is due to the Mediterranean civilizations: a painting from 2700 B.C., recovered in an Egyptian grave, represents the work of the cooper<sup>14</sup>. But it is to the Cisalpine Gaul that it is attributed the credit of the diffusion of its use.

The barrel was a wood container, that thanks to its shape was more resistant than clay containers, and also easy to move in comparison to boxes, since it can roll. Furthermore, once filled and put in horizontal position, they were able to concentrate possible sediments in a single place.

In times when the transport of commodities depended on the strength of men and animals, the invention of the barrel was a great footstep before, and for many centuries it favored the commerce of every kind of products. In the first phase of its history it was therefore considered simply a container, sufficiently healthy and reliable.

It was only in the nineteenth century that wood was recognized a particular importance, due to the transfer of numerous constituents to wine, and to the slow micro-oxygenation of the must thanks to the natural porosity of staves.

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<sup>14</sup> Enrico Tiziana, *Tra storia e scienza: botti di legno, moderni impieghi enologici*, <http://www.sottocoperta.net/cucina/enologia/art11.htm>

Through an exclusively natural process, between container and content are established various physical-chemical interactions that determine substantial changes on both, that are rather intense and occasionally also negative.

Over centuries the wood assumes therefore a primary role, and it indissolubly becomes a symbol of wine. During the XX century this predominance staggers because of the employment of new materials in the wine cellar: first of all cement, economic and easy to put in place, followed by enameled iron, resins and, finally, the antiseptic, rational and clean stainless steel.

So while all the competitors, unprepared to face the new challenges, were forced to close, the entrepreneurial tenacity and the business choices of Pietro Garbellotto, allowed the firm to overcome the strong crisis that involved the sector of barrels. That thanks to the revaluation of the properties of wood in wine making, soon there was a return to the traditions, to the art of the cooper that still survives and flourishes. The ancient work of the cooper begins in the woods, where his experienced eyes search the material and the essence most suitable for production, keeping in mind the demands of customers and having care to choose the most proper stocks of lumber, devoid of physical defects and illnesses.

Long time ago, for motives of economy and easy availability, barrels were built using the lumber that was available on the spot. Nowadays they are made almost exclusively of oak: *Quercus Petrea* and *Quercus Pedunculata*. Mixed together in accurately studied proportions (Mixed Garbellotto<sup>15</sup>) in more than two centuries of activity, they guarantee to the Garbellotto products a marvelous bouquet, assuring to wines and liqueurs an unique taste.

The firm also makes use of other lumber as: Cherry (*Prunus Avium* and *P. Cerasus*), Acacia (Locust tree *Pseudoacacia*), Ash (*Fraxinum Exelsior*), Chestnut tree (*Castanea Vesca*) and other varieties upon request. Experience together with continuous scientific research<sup>16</sup> improves the qualitative standards of lumber, and it constitutes the base of the success as well as the quality of Garbellotto's products.

### ***3.1.1. The Choice of the Wood***

Lumber is directly purchased in the best European forests in Slavonia-Bosnia, in thick central French and in Central Europe, where the Garbellotto's experts choose only the best stocks.

In Conegliano, lumber is drawn with the method called "cut of cleft" according to a technique that opposes the natural vein of the wood to the pressure practiced by the contained wine in the barrel, and carefully selected by the experienced Masters Coopers. Only those stocks that passes the

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<sup>15</sup> Pietro Garbellotto, *Il Rovere "Misto Garbellotto"*, L'Arte del Bottaio, Garbellotto S.p.A, 2006

<sup>16</sup> Le analisi chimiche effettuate periodicamente nelle partite del legname, per verificare la concentrazione dei composti aromatici (Estratto totale, Elagitannini, Fenoli, Aldeidi, Lattoni, Furani, Vanilline solo per citarne alcuni), confermano la strada giusta da seguire.

numerous and severe controls, are sent to the natural seasoning, while discarded lumber passes to the sector “Lumber Deal Industry”.

It is critical that only the best staves are drawn; they must be upright and devoid of defects (alburnum, fissures etc.) that could cause losses and deformations. Moreover, knots could be the starting point for infections and once in use, the casks would rot and give off an unpleasant smell and cause leakage.

The many factors interacting among them<sup>17</sup> makes difficult to foresee the effect that a certain type of wood can produce on a certain typology of wine.

