

**INTERVIEW** ■ RICCARDO BIAGGI\*

# “We offer our customers continuity”

## Fiduciaria Mega celebrates 50 years – Partnership chosen to manage the company

Fiduciaria Mega SA this year celebrates its 50th anniversary. We interviewed Riccardo Biaggi, Chairman of the company's board of directors, to find out what the company is all about, its future plans and its management method, based on a real partnership.

ROBERTO GIANNETTI

■ **What are your main achievements in these 50 years of operations and what are your feelings as you celebrate this significant anniversary?**

“In the 50 years of our history, we have grown to our current size of 70 employees, by carving out a space for ourselves in the tax, administrative and accountancy consulting sector, which has made us one of the leaders in the field in Ticino. We are proud and excited but, at the same time, we are aware that we must make every effort, day by day, and at all levels of the company, to maintain and improve our market position. We want to be a point of reference in Ticino for our local, national and international clients.”

**You have chosen to base your development on the concept of ‘continuity’. What does this decision mean and how does it affect your business activities?**

“The value of ‘continuity’ must be set in a wider context. A couple of years ago, in conjunction with SUPSI (University of Applied Sciences and Arts of Italian Switzerland), we redefined our corporate mission and vision, which for us can be expressed in the maxim ‘share and solve’. We want to share our professionalism, enthusiasm and expertise, offering clear solutions appropriate for a variety of problems, to bring our clients peace of mind. All this is underpinned by the values that drive our company (respect, independence, continuity, client-centred focus, the importance of employees, excellence), which would seem to be the obvious moral and intellectual values for those operating in the consulting sector, but which we want to cultivate and apply in a concrete and insightful way. Against a backdrop of continuity, we establish and develop our operations, without wanting to disrupt what we have done so far, ensuring, for example, that we maintain long-term personal contact with our clients, external partners and all our employees”.

**At this time of your anniversary, you have decided to change your ‘corporate identity’. What is new about this?**

“Staying faithful to our primary value of continuity, after nearly a year of working with our graphic designer, we have decided to update our graphic image, which is composed of various elements. For example, we decided that we would continue to use ‘mega green’ as our distinctive colour; change to the “Suisse” font in our documents, printed material and emails; and paginate our documents slightly differently, all while keeping our company name and refreshing our logo”.



**QUALITY** According to Riccardo Biaggi, the business model is based on expertise and professionalism.

**You have chosen not to operate in the financial sector and to concentrate instead on the business of consultancy to individuals and companies. How did you come to this decision and what are the key services that you specialise in?**

“Since the beginning, our corporate decisions, partly due to the wishes of the partners who came before us, have never taken us into the financial consultancy sector as asset managers. Our choice was to concentrate on what we think we do best, also bearing in mind that several of our clients operate in the financial sector. We therefore focus on consulting in the various fields of activity that closely affect entrepreneurs, companies and individuals, encompassing, for example, Swiss tax law in all its components, HR management, which nowadays is no longer limited to simply producing pay slips, especially when it involves managers of groups that move around internationally, aspects of administrative and accounting organisation, including business plans or company valuations, and the financial audit of municipalities and pension funds. Moreover, we want to be identified as the organisation in which you can find a trusted person or reference partner with whom to exchange ideas on all types of problems, whether simple or complicated, and together find a way to tackle it, perhaps in conjunction with other market players.

**How are you positioned in geographical terms?**

“For some years, we have continued with the decision of the partners in the previous generation not to set up offices outside the canton. For this reason, we pay a great deal of attention to our innumerable professional contacts in the rest of Switzerland and beyond our national borders to ensure that we always have an appropriate, high-level reference point for each specific need”.

**Could you explain more clearly what you mean by partner? Your group does not report to an owner then? How did you come to this decision?**

**cision and what are the consequences of this command structure? Does this form of ‘democracy’ also run through your client relationships?**

“Since 1969, but even more so from 2001, the long-term vision of the founder partners Geo Camponovo and Renato Bullani was to have a company that was owned and managed by the operational managers within the company. This model, which is typical of the English-speaking countries and of law firms, was applied to our company and has so far been successful. In practice, this means that we, the eleven partners, own the company, more or less in equal proportions, and, since we are all members of the board of directors, we have the same decision-making rights. As far as I know, it is an unusual, if not unique, model among Ticino-based fiduciary companies, which normally also report to non-operational people in the company or to some people who work in the company and hold a firm majority. Our decision-making processes, sometimes involving lengthy negotiations, result in shared operating models, created internally and applied by all the partners, all of which naturally strengthens our professional ties. This situation is of undoubted benefit to clients, who are always supported by at least one of the partners, who is chosen on both technical merit and soft skills criteria. This real partnership model has enabled us, among other things, to carry out a painless handover from the previous generation.

