

Alfredo Román

THE LEGACY

*Reflections on Attaining
a More Just Society*

WORK - ETHICS - FAMILY

Prologue

"An entrepreneur who quotes Juan Bautista Alberdi and proposes education as the cornerstone of development, states his belonging to the country where he was born and where he unfolded his human adventure."

Rodolfo Terragno
Senator and Journalist

Foreword

By Rodolfo Terragno

Attorney, Journalist and former Argentine Senator

I. Abundant as they are in the English-speaking world, autobiographies have been rare in Spanish-speaking cultures, at least in the twentieth century.

We tend to perceive a memoir as a self-serving laudatory treatise on the excellent example one has set. A person who writes his or her autobiography, we think, will only boastfully reminisce about achievements and self-indulgently downplay failures.

Yet a *biography* can be equally or even more subjective—vis-à-vis the biographer—than memories someone sets down about his or her own life. Every biographer has preferences, prejudices and feelings that can distort the image of the subject. And a biographer works with another disadvantage: as exhaustive and careful as his or her research may be, unknowns will always remain. *No one knows a life better than he who has lived it, and no one can better supply information and documentation from which to evaluate his or her actions. Of course, a reader's interpretation may still stray from what the author intended when setting down memories.*

It is easy enough for an historian to purge an autobiography of the occasional lack of modesty and distill from it valuable information and useful lessons. The autobiographies of Harry Truman, Franklin D. Roosevelt, John Kennedy, Richard Nixon and even Ronald Reagan (*Where's the Rest of Me?* written with Richard G. Hubler) will be of help to anyone who wishes to delve into the history of the United States in the twentieth century. Similarly, much learning about Argentina's struggle for independence and national organization can come from the

memoirs of Manuel Belgrano, Manuel Alejandro Pueyrredón, Vicente Fidel López, José María Paz, Lucio V. Mansilla, Domingo Faustino Sarmiento or Bartolomé Mitre.

The same is not true, however, if one wishes to reconstruct the twentieth century. Between 1900 and 2000, no Argentine president wrote an autobiography. A very few left some mere outlines referring to specific events or periods, nothing more.

II. The list of autobiographies by Spanish-speaking business people is extremely short. In this case, however, that of the United States is not much longer, with one exception: the memoirs of self-made men—those who came out of nowhere to reach the heights of prominence and who wish to tell about their adventure. The passage from failure to triumph (and from rags to riches) is part of the American Dream, in which freedom and equal opportunity open the way to prosperity and success.

Benjamin Franklin coined the term *self-made man* in his own autobiography. Raised in a humble home and poorly provided for by his father, a self-employed candle-maker, Franklin was forced to drop out of school at the age of ten. Yet this didn't stop him from becoming one of the Founding Fathers of the United States, a drafter of the U.S. Constitution, Ambassador to France, a leader in the fight against slavery and the founder of the American Philosophical Society.



DOMINGO FAUSTINO SARMIENTO





BENJAMIN FRANKLIN



Benjamin Franklin coined the term self-made man in his own autobiography.

*Nor did it stop him from becoming an innovative business person. At twenty-two, Franklin bought **The Pennsylvania Gazette**, a newspaper that under his guidance became the colonies' most important. It proved to be a pioneer in modern journalism, known for introducing everything from the caricature to the classified ad, and it was printed at a press that Franklin himself founded and ran. His enterprising nature later led him to invent the lightning rod, bifocals and the odometer, among other things.*

This exemplary man wrote his autobiography rather than another book he had envisioned, titled *The Art of Virtue*. Verner W. Crane points out that, writing for his descendants, Franklin first set down his memoir in the form of a letter to his son. The work was soon interrupted, but Franklin resumed it after the Revolutionary War, though not in letter form. Max Farrand says

that in 1784, Franklin considered it his duty to preach virtue and motivate youth. His book is a celebration of personal determination within a value system. He was by no means an advocate of personal progress at all costs.

III. Autobiographies of business personalities, at least in the United States, have lost much of their allure. Years ago, memoirs dedicated to showing how their authors made their first million were common. Today, those of billionaires proliferate, as though one's fortune were the only measure of success, or worse, a businessman's *raison d'être*.

Perhaps the most valuable business-orientated autobiography is *My Years with General Motors* by Alfred P. Sloan, President of GM for thirty years at the time when it was the world's largest company. Businessman, humanitarian and philanthropist, Sloan promoted and financed an important and early program of higher education for executives at MIT in 1931. Years later in New York, he founded what is now the renowned Sloan-Kettering Institute for cancer research.

Another intriguing autobiography is that of J. Wilson Newman. As a teenager, Newman worked as a volunteer in a bank in order to learn the business. He would later become the head of one of the world's finest risk analysis and financial consulting firms. In his book *For What Do We Labor? A Life's*

He does not resort to false modesty in this work, nor does he try to downplay the daunting difficulties he had to surmount.

Values from Childhood to Chairman of Dun & Bradstreet & Beyond, Newman manages to demonstrate that success and ethics are not mutually exclusive.

IV. In this book, Alfredo Román narrates his life story, starting from when he worked as a mechanic's apprentice by day and studied to be an electrician by night. It is a memoir written for his descendants in which he gives ample treatment to his home life. The author hopes nevertheless that his autobiography contains lessons for the reader at large. He does not resort to false modesty in this work, nor does he try to downplay the daunting difficulties he had to surmount.

Román has drilled oil wells in Patagonia, squared off against multinational construction companies, developed Argen-

tina's finest logistics system and built a modern container port. In an Argentina whose middle class was vanishing, Román built a solid business organization that has always managed to blend the concept of profit with the interests of the country at large.

He and I met in Italy. I was Argentina's newly appointed Minister of Public Works and Services, accompanying President Raúl Alfonsín for the signing of the Treaty of Private Associative Relationships, an agreement beneficial to Argentina. Overwhelmed by foreign debt and global inflation, the country could not obtain foreign credit. This treaty with Italy ensured financing for essential infrastructural projects in return for Argentina's awarding the resulting contracts directly to Italian firms. For example, development of the petrochemical center in Bahía Blanca would go to Italy's Ente Nazionale de Idrocarburi (ENI). This would effectively quash a project Román was working on, and he had come to Rome to lobby against the measure.

His presence was bothersome, and I wanted to hear him out.

Román made me see that awarding the contract to ENI was detrimental, not only to him but to industry in Argentina and to the Argentine state, as well. He could do the work with private financing and at a cost that was 40% less.