For this motive it is critical the experience, search and experimentation of competent technicians that analyse every single wine in every single year in the search for the most appropriate combination of the different parameters (surface/volume, times of refinement, and so on) . The estrattive substances are, in fact, of various nature. Part of them are proper of the wood (polyphenolic components, defined tannins), others originate from transformations during the process of seasoning, others derive from the toasting process. These substances brought in different quantity and proportions<sup>18</sup> confer to wine different aromas and taste. While wine ages, the barrel acts as a lung. Through the wood, the oxygen slowly penetrates in the barrel, oxidizing the wine. This process stabilizes the color of wine and sharpens its taste. At the same time the barrel transudes alcohol and water, that evaporate in the atmosphere. The dregs is deposited on the fund of the barrel while sugars and tannins coming from the wood slowly filter in the wine conferring it the particular organoleptic characteristics.

For these reasons, Garbellotto S.p.A. considers correct seasoning of wood a critical issue.

Seasoning must follow a natural process to reach the perfect physical-chemical stabilization of wood; particularly Oak, given its colloidal sap, cannot be dehydrated artificially, since the must at contact with wood would deform and burst it, and in turn would be reabsorbed by the fiber producing a disastrous result.

Natural seasoning, instead, benefits from some effects of rain, sun and wind that contribute to carry away the most bitter tannins, dry the wood from natural damp and sharpen taste and aroma of the raw material thanks to peculiar biochemical transformations.

Naturally seasoned wood cannot be bought commercially as it is necessary only for cask manufacture and not for other industries. It is therefore the job of the cask maker to carry out this seasoning on its own premises considering that 8 months per cm. of thickness are necessary to guarantee a continuous supply of naturally seasoned wood.

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<sup>17</sup> La composizione del suolo, le condizioni atmosferiche e l'età della foresta sono alcuni tra i molti fattori. Anche la maniera in cui il legno viene stagionato, in essiccatoi o all'aria aperta, inciderà sul sapore del vino.

<sup>18</sup> Maggiore sarà la dimensione della botte e minore sarà il rapporto superficie di contatto/volume del vino, pertanto minore sarà l'influsso degli elementi ceduti dal legno al vino.

Garbellotto's premises, covering 14.000 mc (700 lorry loads), assure direct control over the process of natural seasoning of the wood, and guarantees that all the wood used in the building of casks is the best quality and that it is naturally seasoned for at least 8 months per cm. of thickness.

A new technology based on infrared rays, exclusive of Garbellotto S.p.A., will then measure the aromatic concentration.

Subsequently, the wise hands that everyday, for centuries, handed down the art and passion for this work, will bent the staves are bent over direct heat on full thickness, to result more solid and longeve. The time of exposure to the fire determines the bending and the degree of toasting of the wood, what influences the aromas of wine.

The leaves of rush, as for millennia, will serve as a natural gasket, between one stave and another guaranteeing respiraton and tight. Master Coopers' constant control, along with fire and the various technologies developed by Garbellotto S.p.A., guarantee to the barrel the best bouquets that will contribute to make the guarded wines unique.

Finally, the circles must be made out of homogeneous iron, they must close and lock the barrel bandaging it and uniformly touching all the staves. It is to avoid to put an excessive number of circles, since they would decrease the respiraton of the wood and prevent the imperceptible movements that the staves, being alive subjects, can have.

### ***3.1.2 Products***

#### ***Casks***

Undoubtedly, the company's core business is the production of casks with capacity from 10 to 300 hl<sup>19</sup> and more. Their shape can be either round or oval, measuring standard or special according to specific customer requirements.

The products are manufactured according to a precise and careful production process.

The slats are bent over direct heat (except for special requests) and full thickness "head and belly" without being weakened in the middle for easy bending. Therefore the thickness of the stave once the cask is finished is the same in the central zone as in the head. This particular curvature gives casks higher static strenght, enological longevity (because there is more wood that gives aromatic substance), and renewable, because over the years it is possible to remove 5-8 mm thick inside to revive the transfer.

Both the bending over direct heat and the toasting are performed in controlled temperature and humidity so to obtain the maximum aromatic result, traceable and constant.

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<sup>19</sup> [http://www.garbellotto.com/it/botti/prodotti\\_botti.php](http://www.garbellotto.com/it/botti/prodotti_botti.php)

The funds are bent in double arch, what guarantees a perfect seal of the bottom of the cask, (principle of the dam). The construction of the vessels is then completed with the hoop abundant and rational, with top quality iron, galvanized and phosphate.

The master coopers, then, practice a slight planing in the interior of each cask to facilitate cleaning in the cellar, while outside the planing is followed by a finishing sanding. All casks are subjected to a rigorous double test with water, to check for leaks and the exact capacity.

Given the long stay of casks in cellars, septic and humid places, it is therefore essential to protect the wood with a natural product that does not limit transpiration, while protecting it. Therefore the manufacturing process is finished with the application of natural, breathable, paint to wood, and of red bands at the top of the slats, what protects the broken fibers of the heads.