**In the past, you have chosen to make acquisitions. Do you think you will continue along this route?**

“It’s difficult to grow organically now. In 2010, we acquired the fiduciary company Elio Bernaschina in Riva San Vitale (now fidbe SA), which was highly satisfactory for all concerned. We continue to keep a careful eye on the market, but growth through acquisitions is very delicate, and can only be successful if a series of conditions are simultaneously in place for several years.

We must remember that, in the services sector, client loyalty following a change in ownership constitutes a huge element of uncertainty. In my view, the ideal age of a potential transferor of their fiduciary business is around 60, to allow for a reasonable period of time to support clients in the acquiring party’s systems. At the moment, price expectations for the sale of these activities are too high.”

**Speaking of the fiduciary companies in Ticino, what are the main challenges you face at the moment?**

“It would take a lot of time to give a full answer to this question, essentially differentiating between the various professional activities that are carried out in the sector which, at the end of 2017, comprised around 9,500 employees for Ticino alone, according to statistics from the *Centro Studi Bancari* (Swiss Centre for Banking Studies). I think that the number of ‘fiduciaries’ will fall in the next five to ten years, both in terms of companies and employees. The main challenge for us, today, is to attract employees with the appropriate basic training, together with a knowledge of the Swiss languages and English, and to develop them professionally so that we can benefit from them over the long term. This includes the need for continuous training to ensure that employees achieve the right balance between sector specialisation and general expertise, giving them a broad multidisciplinary overview of the subject. In this regard, we organise a technical training afternoon, twice a year, for our employees and, by invitation, for market operators, which is much appreciated by the 200-250 participants. Huge efforts are necessary to remain in step with the times. Last but not least, the adoption of digitalisation, which is mainly applied internally to manage workflows and documentation, and not merely as an impersonal interface with clients.”

**The excessive legislation does not affect you directly, as you do not operate in asset management, but it affects your clients. Do you think**

**that, at this level, we have reached an alarming situation?**

“International laws, confirmed by Swiss federal laws, in the financial sector, are reaching such high levels that they will lead to a physiological outflow of the smallest players from the market. Compliance costs are growing out of all proportion and operators’ room to manoeuvre is reducing. Perhaps, in order to protect investors, some laws have been created that are too onerous for all parties, including our asset manager clients, as well as their clients who, to a certain extent, are our clients for other services. Our sector of tax, accountancy and administrative consulting and audit is only marginally affected by these rules for the financial arena. But there are others, associated with international tax transparency, which do however require considerable effort. With this stage of affairs, I also wonder whether it still makes sense to require authorisation under cantonal law (we are perhaps the only ones to have it) for the operation of the fiduciary professions, especially for public accountant fiduciaries and real estate fiduciaries. For the financial fiduciaries, however, other rules of higher law apply.

**You also monitor companies. How do you rate the level of competitiveness of Ticino-based companies?**

“Companies in Ticino are well prepared and run by competent, successful entrepreneurs. This is the case in many fields of activity. Those that compete with foreign markets are, of course, under more pressure but have, for the most part, adapted and recovered after the changes in parity with the euro. What we now see, though, is a non-uniform economy, even within the same sector of activity, with competitor companies in profit, at break-even or showing a loss in the same year. There are many reasons for this diversity but, generally, those that cope better include companies that have faced and resolved the issue of company succession on a timely basis. This issue is occupying us greatly, even as consultants. I am confident that the economic players in Ticino will hold their own in their reference markets, provided that there is the political will and know-how to create the right framework conditions, which in my opinion, have deteriorated in the last five to ten years. I also think there is a need for very stringent (i.e. more so) tax reform (in addition to the Federal Tax Reform and AVS Financing (RFFA)), and that it does not leave our canton in last place, for both natural persons and legal persons; we also need a reduction in bureaucracy, with greater and more constructive dialogue with those who are required to apply the laws and, specifically, in the sectors that affect the economy by their greater proximity to entrepreneurs.

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