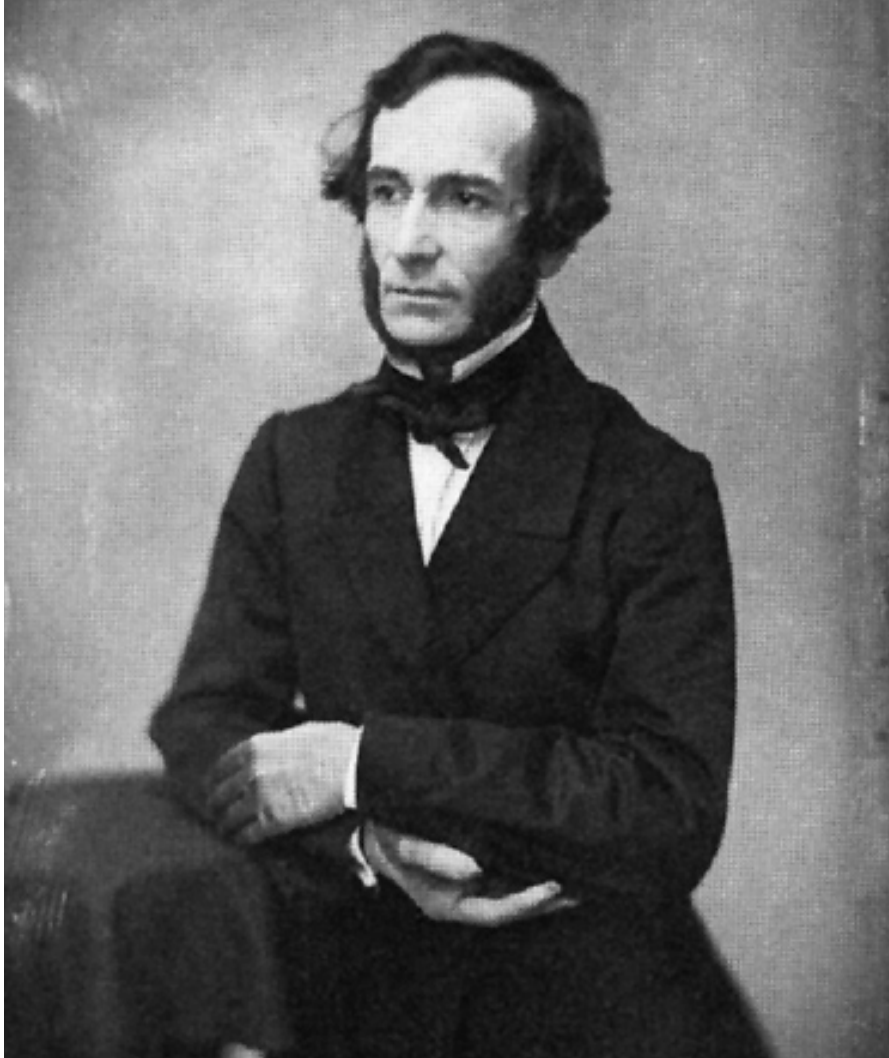
I ordered an economic/financial study of the ENI deal and shortly later stopped it from going through. But neither did I award the contract to Román. Though motivated by his private

I would learn that he and I had much more in common. I believe him to be a sincere defender of democracy.

interest, he had helped me defend the public interest, and by rights he should not have expected to be rewarded for that. He accepted my reasoning, and as these pages will show, this occurrence led to the relationship of mutual respect that we maintain to this day.

Later, I would learn that he and I had much more in common. I believe him to be a sincere defender of democracy. This can be seen by his joy at democracy's return to Argentina in 1983 and by the harsh criticism he levels against the dictatorship.

I know him to be a defender of the economics of production. Román opposed, as did I, the indiscriminate, back-room privatization of the 1990s, as well as the ill-fated overvaluation of the peso, which in 2001 led the country to the loss of foreign credit, default, forced devaluation and catastrophic political, economic and social crisis.



JUAN BAUTISTA ALBERDI



I feel him to be a nationalist in the finest sense of the word. A businessman who quotes Juan Bautista Alberdi and who sets education as the cornerstone of development is a credit to the nation in which he was born and lives out his human adventure.

I support his strategy of integrated development, which he effectively sums up in his “tripod” of human capital, natural resources and republican institutions.

These common views overshadow any differences that he and I may have in education, profession or style.

I take comfort in knowing that Román has dared to expose himself to the criticism, both merited and unfounded, that is sure to come from having said (as he too now has said) *“I confess that I have lived.”*

To the Reader

By Alfredo Romám

*I have traveled nearly every
continent and sailed on many
of the world's seas.*

And I have learned that though the way may look calm and pleasant from a distance, journeying forward inevitably brings surprises, obstacles and new challenges.

Such is life, especially in the marvelous and intriguing land of South America, with its wealth of resources and inspiration. Yet every so often, some incomprehensible situation will come along and bring anger, frustration and a strong sense of disappointment toward the institutions of this beloved continent.

My career in business now spans over fifty years, five decades during which I have had the good fortune to carry out major infrastructural, industrial and commercial projects in a number of Latin American countries and in the developed world.

I remain avid to learn; such is my nature. In every man, every woman, every circumstance I encounter, I see an opportunity to come away with something new.

This is especially true when traveling: distance allows me to look at things from a broader perspective. My experiences in other cultures have given me a capacity to reflect, and this has allowed me to come up with new ideas that have sometimes taken shape as projects. Living and working with people from varying cultures in Asia, India, North America and Europe has enabled me to recognize the limitations of my own society. Europeans, for example, despite their many differences and a his-

tory of long wars and innumerable conflicts, have been able to unify their interests by means of the European Union.

In South America, there have been attempts at integration and collaboration, such as Mercosur, the Andean Community (CAN)* and the Union of South American Nations (Unasur). These integrate the countries of the region, following the European model.

The land in which I live is exceptional, and its communities are full of good, hard-working people. My view is that by now, our part of the world should have acquired the maturity necessary for developing the tools we need to fulfill our great destiny. But this has not happened; time passes, and we continue to fail to position ourselves. We must prepare leaders who are committed to living up to this great challenge.

My diagnosis is very simple: in Latin America, we have not lived through the vicissitudes that other communities have had to suffer, and so we are not sufficiently committed to our countries' destinies and the fight to eradicate corruption. We must work hard to achieve a society in which there are rewards as well as sanctions, in which the judicial system is absolutely independent, quick and effective. If judicial power is strong and autonomous,

*Acronyms of all entities throughout the book are taken from their names in their languages of origin.

then a republic's institutions are safe and capable of being led only by people of integrity and with a strong sense of patriotism.

I decided to write this book in the certainty that in Argentina we live in a region of maximum potential, and also with the hope of helping to build a country that is more just and committed to eradicating poverty.

I do not intend by any means that this work serve as an instruction manual. Rather, it is a call to reflect and to contemplate new structures and mechanisms that will take us to a more auspicious future.

Over decades of writing innumerable letters, reports and other documents to coworkers, family and colleagues, the idea of creating a collection of reflections, memories and experiences gradually took shape in me. I had neither plan nor precise formula, and I don't remember the exact moment in which I consciously decided to put such a collection into the form of a book. But there was always a sense of certainty present, an obligation that imposed itself; I saw it as a duty. There was a lot to tell; I had many ideas percolating in my head, a lot of things learned and understood—sometimes via the school of hard knocks—that I wished to share in order to keep working toward the creation of a more just society.

From the outset, I found it necessary to turn to the great masters, to humanity's important thinkers, in order to find an-

Mi message is a call to reflect and to contemplate new structures and mechanisms that will take us to a more auspicious future.

swers that eluded me, as well as to know how to elaborate on the diverse episodes through which I have lived. The study of ethical themes became a passion.

Among the initial writings that had accumulated in my computer and in loose papers and notebooks strewn across my desk were memories of my immigrant grandparents. *There were memories as well of my childhood in a humble but happy home, of my early adolescence spent working from dawn to dusk, of love for my family and of the joyous birth of each one of my children, grandchildren and nieces and nephews.* I rediscovered memories of my earliest works, projects that seemed impossible but which, together with my brothers and other collaborators, we managed to see through to fruition. I found accounts of confrontations with

officials, politicians, members of the military, judges and competitors; of disputes with multinational corporations, that from my end look like modern-day versions of the duel between David and Goliath. But also of fortuitous encounters with wonderful people, great technicians and engineers, professionals of all kinds, whose goodwill, talent and passion helped me grow. And there were writings on the themes that most concerned me: the consequences of uncontrolled consumerism, abysmal social inequality, moral decadence and shallow ethics, the new role of women in modern life, the relationship between education and production. But most importantly, there were reflections on the importance of reinstating the family as our primary source of values.

As I wrote, I relived each moment of my past, feeling once again the Andean winds, the cold of Patagonia, the rains of Argentine Mesopotamia, Paraguay's beating sun, Uruguay's serenity, Brazil's exuberance and the urgency and surprise of last-minute, lightning-bolt trips to other parts of the world. Recalling these experiences has truly moved me to the bottom of my heart! From each place in which I have worked and from each challenge I have had to face, I have come away with marvelous memories and a great amount of learning.