### ***Conical trunk vats***

The vats are wooden containers, truncated cone shape, with a capacity of 10 to 200 hl and (even up to 600 hl and more upon request), used for wine production, storage, and aging, as much as for spirits, vinegars and other uses.

The curvature direct fire technically defined "Bombè", follows the toasting, which is always performed at controlled room temperature and humidity. As for the casks, the preparation of the product to its use is completed with planing and testing.

In order to provide a complete service for the wine-food sector, and thanks to a 6 hectares premises for natural aging, that allows the company to have any kind and quantity of wood, Garbellotto S.p.A. started a new production division devoted to the manufacture of vats of capacity ranging from 250 to 1.000 hl and over with different types of wood in relation to their final use.

### ***Casks***

Casks are the fruit of Garbellotto S.p.A.'s workers in order to rationalise the use of normal "tonneaux" in wine cellars. They combine the convenience of the large casks with the refining speed of 5-700 litre barrels. They join the simple and effective building technique of the common tonneaux (pronounced toasting and simple straight ends) together with the more convenient accessories of the large casks like the small door, the valves etc. this facilitates use and cleaning because they do not need to be moved.

They are built with two types of staves: split or sawn in quarters of 40-45 mm with bottoms sawn in quarters of 55 mm. The staves are curved with direct fire using pieces of seasoned oak to avoid aromatic interference.

They are then toasted in conditions of controlled humidity levels, slowly and delicately to ensure the maximum aromatic efflux from the wood. Toasting can be light, medium, medium-strong and strong.

The narrowly-spaced hooping with top quality galvanised phosphorated iron complete the building of the barrels. Internal and external planing and sand-papering give the finishing touches and make them easy to clean and splendid to see.

A special natural transpirable varnish may be applied on request, which protects the barrel from excessive humidity.

### ***Barriques***

In order to provide more complete service, Garbellotto S.p.A. has realized a renewing of the barrel line, not only aesthetical: the hoops have been rationalized with circles narrower and thicker in order to have the same static seal, but increasing the surface area of free wood, and so the micro-oxygenation; the available range of wood and thickness has been expanded, having wood throughout all France, not only in the Central Massif, but also near Paris in Fontainebleau, where two centuries ago Napoleon loved to hunt deer.

Have been introduced barrels of 300 liters and 500 liters with split oak of 32 mm, more international product than the typical Italian barrels of 350 liters and 550 liters (this with a thickness of 42 mm).

The curving of the staves is made with direct fire fed exclusively with pieces of seasoned oak, not to have aromatic interference. Then we proceed with a slow and gentle toasting with temperature and humidity controlled to unleash the best aromatic complexity.

There are multiple versions of Toast: light, medium, medium - plus and strong.

The bottoms of the barrels are toasted separately and then assembled. The toasting of the funds is important to have an uniform aromatic effect from all over the barrel.

The finishing includes internal and external planing with subsequent sanding in order to make barrel easy to clean in the cellar and aesthetically beautiful.

For special needs the barrels can be provided also with other special accessories, on request the natural breathable paint that protects from excessive humidity can be applied.

### ***Experience*** ®

Experience ® is the latest creation by Garbellotto S.p.A., and the result of combining their experience and the observations from the expert winemaker Roberto Cipresso, during his research in the experimental Winecircus cellars.

The name is given by the dual meaning of the term “experience”, as a recollection of past actions and also the exploration of new ideas. The aim pursued by the project is to offer the company an instrument able to interpret the changes that occur in time in the vine, using adequate winemaking strategies, and therefore able to provide the market with an expert answer. For that to happen, it is essential that the careful observation and understanding of the properties of the raw materials goes hand in hand with agile and practical experimentation, without stealing time and space from the primary winemaking processes.

It has a capacity of 1,000 litres, so that winemakers who traditionally use wooden barrels for fermenting can get used to it gradually, and, at the same time, those who normally use barriques have a more practical instrument that guarantees the same oenological result.

The truncated cone shape, designed so that the height is no higher than 100 cm and is less than the width, has an effect on the floating force contemplated by Archimedes’s principle, blocking the thrust upwards of the cap. The cap remains immersed aided by the welded grid to a threaded bar at the centre of the base, so that the majority of the fulling process is eliminated.

The top is made from mirror polished AISI 18/10 stainless steel, with handles to open it and a central hole for filling up.

During fermentation, this top can be completely removed to enable more practical processing with an opening of 120 cm.

Experience ® also has steel supports so that forklift trucks and transpallets can be used, for easy handling and lifting. These supports are firmly fixed to the wooden structure, so that the automatic tipping system can be used to empty the container directly into the press. There is an additional accessory formed of a cushion made from food-use plastic which is filled with water, meaning that Experience ® can also be used as a press.

