

One on One: Industry 4.0

Each quarter we sit down with industry executives and thought leaders to discuss the trends, challenges, and best practices that are transforming their businesses. Today, we are with Antonio Pagano, CEO of Modula Inc. to discuss how Modula is navigating through the current COVID19 crisis and how as the Captain, Antonio is leading in the immediate emergency phase while also preparing Modula for the future.



Modula is one of the leading manufacturers of automated vertical storage solutions, designed to optimize space and improve picking and storage operations in any industrial sector or environment.

Established in Italy over 30 years ago, Modula is now operating worldwide with four manufacturing facilities, in Italy, China and two plants in the USA (Maine and Ohio). To support a 25% year-over-year growth, Modula Inc. based in Lewiston Maine, has 140 employees and over 65 authorized dealers.

Tell us about Modula, your business and the problem you solve for your customers

Antonio Pagano: Modula is a 30 years young and dynamic Italian company that designs and manufactures vertical storage systems called VLMs (Vertical Lift Modules). Starting from humble beginnings, with the vision of our Founder and Chairman Franco Stefani, we have grown to become a successful multinational, privately-owned company with four manufacturing plants; one in Italy, one in China, and two in the USA. We have nine direct branches worldwide and a network of more than 100 dealers. We are proud to be the only company in our industry and product segment to manufacture in the USA!

We help our customers improve efficiency throughout their company by providing fully automated vertical storage systems that allow for large inventory of goods to be quickly accessed while being stored in a safe and secure environment. Moreover, following the parts to picker's principle, products are delivered directly to the operator. This feature eliminates the need to search for items and ensures that the right part is delivered to the right person. Another main problem our clients are often facing is inventory control & having reliable information to schedule the production and make good inventory decisions to reduce costs.

Vertical warehouse automation has been a priority in Europe for years due to its higher population density and greater storage costs. However, the concept is expanding throughout the world in a wide range of industries and applications including warehouse, production, and distribution as companies are seeking to optimize their operation.

Tell us about the impact the Covid19 crisis is having on Modula and the industries your serve, and how do you navigate through the crisis

Antonio Pagano: First, we experienced COVID19 early on at our locations in China and Italy, which gave us some visibility and helped us to prepare and react swiftly here in the USA. We reacted quickly to help all of the essential businesses that were up and running. By middle of March, we had safety protocols in place to protect our employees which allowed us to keep our operations running, unlike many companies.

But the impact for Modula worldwide has been pretty heavy. We saw many of our customers freeze their activities, and many customers who have been unable to pay us or take timely delivery of their orders. We immediately waved all of the storage fees for late deliveries, cancellation fees and delay fees. We extended our 24/7 phone support agreements to all of our clients, even if they did not have a contract, in order to support all of the companies in critical industries like food and pharma. We want to support our customers where we can!

Tell us about your role as the captain in time of a crisis. What changes compared to normal times?

Antonio Pagano: Honestly, the first thing you have to address is the security of your team. Everybody understands that this is an external situation that is beyond our influence, but everyone has to feel that the situation is under control. The second thing is to act fast as there is no time to lose, everyday - every hour counts! Thirdly, communication is key. We have to communicate what is happening in the plant and in the office. We have to keep our spirit and our team together as most of our team is currently working remotely. It gives everybody the confidence that the leadership is handling the situation properly.

Of course, this is not business as usual and we have to operate differently. We had to change our yearly budget, cut some costs and prioritize some projects over others. I told my team on the first day that we need to make sure we turn this challenge into an opportunity, and every department is doing great with that. I have been impressed by the reaction of each department and by how everybody stepped up. This is just amazing.

There is always a time after the crisis, now is also the time to get ready for after the crisis. So, what are your goals and objectives getting ready for post crisis and fit for the future?

Antonio Pagano: I think as we go through the crisis, we have to split the situation in two different phases. Firstly, there is the emergency phase, where we are right now, and where we are working on turning challenges into opportunities by reorganizing the way we work. For instance, we are using this time to train our dealers, by offering them webinars on different topics, we are adjusting

marketing campaigns and creating new contents, and we are also taking a closer look internally to improve our own efficiencies and lower our costs of operation. With all of those initiatives, we are ready to restart post-crisis at a high pace with increased efficiencies. In this direction, a key initiative is the efficiency program we have started with the Altix team. We are building the muscles now to meet the future with energy!

Then the second phase is trying to understand which business sectors will grow in the next 18 to 24 months, and what new products and solutions Modula can produce and offer in the near future. We are working on new products and innovative solutions for grocery stores, e-commerce companies, and many other business sectors that will boom in the coming months. We are extremely lucky because we have a product that is very flexible, and we can respond to the needs of various business sectors. We need to identify and anticipate business needs and focus additional efforts in targeted directions with R&D, engineering, marketing and business development.

Tell us where do you as an industry leader find the energy and the resources you need to be strong in times of extreme challenges?

Antonio Pagano: I am Italian, and as Italians we believe a lot in the family. I try to spend the most time possible with my family and my close friends. The interaction and sharing of intimate moments is important in our culture. We are under a lot of stress at the moment - not just me, but also the entire company and our home country. My inspiration comes from sports. I grew up playing soccer from the age of 5, but I love all sports. I like to run, ride a bike, particularly mountain biking in Maine, which is exceptional. I compete against myself and this gives me a lot of energy and distraction as well.

Thank you very much Antonio Pagano for sharing with us and our readers the story of Modula, how Modula is navigating through this difficult time and how you, as the captain, are responding to the situation very quickly to make the best of the crisis. Your approach is visionary, and you are implementing best practices that we recommend to our clients. Companies that are ready and prepared to face the market after the crisis are the ones winning market share and beating the competition. Thank you also for sharing what you do on the personal side to stay healthy, to keep your energy to fight every day and lead during this difficult time.

*If you want to learn more about Modula, visit <https://www.modula.us/>
<https://www.facebook.com/ModulaUSA/>
<https://www.linkedin.com/company/modulausa>
<https://twitter.com/modulaus>
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