In these pages, you will also read about the repercussions that important global events have had in Argentina and the many

In many of my accounts, you will see that my convictions and passions got the better of me, and I sacrificed some of my own well-being in order to face the challenges with which life confronted me.

changes of fortune that the people of my country have gone through: the convulsions of the 1950s, the constant coups d'état, the excesses of Isabelita Perón and the violence of the late 1960s and early 1970s, the state terrorism of the Military Junta, Martínez de Hoz's famous *tablita* and the elimination of import duties, the fateful Islas Malvinas (Falkland Islands) War, Latin America's "lost decade," the hyperinflation and lootings of the Alfonsín era, the return of the "Financial Fatherland," Menem's

privatizations and currency convertibility, the banking *corralito*, the Week of Five Presidents, the political and economic instability at the beginning of the new millennium. The Kirchner era has marked a new economic cycle, one of constant growth for Argentina. Nevertheless, my people have still not been able to decrease poverty or increase levels of much needed foreign investment. Nor have we been able to control a national endemic malady: inflation.

During my career, I have had to shut down companies, work without pay in order not to lay off staff and lodge every kind of formal complaint against injustices suffered. I even had to keep what is now the best port in the country closed for fourteen years. In many of my accounts, you will see that my convictions and passions got the better of me, and I sacrificed some of my own well-being in order to face the challenges with which life confronted me.

But no regrets. Betraying my ideals has never been an option; doing so would only make me feel as though I had been disloyal to my principals and bring on self-reproach for not having the strength and wherewithal to complete my mission.

In South America, it is extremely difficult to see long-term projects through. To be a business person here is a livelihood full of unusually high risks, especially for those who undertake projects that require a large investment in installed capacity. This

A crisis can be a real blessing to any person, to any nation. For all crises bring progress.

is due primarily to a lack of stability and justice. Argentina is a prime example of a country that suffers recurring crises. Unfortunately, the developed world of today is imitating Argentina in this respect. Since 2008, most of the international community has been suffering an unprecedented economic and social crisis. All that was once reliable has slipped into a vortex of doubt: banks, currencies, legal and accounting professionals, controlling institutions, business leaders, the efficiency of states. We have witnessed economic tactics that are devoid of any semblance of ethics and which have affected every level of society. Yet, unbelievably, decisions by governments to address the crisis have rewarded those who caused it, and it appears that the judicial mechanisms of the developed world have done nothing either to stop it, prevent it from spreading or punish those responsible. Yet in profound crisis lies the seed of hope and from crisis arises the strength to bring about change.

Allow me to quote Albert Einstein, who wrote a magnificent piece about the positive impact of crisis on persons and peoples:

“A crisis can be a real blessing to any person, to any nation. For all crises bring progress. Creativity is born from anguish. Just like the day is born from the dark night. It is in crisis that inventiveness is born, as well as discoveries and big strategies. He who overcomes crisis overcomes himself, without getting overcome.

“He who blames his failure on a crisis neglects his own talent, and is more respectful to problems than to solutions. Incompetence is the true crisis. The greatest inconvenience of people and nations is the laziness with which they attempt to find the solutions to their problems. There’s no challenge without crisis. Without challenge, life becomes a routine, a slow agony. There are no merits without crisis. It is in crisis where we show the very best in us. Without a crisis, any wind becomes a tender touch.

“To speak about a crisis is to promote it. Not to speak about it is to exalt conformism. Let us work hard instead. Let us stop, once and for all, the menacing crisis that is the tragedy of not being willing to overcome it.”

I see great possibilities for South America, and they arise from the economic cycle that has convulsed the planet. Our nations are great food producers, the most competitive in the world;

We must act with conviction, reject the easy road and strengthen the connection with the part of ourselves that causes us to come together and be happy.

our economies are complementary, providing our ever-growing world population with an enormous volume of much needed commodities and materials. These circumstances give South America the critical mass necessary for attaining a greater presence, voice and vote on a global scale. This is without a doubt an important opportunity for our part of the world to begin a period of recovery that will enable better growth and increased social justice.

However, in order to take advantage of this favorable economic cycle, I believe we must take a close look at the sociological aspects that have marked our history and work on the Tripod of Strengths that makes us who we are: human ca-

pital, a wealth of natural resources and republican institutions that control the destinies of our nations.

Together with my family and fellow workers, I have been able to build a business group with a very well-recognized work culture, a pioneer in the development of leading-edge technology. I have also managed early on to fulfill my dream of structuring my legacy, and I am convinced that it will be of benefit to my loved ones, as well as to the community at large.

Leaving a legacy while alive is like being reborn. I feel that from this point in my life onward, I may continue my efforts to create jobs for the people of my country. But now I will do so from a different perspective, one with a focus on the social realm. I will attempt to fortify the institution of the family and to win back values that have been lost.

Because the bottom line is just that: values. We must act with conviction, reject the easy road and strengthen the connection with the part of ourselves that causes us to come together and be happy.

The Austrian philosopher Zygmunt Bauman characterizes our era as one of “liquid modernity,” in which social structures do not last long enough to establish themselves and therefore cannot serve as a frame of reference for human actions. For this reason, our days are ones of uncertainty, insecurity and vulnerability; we live with a feeling of instability, and this has to do with the disap-

Consumerism permeates everything, to the point that the value of relationships is measured on the basis of cost versus benefit.

pearance of patterns to which we once anchored our beliefs.

This uncertainty in which we live also arises from a lack of long-term planning. And this liquidity is very much present on the personal level: people are afraid to establish lasting relationships. The bonds of solidarity have become fragile because we tend to think of them in terms of what they will yield, what their return will be. Consumerism permeates everything, to the point that the value of relationships is measured on the basis of cost versus benefit. Possessing seems to have become more important than being.

It is necessary, then, to return to solid values, to social models and structures that last, that become instilled in the deepest parts of who we are, and on which citizens can build a way of life.

The recuperation of these values must begin at home. We must be vigilant in our exercise of justice on a daily basis and in our strengthening of the family institution. Only if we are able to teach our children the difference between right and wrong and to pass on to them the notions of ethics and hard work, will we be able to build a more just society, to create a nation and a region in which life is worth living. •

Beginnings

Chapter I



MORE INFO

Beginnings

Chapter I

*When I was barely nine years
old, I learned to drive in an
old 1929 Nash*

When I was barely nine years old, I learned to drive in an old 1929 Nash, sitting on a big pillow to see over the steering wheel and letting go of the wheel to shift with both hands. My grandfather Juan Simón, my accomplice and teacher, never lost his patience or composure and gave me instructions in a low, firm voice. I made my way like this through the streets of our neighborhood, blissfully unaware that I was opening the way to my journey through life.

I was lucky to grow up in a family who gave me love and everything else I needed to become a good man. I spent my early childhood in a simple house so near to Maldonado Creek that it flooded in every hard rain. On stormy days, my father would hurry to place a board across the doorsill, an attempt to keep the flooding to a minimum, while the rest of the family—my mother, grandparents, aunt Nélica, brother Ricardo and I—bailed standing water from the courtyard with buckets.

That house at 1682 Fragata Sarmiento Street was of the railroad style, its rooms lined up one behind the other, all opening onto a courtyard. It was distinctive in that it had two kitchens. The little one at the back belonged to my mother, and the one in the front courtyard, a prefabricated structure, to my grandmother. We all ate together on special days, but often my mother would cook for our immediate family in one kitchen while grandmother Antonia did the same for hers in the other. I liked those days best because I got two dinners.