It is constructed using slats and quarter chaff of 55 mm, available in the best quality oak from the most valuable European forests in Slavonia and France, which is naturally seasoned outside for at least eight months per each centimetre of thickness. On request other types of precious wood are available.

### ***Customization***

Completa l’offerta dell’azienda, la possibilità di personalizzare l’opera attraverso l’aggiunta di particolari accessori o di speciali lavorazioni. Gli accessori sono fra i più vari (valvola *inox* applicata sulle portella, tappo colmatore in vetro, supporti in legno tannico) e possono essere in *acciaio inox* oppure in legno a seconda delle esigenze e delle preferenze del cliente.

Per quanto riguarda invece le lavorazioni speciali sono realizzate da artigiani specializzati per personalizzare al massimo le botti, e comprendono particolari timbri a fuoco, serigrafie a vernice ed infine intagli a mano ad opera di artisti scultori.

The company's offer is completed with the opportunity to customize products by adding special accessories or special processing. The accessories are among the most varied (valve steel applied to the door, glass cap, tannic timber) and can be made either of stainless steel or wood depending on the needs and preferences of the customer.

Special processes they are made by artisans skilled to personalize the casks, and include special on fire stamps, serigraphy painting ,and hand made carvings.

### ***3.2. The “Lumber Deal Industry” sector***

The Lumber Deal Industry Sector is devoted to import and distribution of timber and semi-finished temperate hardwood products coming from the most valuable forest of all Danubian, Balkan and other Eastern Europe countries, as well as the best productions of Western Europe, and North and South America.

The goods arrive in the premises in Conegliano where they are sorted in stock, dividing raw material for the construction of barrels from materials for timber trade.

The decision to enter this new sector has enabled the company to significantly improve its financial results.

The strength of the company compared to its competitors is definitely the natural seasoning of wood, the only one that allows you to create any kind of product, thanks to the large squares reaching about 14,000 cubic meters.

The company also has conventional driers used according to techniques refined over the years, and a vacuum drier of the ability to 50mc that allows to reach even the lowest moisture content of the timber and semifinished products.

This business is of great importance for the company, even though in terms of profitability it is the sector of casks and barrels that contributes the company a greater added value.

Garbellotto S.p.A. also aims to provide a unique service for the overall quality of its products, obtained by processing and selecting valuable timber, thanks to techniques internally developed over years, while minimizing the time required, and with a total service, guaranteed to each client at all stages of the relationship.

### ***3.3 Certificates of quality***

Thanks to the strong ethical sense of Commander Pietro, who was one of the proponents in Yugoslavia of the law for forest management, Garbellotto S.p.A. has developed over the years a strong awareness of the importance of environmental sustainability. A sensitivity that results in the choice of turning the scraps into fuel to heat the factory, and to use / buy wood certified under PEFC system that guarantees the provenance from forests managed in a responsible manner.

While there is not a large formal request to use certified wood, the company policy is driven by a strong sense of ethics, for the protection of the territory.<sup>20</sup>

This is why timber is purchased from forests certified by the most prestigious world bodies that certify sustainable forest management such as PEFC and FSC.

In particular, PEFC Italy is a non-profit organization that is the governing body of the national system of certification PEFC (*Programme for the Endorsement of Forest Certification schemes*<sup>21</sup>), that is the Evaluation Program of forest certification schemes.

The *Forest Stewardship Council*<sup>22</sup> (or, in short, FSC) is an international non-governmental organization nonprofit. It is a forest certification system recognized internationally, with the aim of proper forest management and products traceability.

The FSC logo allows consumers to identify the manufacturer as environmentally sustainable, because it guarantees that the product has been made with raw materials from well-managed forests in terms of environmental, social and economic.

The FSC logo allows consumers to identify the manufacturer as environmentally sustainable, since it guarantees that the product has been made with raw materials from well-managed forests in terms of environmental, social and economic.

Thereby Garbellotto S.p.A. adheres to a program of eco-exploitation of forests, offering customers wood from certified forests.

The Italian style of the brand contributes to the immediate recognition of the product as an example of quality with a very good image.

Furthermore, Garbellotto S.p.A. is certified by other agencies. Bureau Veritas, one of the largest international groups, leading the world in verification of compliance within the Quality, Health & Safety, Environment and Social Responsibility; teh Institute for the Protection of Italian Manufacturers (100% Made in Italy), the certifying body of products entirely made in Italy.

