

# EUROPEAN BUSINESS JOURNAL



Discovering the power  
of a dream



## Small but profitable

In Italy the electrical retail sector is populated by a network of small, medium and large sized retailers. The smaller companies at the bottom of the pyramid are many in number but occupy a relatively weak position when comparing their individual purchasing power to that of their larger competitors and the resulting imbalance in the deals they can offer their customers.

General Manager Ombretta Coda is passionate about the value of the work done by M.C. Elettrici

M.C. Elettrici S.p.A. was founded out of a desire to level the playing field and give the small retailers access to some of the advantages enjoyed by their larger counterparts. M.C. Elettrici is a non-profit organisation that manages centralised purchasing on behalf of its member retailers and also provides a range of other services that allow the small retailer to focus solely on his core business of selling to customers. The company is the brainchild of Arturo Jossa Fasano who recognised the inherent unfairness of the system and believed that the small retailers should not simply be allowed to go the wall. In 1999 he took the plunge and set up M.C. Elettrici. His first task was to find a general manager who could realise his vision. He

found the ideal candidate in Ombretta Coda. "We started in 1999 with nothing. I chose the software that we would use, recruited personnel and built up the logistic network. Finally we set up our operation in a centralised warehouse near Milan," recalls Ms. Coda.

M.C. Elettrici started with 67 members. Today that figure has risen to 100. The member retailers connect via the Internet with the company website and fill a virtual shopping trolley with the products they need for their stores. They can choose from the biggest name European manufacturers and, thanks to their combined purchasing power, can command favourable rates and delivery conditions that they can then pass on to their own customers.

By levelling the playing field in this way, M.C. Elettrici allows the smaller retailers to focus on the advantages that they can offer. In many cases they can offer clients a more personal and informed service than large impersonal stores whose staff often lack in-depth technical knowledge of the products being sold. M.C. Elettrici employs 24 people and generates 90 million EUR in turnover. As a non-profit organisation, surpluses are distributed amongst its members. As yet the company has focused exclusively on the Italian market. However it is now actively seeking partners in other European countries to offer the benefits of its service to small retailers across the continent. "The only way that Europe will be able to resist

competition from China and India is to embrace innovative new ideas and to structure its market in a way that is difficult to copy. It is clear that these new economies are gearing up to beat us at our own, old game. It is time for us to change the rules and recognise that small and personal can be better," concludes Ms. Coda. ■

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