*Play audio:
The value of the family (1)*

From León To Caballito

The history of the Román family in Argentina begins at the turn of the twentieth century. My grandfather Juan Simón came to Buenos Aires in 1906 from the town of Huerga de Garavalles in the Spanish province of León. He was eighteen and brimming with hope at the prospect of finding a new place to put down roots. For him, the hustle and bustle of thousands of other hopeful, eager young people just like him was astonishing. He had arrived during the height of one of several enormous waves of immigration from Europe, and Spaniards and Italians accounted for more than fifty percent of the city's population. Captivated by the general enthusiasm that one could practically breathe, full of a feeling of potential, the sense that everything was about to happen, my grandfather settled in, determined to make things work out. A few weeks after disembarking, he found work as a taxi driver. Buenos Aires boasted very few automobiles then, so though this work was demanding, it was profitable. He made his base at a taxi stop along Avenue Rivadavia and spent twelve



COATS OF ARMS
OF ROMAN FAMILY





BABY ALFREDO ROMAN



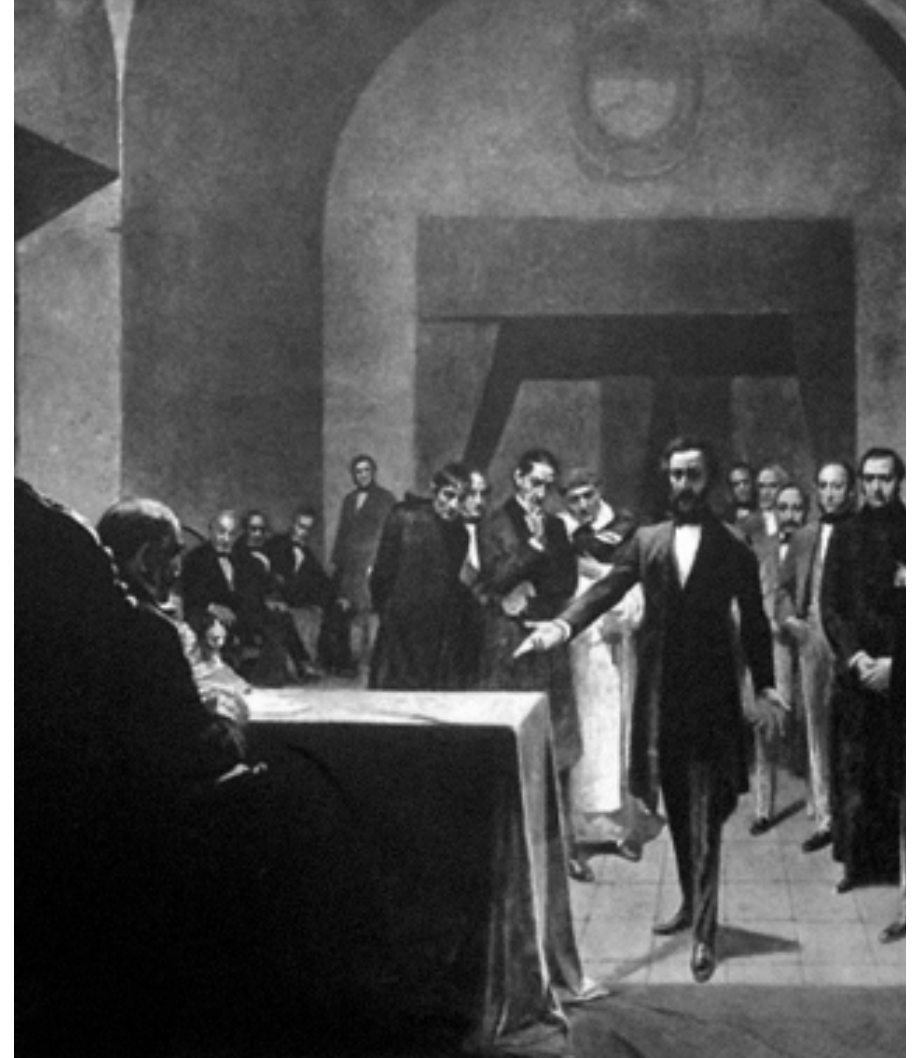
hours a day behind the wheel. With his first earnings, he rented an apartment in one of the city's hive-like tenements called *conventillos*. There, in the neighborhood called Caballito, he began to nurture his dreams. Not long after, he traveled back to his home town to look for his life's great love, Antonia González, my grandmother. There, in a lovely fifteenth-century church—which I had the emotional experience of seeing myself a few years ago—the young couple were married. They returned to Buenos Aires together and began what is now the Román family. ***Juan Simón and Antonia were the architects of the legacy of honor and respect which our family name means to us, and which we hold in high esteem.***

In those days, Argentina offered more possibilities for upward social mobility and personal progress than nearly any other place on the planet. The country was in the midst of unprecedented economic expansion. In this place far from the developed world was found a per capita gross growth rate that rivaled those of Canada, the United States or Great Britain and doubled that of Italy. Argentina offered to those who wished to come and establish themselves here the promise that with dedication and hard work, they would find a dignified life and a bright future. Yet despite the dynamic economic situation, my grandparents had to face many difficulties as part of this avalanche of immigration from overseas. Uprooting themselves

Argentina offered more possibilities for upward social mobility and personal progress than nearly any other place on the planet.

from the old world was not easy. They suffered from this and had to work hard in order to keep moving forward. I admire them for their courage and their struggle, and I am as grateful to them as they were to this prodigious land which welcomed them with its possibilities for growth and prosperity.

Like the majority of immigrants, Juan Simón and Antonia were neither scientists nor professionals. They came from peasant families and were day laborers with limited educations. But they had endless energy and overwhelming determination. Humble strangers that they were, they were never the victims of discrimination. Quite the contrary; in those days, *Argentina came through for such people. Juan Bautista Alberdi, a visionary on the theme of civilization, wrote that one can measure the capacity of a government by its demographic policies. Alberdi wro-*



OATH OF THE ARGENTINEAN NATIONAL
CONSTITUTION - MAY 1, 1853





ROMAN GONZALEZ FAMILY (PATERNAL GRANDPARENTS)
WITH ITS FOUR FIVE CHILDREN



te: “To govern is to populate,” in his *Bases and Starting Points for the Political Organization of the Argentine Republic*, a work that would be a cornerstone for the Argentine National Constitution, ratified in 1853. Its preamble promised broad protection for immigrants and declared that the Constitution would be the governing outline “for ourselves, for our posterity and for all men of the world who wish to dwell on Argentine soil.” The population of Argentina—an immense territory, open and fertile and blessed with nature’s bounty—doubled in ten years.

My grandmother Antonia was still growing accustomed to the city when she bore her first child, my aunt Lidia. Still to come were my uncle Eliseo, then on August 4, 1915, my father Alfredo Simón Román, and later my uncle Luis and my aunt Nélica.

My grandfather drove taxis for over thirty years. He liked his work, did it with pleasure, and particularly enjoyed the freedom that came from being his own boss. With unflagging perseverance, he drove endless miles a day in his 1930 Buick—one of his first cars, which he declared the finest in the world. Still, the money he earned wasn’t always enough to maintain such a large family, and so my father began to work at the very young age of twelve as a delivery boy for a butcher shop. He would have other jobs later on, generally in retail. After a courtship that lasted a few years, my parents married in 1942, when my father was nearly 27 and my mother, Celia Argentina Silva, was 20.

As fate would have it, my maternal grandparents were also from Spanish León and had landed in Argentina at about the same time as those on my father's side.

When I was born in 1943, my father worked in a tobacco and gift shop on the corner of Leandro N. Alem and Tucumán in the city center of Buenos Aires, near the port. He worked there for seventeen years in all, selling cigarettes and handicrafts to the tourists who landed at the port and to sailors from all over the world.

Toward the end of 1946, with the country in the first stages of the process of industrialization initiated by General Juan Domingo Perón, my father paid 1,800 pesos for the '29 Nash in which I would later learn to drive. This was how he finally managed to become self-employed after years of saving up. He converted the car to a taxi and concentrated primarily on the port district for his fares. As a result of post-war hunger, Buenos Aires was experiencing another wave of immigration from Spain and Italy. Argentina was an attractive option for those who wished to emigrate from those countries, since agreements between governments allowed people to come over through a system of letters of invitation from family members already here.

In his taxi, my father drove the newcomers to their first homes, taking advantage of the trip to tell them a bit about what

FICHA N°.

Buenos Aires, 16 de Diciembre de 1946

Recibí del Señor Alfredo Limón Román

la cantidad de pesos m/c. o/l. 1800.=

por la venta de un automóvil de mi exclusiva propiedad. LIBRE DE TODO GRAVAMEN HASTA LA FECHA.