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<sup>20</sup> Pieremilio: *“Ma per noi è stata una scelta naturale che ci permetterà di essere posizionati in un mercato che potrà solo crescere in futuro”*. *Una strategia lungimirante, nutrita anche dalla consapevolezza di quanto sia cruciale scegliere legno di alta qualità per far stagionare il vino nel migliore dei modi: “nel nostro mestiere la materia prima conta per più del 50%. Solo i maestri bottai e gli ingegneri forestali ne conoscono davvero le caratteristiche. Avere la possibilità di dimostrare da dove proviene il nostro legno e confermare le nostre affermazioni con certificazioni indipendenti e serie, è un grande valore aggiunto”*.

<sup>21</sup> <http://www.pefc.it/>

<sup>22</sup> <https://it.fsc.org/>

The Italian spirit of the released brand contributes to the immediate recognition of the product that boasts and soars in terms of quality as well as overall image.

Such a policy will contribute significantly to ensure the reliability, professionalism and efficiency that have always characterized the company's business since its foundation in 1775.

### ***3.4 Development of processing technologies and investments***

Over the last century, the art of cooperage has faced several challenges: the changing tastes of consumers, the advent of new materials to build containers at low cost, and the risk of extinction linked to the absence of a school where to learn and mature the skills required, that can be transmitted only on the field, directly from master coopers.

Garbellotto S.p.A. has succeeded in combining the excellence of Italian craftsmanship with research, facilitating manual processing techniques, and restraining costs while maintaining high quality standards.

In recent years in particular, the Garbellotto brothers have invested in the business area of barrels with the installation of a press for strapping of casks and barrels, and the purchase of a filtration plant in sleeves, to reduce to a minimum the environmental impact and emission into the atmosphere of the combustion smoke.

In the wood department instead a new methodology was implemented employing dynamic computer drying without affecting at all the quality of the timber.

Committed to continuous improvement in technology, aiming to ensure quality products, Garbellotto S.p.A. recently introduced an innovation that allows to assemble, evaluate and use the woods that most fit any particular need, with amazing results.

The need to build barrels "tailor-made" for its customers, not only by type of timber or roasting, but also with respect to the different concentrations of aromas in oak, pushed Garbellotto S.p.A. to start the "Precision Barrels" project: a collaboration between Garbellotto S.p.A. and the University of Udine, through which professors Zironi and Battistuta carried out an innovative study that goes beyond the empirical and perfectible knowledge of master coopers.

There have been many studies and analytical research on the wood in order to understand the aroma, and define the forest zoning and the aromatic characteristics of oak and English oak; anyhow, these reasons of time and cost made these studies were difficult to apply.

It was found that variability from sample to sample does not ensure reliable results: timber from the same area had completely different characteristics, due to the influence of such many factors as the location of the tree on the soil, proximity to streams or limestone, and so on.

Thanks to the results of the “*Botti e Barriques di Precisione®*” (Precision Casks and Barriques) project it is possible to combine the experience of master coopers with NIR infrared technology. Such technology is able to determine in a very short time, and with great effectiveness the chemical composition of the wood; this, in turns, allows to reduce the cost of the analysis the staves to be used, in order to build barrels "tailor-made".

Furthermore, it will also make possible to create a “database of wood”, with informations about the process of natural aging, the different concentrations of aromas (from the most delicate and sweet, to the more robust and intense), to build barrels able to fit exactly what is required from any cellar.

Thanks to the overall results of the project, manufacturers of barrels and casks are nowadays able to choose the wood they desire with very little margin for error.

In 2013 Garbellotto S.p.A. presented its patent “*Botti e Barriques di Precisione®*” in its world premiere during the international fair SIMEI dedicated to machinery for winemaking and bottling. The Scientific and Technical Committee of the *Lucio Mastroberardino Innovation Challenge* assigned to Garbellotto S.p.A. the Technological Innovation Award.

In 2014 Garbellotto S.p.A. purchased at a special price the area for the new headquarters and plants, and, after careful evaluation of strategic and financial viability, established an Austrian company (GmbH) which intervened indirectly on the sale of the assets resulting from the bankruptcy of an Austrian competitor.

### ***3.5 The Industry***

Cooper has become a very rare job, that survives mainly in France, the mother country of Barrique, where the precious wood needed to produce them is grown.

In Italy, the small workshops of master coopers have become extinct, traces of this ancient job remain in the Museum of Disappeared Jobs, which houses, among others, the old tools used for bending wood. Furthermore, very few businesses in the industry are still alive and renowned: competition is high, the main competitors maintain a "tough" position to face the contraction of the markets.

Despite all this, Garbellotto S.p.A. retains supremacy in the field; it is the oldest industrial company in the province of Treviso, the oldest company of production of barrels in the world and a global leader in the industry. Among its customers there are historic wineries, such as Gallo in California, which is the largest aging winemaker in the world, and the residence of Prince Archbishop of Wurzburg in Bavaria (Unesco site).