Marca Nash Modelo 1930

Tipo Sidon

Motor N° 8019

Patente N° 218326 del año 1946

Localidad Arellaneda

Señal 1800.= En cheque Efectivo N°.

Firma Luis Román

Cédula N° 1412486

Nombre y Apellido

Domicilio

N°.

U. T.

TICKET PURCHASE
OF THE 1929 NASH



My father's "school" consisted of making his own way in the world, with few resources and a lot of hard work.

Argentina was like and show them the city's most outstanding landmarks. When on vacation from school, I would often accompany him, fascinated by the amazing stories the immigrants had to tell. They were all absolutely relieved to have reached at last the place in which they had longed to put down roots.

By 1950, when my brother Oscar was born, my father had three taxis, and we and my grandparents were able to move together to a bigger house at the corner of Rojas and Juan B. Justo. Although simple and modest, that house seemed like a mansion compared to the previous one. My immediate family was completed ten years later when my brother Walter was born.

I spent the rest of my childhood and my adolescence at that home in the neighborhood of Paternal. Whenever my father allowed, I went along with him, delivering small packages in his

Nash. Eager to learn, I would watch his every move when he repaired the car and help him in any way I could. That distinctive automobile awoke in me my desire to be a mechanic and gave me my early experience in the trade.

Like that of my grandfather, my father's "school" consisted of making his own way in the world, with few resources and a lot of hard work, and without a doubt, this toughened and strengthened him. My father always knew what had to be done; he had complete confidence in himself and was possessed of an optimistic and winning attitude that spread to everyone around him. He rose to new positions in life with dignity, and he instilled in us the basics of right and wrong. In his simple way, he taught my brothers and me to live and act truthfully and honestly always. For him, a lie was an inadmissible wrong. To this day, when I find myself in certain situations, his words and mannerisms come back to me. I remember the things he said as clearly as if he were saying them at this very moment: "Never lie. Always tell me the truth, and I'll understand and know how to help you." "Never hang around with people you know are up to no good; get away from them." "Don't go along with things that you can see are bad; always be a man and confront them." "Stand up and act when you see something happening that you know is going to hurt someone you're fond of, even if it makes you feel uncomfortable." "Don't keep what doesn't belong to you."



My father did all he could for others, and my mother accompanied him with faith and happiness. Without a doubt, my mother was the great moderator in our home, and reproaches and fighting were not part of the family routine. My grandmother—the sweetest, most kindhearted woman I have ever known—filled our home with flavor and charm. She never went to bed without first stopping to tuck me in and give me a good-night kiss. I remember years later when I would come home late from my first dances, she would get up to welcome me with one of her delicious dishes. No matter how quietly I tried to sneak in, she was out of bed in a second and heading for the kitchen. The boundless love she showered on me and her delightful cooking have always been for me an exquisite metaphor for happiness.

I had the great fortune to be born into a family who lavished love on me. Our home may have lacked a lot of things, but love, patience and good advice were not among them. To this day, my mother, who is nearly ninety, gives me her love and good advice; she is and has always been an exemplary wife, mother, grandmother and great-grandmother. The way she has learned new things over time in order to do what needs to be done has always been a pleasant surprise, as has the subtle efficiency with which she carries them out. My mother is simply a giver of love and a wise counselor. She enjoys the love and respect of her four daughters-in-law, and her granddaughters and



ALFREDO ROMAN DANCING
WITH HIS GRANDMOTHER



We are living the third great technological revolution

great-granddaughters make her feel honored when they follow her example and say that they wish to be like her.

Conviction above all

As I said, I'd wanted to be mechanic since I was a boy, and I later spent a lot of time under cars, taking them apart and repairing them. When I finished elementary school, I wanted to go to a vocational technical school to study to be an auto mechanic. But listening to my parents, who hoped I would choose a career that promised a brighter future, I considered other possibilities and opted instead to study electronics, enrolling in the electronics technician training program at Industrial School Number 4 in the neighborhood of Floresta. But I was greatly troubled by the poor quality of the programs and the conflict in the schools at the time over the issue of lay—or free—teaching, which resulted in far too many days without classes. The nagging feeling that I

was wasting my time drove me to desperation; I felt I was being prevented from forging a future for myself. So I quit school. Of course, this decision stemmed as well from a lack of information and from my strong desire to help ease the economic woes of my family. If I had it to do over again, I wouldn't quit school. Although I have been fortunate in life and have had luck with the things I have undertaken, my lack of theoretical and general cultural knowledge made me have to scramble later, as an adult, in order to acquire learning that would have been much more easily attained in secondary school and college.

It's hard to believe how different daily life was in those simpler days, compared to now. The last few decades have seen very profound changes. Besides having witnessed the fall of the socialist bloc and the rise of a new international economic reality, we are now experiencing an incredible revolution in the area of technology, and I would go so far as to say that the world has changed more in the last fifty years than ever before. The philosopher Marshall McLuhan's prediction in the late '60s and early '70s has proved to be true: our planet has indeed become a global village. It is difficult for today's youth to imagine life before the airplane, television, computers, the Internet, wireless communications and all the other innumerable scientific developments that reach into every corner of modern life. We are living in the third great technological revolution. Computers connected

I immediately knew that besides liking it I had the hability for electronics

via networks, interactive means of communication and virtual reality, among other advances, have radically transformed our notions of time, space and reality itself. New technologies keep pushing the envelope of a digital revolution that daily changes our way of life. Much of what is considered normal today was unthinkable just a few years ago. I have to smile when I remember that one day only twenty-five years ago, a salesman came to our office to pitch the fax machine. We could barely believe what he told us: that by simply placing a paper document in a device and pressing a button, its image would be captured and exactly reproduced thousands of miles away over the telephone line. And now faxing, too, is a thing of the past.

Today's generations rely on powerful tools that allow people to achieve all kinds of knowledge. The downside of this reality is that, confronted with such an abundance of informa-

tion, it becomes more and more difficult to focus on what is important, and we run the risk of wasting time. We must add to this the negative influence of relentless advertising and communications, which call fundamental principles into question and encourage hyperconsumerism.

Against my parents' wishes, I began to work in a jewelry shop at the age of twelve, melting gold and drawing it into wire which would later be used to make chains. Not long after, I began to study electronics technology at night and got a different job that was more in line with my studies: television repair. I knew from the start that, besides enjoying the field of electronics, I had a knack for it; I can still remember the satisfaction I felt when I built my first radio. Yet despite all this, my heart's desire of becoming an auto mechanic remained undiminished.

This dream finally came true in early 1957, when my uncle Eliseo put in a recommendation for me at the Sartori Brothers garage. I was only just fourteen, but evidently, when Máximo Sartori, head of the establishment, interviewed me, he could feel my enthusiasm, and he gave me the chance to come in as an apprentice. I'll never forget that shop, not only as a place of work but one of great mutual affection, where I was allowed to grow as a human being and as a professional.

As has been the case in nearly everything I have undertaken in life, luck accompanied me there, too. It is said that

every cloud has a silver lining, and on my second day of work a situation began that made this adage apply directly to me. One of the supervisors told me to clean the oil pan of a car and then help the mechanic in charge of its repair. I quickly cleaned the oil pan and headed over to the mechanic's station to see what he was doing and help in any way I could. To my surprise, the next day I learned that my fellow apprentices were complaining about the speed with which I had cleaned the oil pan, and that they had urinated in my toolbox. This resulted in an argument that required Máximo's intervention. When they called me to his office, I figured my days at Sartori Brothers were over. But he listened to me and said that I would start working as his assistant on a trial basis at the assembly repair and adjustment station. Unbelievably, in just one week I had gotten farther ahead than many who had been at the shop for years.

Working beside Máximo, a man of firm principles, was a unique training experience, and I gave my all to take full advantage of it. I learned from him that leadership basically consists of demonstrating that you yourself can do the job in the amount of time and with the quality that you expect from others. Máximo also made it a point to stay on top of new developments in the trade. He enthusiastically encouraged his employees to do the same, and he scolded me for having left my studies in electronics to come to work at the shop. It was he, in fact, who



ALFREDO ROMAN WITH HIS DAD
ON A BICYCLE





*Play audio:
The value of the family (2)*

motivated me to return to night school, but this time to study what had always really interested me: auto mechanics.

In those days, my undisputed best buddy and most excellent companion was my bicycle. Each day on my bike, I made the trip from my home on Rojas Street to the shop on Rawson and Corrientes, then back home for lunch, and in the evening to the school at Álvarez Jonte and San Martín Avenues. Once in a while though, Alberto, the youngest of the Sartori brothers, lent me his beautiful '37 Ford coupe convertible to go home for lunch and even to go out on an occasional Saturday night.

Despite this frenetic pace in my teen years, I still made time to service some customers of my own. ***In my off hours and on weekends beginning when I was fifteen, I fixed cars that belonged to friends of the family.*** I was the only one, for example, whom Don Emilio, the brother-in-law of my uncle Jesús, allowed to touch his impeccable '51 Chevrolet. I also took care of my father's cars. Once, we converted a bus into a truck, which later sold for a lot more money than he had paid for it. I spent

Leadership basically consists of demonstrating that you yourself can do the job in the amount of time and with the quality that you expect from others.

the little spare time that remained with my brothers or friends from the neighborhood: Ronaldo, “Cacho,” Alonso, Carlitos and “el Rulo.” We loved to go dancing and hung around with a great group of girls. My uncle Eduardo, my mother's brother, introduced me to the hobby of raising carrier pigeons, and I enjoyed my goldfinches as well. I and others in the neighborhood would organize competitions to see whose goldfinch could sing the loudest and silence the others.

Not long after turning seventeen, a garage that provided exclusive service to all the cars and trucks of what was then the Argentine River Fleet sought me out to run the shop. This was a job offer I couldn't refuse. It was hard to leave Sartori Brothers,

where I had learned so much, but the new position entailed being head of a team, and I would bring home three times the salary. In this shop on the corner of Constituyentes and Los Incas Avenues, I was able to prove that I had leadership capabilities, and despite my young age, my team respected and obeyed me.

Joining the family business

My father, on the other hand, was not so happy with the life I led, thinking I was too young to be working so much. We talked about it at length, and he so insisted that I work with him that one day he convinced me. We both agreed that with what I knew I could make a valuable contribution to the development of the family hauling business. So I left the other garage, traveled to Laboulaye in the province of Córdoba, where one could obtain a driver license at seventeen, and joined my father, grandfather and cousin Julio, the founding members of Transportes Román (Román Transport). My uncles Eliseo and Jesús would join us later.

With my grandfather Juan Simón, I began driving a 1930 Buick that had sat idle for years before my father converted it into a pickup. Small world! This original vehicle was very similar to the car in which my grandfather had begun his taxi driving in Argentina. In this converted pickup, we hauled merchandise that arrived at the port of Buenos Aires to various points

throughout the city. Our main clients were customs officers, for whom we also took care of the final customs paperwork. So at a very young age, I became a representative for some of the most important customs officers in Buenos Aires.

The little family business grew at a healthy rate, allowing my father to add a fourth vehicle to our fleet, a '58 Chevy Viking truck—his first big acquisition.

These were not easy times; thieves often targeted the merchandise we hauled; but despite several attempts, they never managed to steal a single one of our trucks. More than once, we found ourselves involved in out-and-out chases and forced to make risky defensive maneuvers. One afternoon on a haul in the Viking (my father was at the wheel, and I was in the back sitting on the load, which consisted of bundles of Barlow sweaters), a car containing three men dressed like police began to follow us. First, they got our escort out of the way and then chased us, coming up alongside and telling us to pull over. My father reacted quickly, cutting them off so they had to drop back behind us. Then he slammed on the brakes, threw the truck into reverse, smashed into them and sped off again. But he hadn't put them out of commission, and they kept up the chase. My father turned so abruptly from Humboldt Street onto Córdoba Avenue that the load tipped over into the street. At this, the thugs fled and we called the police, who protected us as we reloaded the truck. We

Román's vehicles

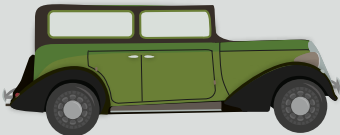
Two stages



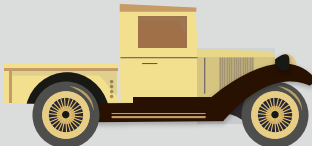
TAP ON THE
TRANSPORTS

1944

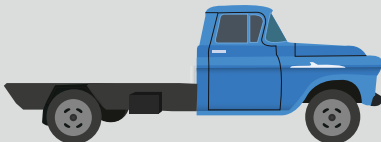
Alfredo's
father
beginning



1929 Nash



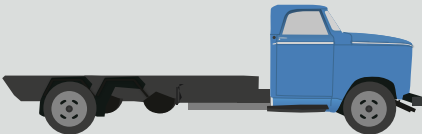
1930 Buick



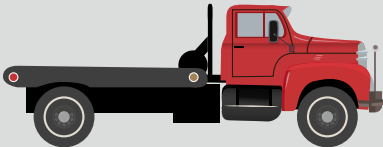
1958 Viking

1961

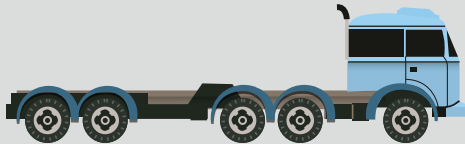
Alfredo's
beginning



1961 Dodge 400



1963 Internacional



1965 Skoda

The examples set for me by my father and grandfather have been etched deeply into my personality.

made it safe and sound to our destination, a warehouse on Tapalqué Street in the suburb of Mataderos, from where we let our customer know that everything was all right. They were surprised because they had already heard from the escort and thought that the thieves had made off with the goods. This incident was greatly appreciated by our customer, and news of it spread. My father repeated time and time again that a load was the most valuable thing we had, something to be protected at all costs.

These beginnings forged my vocation. The examples set for me by my father and grandfather have been etched deeply into my personality. Circumstances—needs at home and my own immaturity—caused me to act hastily and quit school. Yet unbeknownst to me, through my strong desire to be a mechanic, I had already laid the foundations for my working life. All but unaware of it, I began my business career based on the need

to support my family and on my desire to take each day as an opportunity to learn new things. This latter trait remains with me to this day; ***I am a student of life, convinced that there is always something new to discover, understand or work out, and that evolution, improvement and progress are always possible.*** Each step in life brings new challenges; all that is needed are the courage and strength to move forward. •

First Steps

Chapter II



MORE INFO

First Steps

Chapter II

Now totally committed to the family business, I became obsessed with increasing its operating capacity.

Now totally committed to the family business, I became obsessed with increasing its operating capacity. We needed to enter the heavy transport market. When I turned eighteen in 1961, I used my own savings, some financial assistance from my father and a bank loan to buy my first truck, a brand new Dodge D-400 with a thirty-two-foot Montenegro trailer.

Despite political swings experienced in our entire region of South America at the outset of the 1960s—the to and fro of Peronism versus anti-Peronism and the struggle for hegemonic power—foreign trade in Argentina remained vital, and we had work.

Arturo Frondizi came to power with the support of a Peronist electorate and initiated a revolution in the productive structure of the country. His administration placed Argentina on the path of industrialization, creating the necessary framework and inviting capital investment in areas of the economy that had been stagnant, such as the industries of iron and steel, cellulose, hydroelectric energy, petroleum and hydrocarbons. Domestic market demands were met for these products, and the country exported them as well. Political instability returned, however, and a 1962 coup deposed Frondizi. The Senate leader José María Guido assumed interim power, and later Arturo Illia won the elections, only to be overthrown by a military coup in 1966 led by General Juan Carlos Onganía.