The main target market is Italy, the world's leading exporter of wine, which has benefited from a lively demand for aged wines, despite the crisis. The Italian market accounts for 70% of turnover (with the predominance of barrels, accounting for 85%); the foreign market absorbs 30%, with greater orientation to the timber industry.

#### ***4. The present situation of the company***

"Garbellotto S.p.A." is a medium-sized company employing 63 workers, with a turnover of around € 15 millions. The shares are owned entirely by the Garbellotto family, in particular by the three brothers from the eighth generation Piero, Piergregorio and Pieremilio, and their mother Gregoria Bertini.

Despite the high level of uncertainty in the markets, and the global crisis, which caused a drop in demand in the last three years, Garbellotto has constantly improved its sales and portfolio of orders and customers both in the domestic market and abroad.

In 2013, the domestic market absorbed 71% of total sales, and 85% of barrels, casks and vats. Exports, on the other hand, absorbed 29% of total sales, 47% of timber, and 15% of barrels, casks and vats).

In this year, to further improve the company's image and the presence of products in the markets of interest, the company undertook commercial and marketing actions, also through the usual and demanding presence at trade shows and fairs.

The company is still positioned at the top among competitors, being highly specialized and known in the market, thanks to its great and well known history and reliability.

##### ***4.1. The Organization***

Piero, Piergregorio and Pieremilio Garbellotto, the eighth generation of a family of coopers, whose tradition has its origins in 1775, are guiding today the company which has become an international leader. Each one of them has a different style and character but they share a common goal: lead the family business in the changing scenarios of modernity, combining craftsmanship and innovation.

Given the small size of the company, the organization has a rather simple, hierarchical, functional structure, integrated by a horizontal bottom-up approach.

Major decisions are evaluated by the three brothers, after listening to the opinion of the financial director (Giuseppe Dalla Cia) and the director of operations (Graziano Cavalet), who are increasingly involved in decision-making.

The small number of employees (about 70) and the type of work performed, almost artisanal, allow a relationship of close collaboration and confrontation between the owners and the employees.

An organization consistent with the "win with" (stakeholders) philosophy of Pietro Garbellotto; a philosophy based on a policy of fairness and transparency that nurtures esteem, mutual trust and harmony in the workplace.

The shares are all in the hands of the family, and the three brothers turns every two years as chairman of the Board of Directors. In 2013 the number of board members was increased from 4 to 5 (according to the provisions of article 19 of the bylaws); Mr. Graziano Cavalet has been appointed as board member until the natural expiration of the mandate (approval of 2014 financial report).

In particular, for the last two years 2012-2014, responsibilities have been conferred as follows:

- the Board as a whole has exclusive competence on any decision relating to the strategies and general guidelines to be pursued, as well as the extraordinary administration of the company;
- Piergregorio Garbellotto - Chairman of the Board - oversees the management of the purchasing and sales department of the lumber division.
- Piero Garbellotto, is responsible for the implementation of the guidelines approved by the Board in order to ensure maximum efficiency, and profitability; he is also responsible for the promotion of corporate development, the coordination among Managing Directors, and the company's overall organization.
- Pieremilio Garbellotto, oversees operations for the company and any other future subsidiaries of the group.
- Graziano Cavalet is general manager of operations, management and logistics. Moreover, with joint signature of at least two of the Managing Directors, he can also handle the ordinary administration of the company, namely: buy and sell goods, raw materials, and movable property, sign contracts with both private and public companies for the execution of works, hire and fire employees.

The Managing Directors Piero, Piergregorio, and Pieremilio Garbellotto are granted all the powers to carry out all routine with free and separate signature up to the amount of EUR 20,000 for each transaction, with joint signatures of at least two of them until EUR 50,000, with joint signatures of all three of them, or between two of them and Mr. Graziano Cavalet over € 50,000 per transaction.

#### **4.2. *The Henokiens***

The universe of centenarian companies actually includes businesses with very different characteristics, each of them with unique challenges and processes, corporate history and family.

Over time different network formats and multiple initiatives have spread, both at national and at international level, to emphasize the phenomenon of business longevity and to create adequate contexts and meeting opportunities for those businesses that have made a major route history: three hundred or two hundred years of history of the company without interruption.