Play audio: The value of education

Despite this grave institutional situation, the macroeconomic outlook continued to be auspicious. The process of industrialization had been strengthened, the country was producing all of its own energy and continuing to export hydrocarbons. The period also saw notable advances in heavy industry, which broadened the horizon for product and service industries.

With caution and all the necessary measures to avoid failure in our fledgling enterprise, we outlined a business strategy based on providing personalized service to our clients. Besides hauling, we took charge of anything else they required: packing, unpacking, materials manifests, warehousing, customs documentation, and so on. If a client requested a service that we didn't know how to provide, we learned how to provide it. Even if such efforts toward gaining client loyalty proved not to be profitable, we made them anyway; this was an added value we could offer and it was what made us different. In this way, and with the incorporation of new assets, we began to make ourselves known at the port. Very quickly, we had more orders than we could handle and enough jobs lined up for several more



THE FIRST THREE
PAYMENTS OF THE DODGE



*We had secured workflow
for several trucks, more than
enough for our small fleet.*

trucks than we owned in our little fleet. We had to outsource jobs to other haulers, and as soon as we could, we bought another Dodge truck.

So my entrepreneurial career had begun with promise, but civic obligations soon arose and put things on hold for me: in 1963 I was drafted into what was then mandatory service in the army. Despite my worries at being away from my business duties, my military experience proved to be beneficial, and I learned valuable lessons in materials handling and business management. I also had to learn to delegate the operation of our business to others and to bring in new workers so as not to slow its growth.

This was, without a doubt, a wonderful time in my life. I completed my military service with the best of attitudes. It turned out to be almost like a vacation, a break from the maelstrom of activity in which I'd found myself since I'd first started

working. The first three months of military service consisted of boot camp at Campo de Mayo, after which, given my experience as a mechanic, I was transferred to the new department of Vehicle Registration. There, I was placed in charge of organizing an engraving system for chassis and motors, something that had not existed before. We made some mistakes at first, but later, along with those who worked for me and minor officers, I developed a successful method. I treated the work as if it were my own project, devoting all my energy to getting good results. My efforts were rewarded by the lieutenant colonel in charge of the unit, who gave me a vote of confidence by allowing me to use army offices to see to some of my own business matters. Once the engraving system was up and running properly, I obtained a transfer to the area of imports under the Defense Ministry. My duties there were similar to those I was accustomed to at the port of Buenos Aires, so I had more time to devote to my own work.

At the end of my stint in the military, I felt ready once again to dedicate myself fully to growing our business. My return marked a very productive period; a year later, earnings allowed me to buy our first full-sized tractor-trailer. In the world of truck hauling at the time, the competition tended to opt for the Ford 900; its track record inspired confidence, and good post-sales service was available all over the country. ***Even so, I thought I should be more innovative and take a risk, so I bought***



ROMAN, HIS FATHER AND TWO COLLABORATORS WITH
THE DODGE 400, THE SECOND TRUCK HE BOUGHT AT AGE 19



something that stood out from the rest: an International Model 52 tractor that had been out of service for some time. The International brand was synonymous with strength and acclaimed throughout the world for heavy-duty jobs. This was truly an imposing truck, but the many problems I faced returning it to service made me think more than once that I had made a hasty decision. Yet I was determined to turn it into the best heavy-load hauler that the highways of Argentina had ever seen, and I kept at it.

While hard at work refurbishing the International, I bought a second trailer, with particular characteristics that I designed specially for the tractor: more width, less length and a special suspension and tires. Once I got it into the street and drove it for myself, I knew I hadn't made a mistake. This was the first heavy tractor-trailer rig I had ever driven, and it immediately began to outshine the competition. Its tremendous pulling power and the stability of the trailer enabled it to haul large loads and navigate difficult roads, which allowed us to take on jobs that no one else could. The risk had been worthwhile; that rig became known in the industry and marked a milestone in the development of our business.

The International ended up being for me personally a kind of gym and tanning salon, too. Twice a week I had to haul 600 bags of sugar, each weighing 100 pounds, for Adams Chewing Gum, which I loaded and unloaded by hand myself. I turned

The aim was clear: we had to grow, and for that we worked hard day and night.

the job into a physical workout, loading and unloading with my shirt off to get a tan. So at night, when I went out with my buddies to some dancing establishment, I looked like I'd just gotten back from vacation.

Success in the family business made my brother Ricardo want to join in. At first my parents couldn't conceive of him abandoning his studies for a Bachelor's Degree in Commerce, but after long discussions about it, they finally gave their approval. Right from the start, his capability and sacrifice stood out. He turned out to be a born leader, and among the many ways he proved this was his tirelessness as a highway driver. He set an example for our other drivers.

Our mission was clear: we needed to grow, and in order to do so, we needed to keep pushing day and night. I new, however, that in order to transform our enterprise into big busi-

ness, it wasn't enough to depend on good work, sufficient crews and ideal personnel; we had to make ourselves stand out from the numerous other family businesses with whom we competed and arrive at a structure like that of a large company. ***With this in mind, I reorganized and founded Transportes Román SRL (Román Transport SRL)¹ in 1964.*** I had realized some time earlier that I could not keep driving trucks because it kept me away from clients for days at a time, as well as from my other tasks of mechanic, administrator and sales executive.

In those early days, one of the haulers whose services we used to hire was Francisco "Chicho" Gangi, the son-in-law of the owner of Diamont Transport, the leading company in heavy hauling. One day, Chicho proposed that we manufacture a type of platform trailer that would be the first of its kind in the industry. We did the necessary engineering and contracted the welding shop of the Kandus family to build the thing, ordering one for each tractor we had. Chicho's experience told him that it would be best to use the small-diameter wheel hubs and tires that they used at Diamont, but I wanted to use an unconventional type of wheel assembly. I'd been studying the engineering of this type of equipment in depth, and one day I contacted an im-

1. SRL: *Sociedad de Responsabilidad Limitada*, is roughly equivalent to "Limited Liability Company (LLC)."

porter of World War II surplus, who had what I needed. This was a wheel assembly that could support a greater amount of weight. Its wheel hubs—the part onto which the rims and tires are bolted—had great advantages. The axle spindles were reinforced with large-diameter bearings that could bear more weight, and the hubs could accept larger tires with a higher profile, allowing for typical highway speeds. Even though the tires were large, my design kept the platform close to the ground, like those of the trailers the competition had. Even before the trailer was finished, I was so convinced that this design would work that I signed an agreement with the provider to purchase all wheel assemblies with these specifications that entered the country. The idea was to have the material ready in order to build more platform trailers in the future and thereby gain a competitive edge over the big hauling companies that existed at the time.

Using these wheel assemblies and with the support of Kandus, by a couple of years later we had constructed two enormous platform trailers that marked a milestone in the history of heavy transport in Argentina. I'll have more to tell about this later.

Chicho Gangi had been having some problems with his crews, and he eventually accepted my invitation to work with us as chief operational technician. Through the years, we became fast friends, and he made a place for himself as one of the pillars of the development of heavy transport for our company. He

had a conservative way of looking at things that often conflicted with my desire for innovation, but after talking things over, we always managed to reach an agreement, and we were able to laugh off our healthy differences.

In 1965, we made another important acquisition of two brand-new Skodas, which enabled us to run long-distance hauls of smaller cargos reliably. When those trucks arrived, I stared at them in wonder, unable to believe that they were ours. Actually, they weren't completely ours; since we hadn't had the necessary funds, we'd bought them on time with payments in dollars, and of course I worried a lot about the possible devaluation of our national currency. In those days, devaluation had become the standard response of governments in an attempt to slow the loss of economic competitiveness caused by inflation. Significant devaluations had occurred under Frondizi in 1959 and again in 1962, during the short presidency of Guido. I remember that the financing for those Skodas included a booklet of payment coupons, with which the buyer could make payments early, if so desired. We took advantage of this, and tried to dedicate every peso we could to paying off the trucks. Every time I looked at those coupon booklets I nervously remembered that the risk we had taken could cause all of the growth we had seen so far to suddenly collapse. How emotional those early decisions were, when each purchase could either make or break us!