Garbellotto S.p.A. operating for 237 years, and a great example of entrepreneurial quality, and tradition rooted in the territory of origin, yet nourished by a continued spirit of innovation, is a member of the leading business associations *Les Hénokiens*. This is a prestigious international club reserved for industrial dynasties that have at least two hundred years of history. Born in 1981 to intuition of Mr. Glotin Gerard, president of the French company "Marie Brizard", this is a bulwark in defense of fundamental values that unite businesses, founding families and territory.<sup>23</sup>

To join the association a business must have at least two centuries of activity behind. Not surprisingly, the association is named after Enoch, the sixth descendant of Abraham and father of Methuselah, who according to Genesis (5:23), lived for 365 years.

Longevity, however, is only one of the requirements for accessing *Les Hénokiens*: companies must demonstrate that they have always enjoyed good industrial and financial status and, above all, that control has been in the hands of the same family, in descending in descending order. The conditions of club membership are so stringent that even the founder of the club, Gérard Glotin, owner of Marie Brizard, the maison dell'Anisetta, founded in 1755 in Bordeaux, was forced to withdraw after having sold 51% of the company.

At present, the association counts more than 120 centuries of entrepreneurial experience through its 44 industrial dynasties who were able to resist the passing crises and disturbances leveraging on tradition, dynamism and innovation: 12 French partners, five Japanese, four Germans, three Swiss, 2 Belgians and Dutch 2, Austria 1 and one British and 14 Italian companies, including Garbellotto S.p.A..

These companies are characterized not only by indissoluble bond with the family of the founder, but also by continuing business activities, which following a natural evolution, remain faithful to the original industry. Such prerogative is considered a sign of high professionalism, attention to their business activity and considerable ability to adapt to changes in the context.

The primary objective of the association is to promote the growth of its members in the world around a common philosophy, the value of the family business as a real and viable alternative to

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<sup>23</sup> <http://www.henokiens.com/>

multinationals; create a good relationship and sincere friendship among its bicentennial members, living demonstration of how tradition and innovation can be strategic allies for the progress of a company.

The association also works to enhance the value of centuries-old companies and demonstrate their strategic role in the European economy, thanks to the collaboration with the European Family Business Association. It also offers to its members, the opportunity to consult and discuss the issues of their business, market changes, and the generational transition.

Since 2011, moreover, *Les Hénokiens* established the Prix Leonard Da Vinci, an award given to young family businesses, with at least three generations behind, that stood out for their ability to transmit cultural, knowledge and techniques.

#### ***4.3. Awards and prizes***

The quality of production, the sense of belonging to the territory, and the continuity of a centuries-old tradition have earned Garbellotto S.p.A. formal recognition of great importance, such as to nourish fame and prestige.

On May 1 2005, Labor Day, the Master Cooper Graziano Cavalet - currently director of production – a company employee for over 38 years and foreman for 20 years was awarded by the regional authorities in Venice with the precious Star of Labor Merit .

Cooper for Garbellotto, since the age of 15, Mr. Cavalet has always stood out for his dedication, diligence and superlative expertise in all the tasks he carried out, with an operating worthy of particular merit. Recognizing the importance of its role, key reference point for both the employees and the directors of the company, the Board of Directors in 2013 appointed him in the Board.

In October 2005, the Mayor of Conegliano Dr. Floriano Zambon, rewarded the commander Pietro Garbellotto with the shield of the city for the valuable work that has tenaciously pursued in the previous 50 years. The company, being the oldest existing industry, both in the town of Conegliano and in the province of Treviso, was recognized even by the LIFE Veneto, which promoted and kindly hosted the informal ceremony.

In 2008 Garbellotto S.p.A., valued company that has carried the flag of the city in the five continents, has been appointed by the mayor of Conegliano, Alberto Maniero, Ambassador of The Culture and Territory of Conegliano.

This award was established to consolidate, with an official document, the link between the companies operating and investing in the site, and the area, contributing to the welfare of the community. Thanks to Garbellotto S.p.A., in fact, Conegliano has enhanced its reputation in the

world as a land of ancient tradition and wine culture, where you can taste the best wines and the best tools to preserve them are produced.

In 2010, at Vinitaly, the international wine and spirits, Garbellotto S.p.A. obtained the certification of the Guinness Book of Records for "*Magnifica*" (commissioned by Tommasi Winemakers) the largest aging barrel in the world; this was officially established by the judge of the Guinness World Record. Tommasi Winemakers, historical cellar from the area of Verona, has long collaborated with the equally historic company of barrels to select the best types of wood, that are best suited for aging the wines of Valpolicella, and in particular for its Amarone.

*Magnifica* has a capacity of 33,300 liters equivalent to 44,400 bottles of wine and is made up of planks over 3 meters and a half long in wood from ancient forests (60% Slavonian oak, 20% from the Massif Central in France and 20% from the Black Forest ). A barrel of this size allows Amarone to mature evenly over three years, to ensure a unique wine elegant and excellent.

Larger wooden containers exist, used for beer or spirits, and there is an old barrel 221,726 liters (dated 1751, with a dance floor on the top) inside the fortress of Heidelberg, German city famous for the school of philosophy where Hegel taught.

However, these casks are either used for other products or ornamental, therefore Tommasi and Garbellotto S.p.A. are recognized for the primacy of the biggest refinement barrel of wine, actually utilized. A nice record that, beyond the container that has rightly talked about, will bring material benefits to its content.

In 2011 on the occasion of the 150th anniversary of Italian Unity, the Chamber of Commerce with the support of the (at that time) Ministers Romani and Brunetta conferred to Garbellotto S.p.A. the plaque 'Italy 150. The event organized by Unioncamere, stressed the important role of the selected historic companies aging more than 150 years, had for the development of the country, as well as a stimulus and solid basis on which lay the roots of the future of Italy.

After three years from the first Guinness World Record, on the occasion of Vinitaly 2013, Garbellotto S.p.A. won the second one (surpassing his own record achieved in 2010), with the Barrel "Romeo and Juliet".

Commissioned by Verona Menegolli Winemakers, for aging Amarone della Valpolicella Valpantena, "La Superba" renamed "Romeo and Juliet" in honor of Verona, was built with 5,000 kilograms of oak bicentennial, a special blend of woods coming from three different parts of Europe, the "Mixed Garbellotto", and can hold 42,500 liters of wine, amounting to 56,666 bottles.

Botte well as "large" is also beautiful, an example of mastery of Italian craftsmanship; it reports on the two heads engravings representing two lovers who are drawn from a panel of the Veronese

sculptor Sergio Pasetto, giving a new form of the famous Verona couple immortalized by William Shakespeare in his tale.

Romeo and Juliet suggests that the largest barrel in the world is more than the fine wood used in its construction and the fine wine that will refine the interior. This is the tangible result of two traditions that are interwoven for centuries, that of wood processing and the production of wine. The result of two passions that encountered for centuries, the succession of two lovers like Romeo and Juliet.

#### ***4.4. Risks and uncertainties***

In the 90's market growth has slowed, but did not prevent Garbellotto S.p.A. to establish itself as a world leader in the production of barrels.

Today, the permanence, worldwide, of financial stress and social and economic insecurity, blurs the vision in the medium to long term because the estate markets is still weak. However the food industry is one of the few sectors that stood out positively, showing to be more resilient in times of economic downturn.

In this climate of uncertainty, the biggest obstacle seems to be the tax burden, which prevents the business to reinvest, innovate and program, slowing or even preventing economic growth.

The main ambition of the three brothers, is to bring the art of cooper into the next century. It is therefore considered essential an adequate "turnover" of coopers, needed to train in house this highly specialized figure, for which there are no adequate training facilities.

The industry has undergone changes over the past decade, not so much in production techniques as the needs of customers; thanks to the globalization of information they are increasingly prepared and aware of their interests and needs. However, the wealth of experience, product quality, and high capitalization of Garbellotto S.p.A., allow the company to adequately address this time of uncertainty.

#### ***4.5. Looking Ahead***

The peculiar and most delicate characteristic of family businesses is given by the succession process; this, on one hand is an opportunity to initiate processes of change, according to a logic geared to the future, and to spread the spirit of innovation within the company, but on the other hand it looks like a destabilizing event.

The inability to combine continuity and renewal, tradition and innovation, and the need for successors that are adequate to cover the role they are called, are only some of the problems that this process brings with it likely to jeopardize the survival of business system.

For this reason, the process of succession should not be overlooked or otherwise demonized; it should rather be planned to allow the company to compete and grow successfully.

Garbellotto S.p.A., who led eight generational transitions, from father to son, is an example of growth in the sign of family continuity: a smooth succession, thanks to the teachings handed down from generation to generation, and involvement in the company was going from adolescence . The reins of the company have always been entrusted to the heirs according to your will and capacity, in a natural way, without force.

Today at the helm of the historic company are Piero, Piergregorio and Pieremilio, sons of Pietro Garbellotto, to whom the Commander has gradually transferred his authority, and, even more, managed to convey the value of tradition and passion for wood.

The new generation has proudly followed in the footsteps of their father and ancestors, preserving the art of Cooper, one of the oldest trades in the world, and continuing to invest in research achieving important successes.

Garbellotto S.p.A. has maintained over time its identity thanks to the harmony that characterizes the organizational climate of the company, and generational transitions between master coopers.

Piero, Piergregorio, and Pieremilio, prepare to face the third millennium, interpreting the teachings inherited in the light of market developments, the new opportunities of the modern world, without distorting and perpetuating the family history.