FIRST HEAVY LIFT OPERATIONS
IN THE OLD PORT OF BUENOS AIRES



A daring gamble

In 1968, I made an important and risky decision and sold all the cars, pickups and light trucks we had in order to buy five White semi tractors that I had found abandoned in a warehouse at the Sola railroad station in the neighborhood of Barracas. No one could understand why, once again, I was buying run-down equipment that others had cast aside. My father, who had always infallibly supported me, thought I'd gone completely crazy. But I knew that time would eventually prove me right; we had to bring in equipment which would allow us to provide services no one else could offer.

The night that we concluded that deal remains etched in my memory. As my father and I left the warehouse we had in Caballito, we realized that we didn't even have a vehicle left in which to get home. Laughing, we took a taxi. Sitting pensively in the back seat as we rolled down Avenue Rivadavia, I felt I had once again taken a risk that went beyond the mandates of prudence, yet at the same time certain that this deal would turn out to be an excellent opportunity for us. At that time, importing equipment like the Whites was prohibited, and what was being produced nationally couldn't hold a candle to those powerful trucks. The only operable ones in the country, they would be the cornerstone of Román heavy hauling.

In order to get them up and running, I put together a work plan and contacted the providers of the materials we would need. At the same time, I painstakingly looked for a contract which would put the trucks to immediate use, since such a drastic restructuring had taken its toll on the company's economic situation. Luck was with me once again. The Bechtel Company was constructing a gas pipeline in the province of Mendoza and needed to lay pipe across a particularly rugged stretch of desert. Since our Whites were just the ticket for this kind of job, I sent Bechtel a written proposal, but this wasn't enough for the executives; they wanted to come and see the trucks for themselves. We had no choice but to show the Whites in the decrepit condition in which we had found them. As one might expect, when the Bechtel officials saw the tractors, they were immediately convinced that they were the right ones for the job, but they expressed doubt, and reasonably so, that we could have them operational in time for the project start date. So I made them an offer that firmly stipulated that we would indeed be operating in Mendoza on the date mentioned in the contract, or steep fines would be applied. They formalized their acceptance of this with a purchase order, and we had our first big contract. We were facing a job which could mean important earnings for us, but which at the same time involved a serious obligation. With that purchase order in our hands, we could finance all new tires for

A big bet

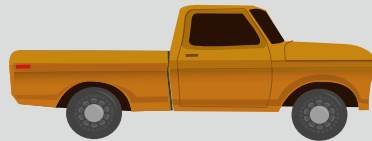
“In 1968 I took an important and risky decision: I sold all the cars, vans and trucks to acquire five White truck tractor units who remained abandoned in a shed of Sola train station, in the neighborhood of Barracas. Those trucks would be the beginning of Roman heavy transport.”



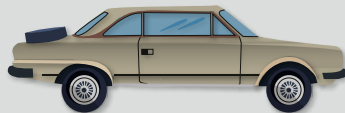
M.Benz 1114



Bedford



Ford F-100



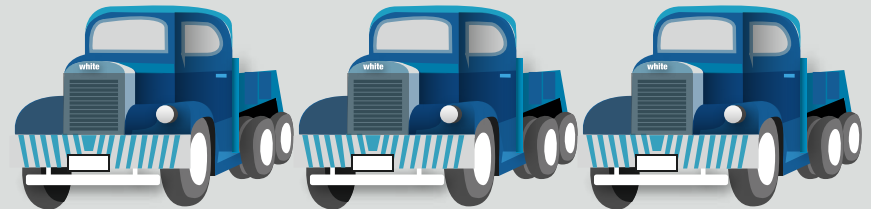
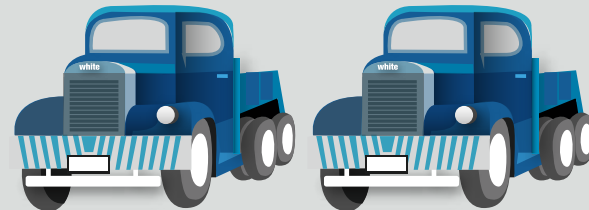
Torino



Ford Falcon



The beginning of heavy transport



5 white semitractor trucks

the trucks and replace the majority of the bearings and brake bands of the tractors' wheel assemblies. We hired a shop to do the necessary work on the suspensions, as well as a specialist in Cummins engines to fix the injection systems. We worked day and night, but we knew that some issues remained that would end up having to be fixed during the job.

All too soon, we had to leave for Mendoza. We managed to begin working by the start date, and finished the necessary repairs and did other maintenance at night. *My beloved Whites did us proud; it was spectacular watching them move across those inhospitable deserts, hauling the pipe for the gas pipeline. (I recalled this operation recently because the 2010 edition of the Dakar rally in Argentina passed through the same area.) Everything came out well; my workers demonstrated once again their skills and unconditional commitment, giving their all to reach the goal we had set.*

That project provided an important boost for the business. We had put together an unequalled fleet of vehicles, and the earnings allowed us to pay off our debts, obtain the trailers necessary for the Whites and begin work on two new platform trailers on whose design I had been working for some time.

Once again, good fortune was on our side. I heard one day that an old warehouse that had belonged to the Villalonga Furlong company was slated for demolition. The warehouse was



FIRST ROMAN
CRANE SAC: TR 22



located near the corner of Salguero and Martín Coronado Streets in the neighborhood of Barrio Parque, behind what is now the MALBA, the Buenos Aires Museum of Latin American Art. I visited the site and discovered that the structure was built on imported, 1955 Grey steel I-beams, ideal for our platform trailers. I was amazed; with this material, we would be able to build at low cost the trailers that would later be designated 12 and 14. The design of these included a system that could level out sections of the platform. The trailers also had extra axles, which made them very adaptable under a variety of circumstances. They worked especially well for the transport of turbines, which had to be supported along their entire length in order to avoid bending. We were going to have to find tractors with sufficient pulling power for these platform trailers, as well. After a long search, we finally found two tractors, a 1950 International that had been specially modified for off-road hauling and a 1961 Mack Thermodyne. Both trucks were in such bad condition that we had to completely refurbish them and adapt them to suit our needs. But once we had done so, these two units were unique in the industry locally.

I backed up this new undertaking with an aggressive marketing campaign, which included drawings of our various rigs in trade magazines, wall calendars, brochures and an ad in the phone book. Each drawing clearly identified the characteristics

of the rig, including the measurements of the platform trailers. We soon saw notable success; clients began calling in requesting a particular rig that they had seen in one of the ads. We complemented the ad campaign with a free technical consultation, consisting of a questionnaire that I created and that my secretary went through with potential clients in order to address their concerns when they called in.

It was clear that we had arrived in the big leagues when, in 1968, I was invited to meet with the leader in heavy transport at the time, who had many rigs and a large fleet of cranes. When I arrived at their offices and saw that the owners of two other important hauling companies were present, I realized that I'd been invited to a kind of heavy transport mini-summit. They wanted to close a deal that apparently had been cooking for some time, in which they fixed their rates and shared clients according to the installed capacity of each company. After listening for a while, I interrupted the meeting, stood up, begged their pardon and said that this type of agreement went against the values of our company, and therefore Román would not be part of it. From that moment on, the competition launched an all-out attack on us in an attempt to impede our growth. We continued to go about our work as always, doing our best and maintaining absolute transparency, tactics that proved to be our best resource in this type of hardball situation. And the strategy worked well.



WHITE TRUCKS CARRYING
TURBINES FOR THE NIHUIL



We continue to work as best we knew, and with absolute transparency: these were our weapons.

By the beginning of the 1970s, we were the leader in the heavy transport industry.

We had been dealing for some time in those days with Aegemeine Elektricitäts Gessellschaft (AEG), a German provider of gas turbines, acting as consultants in route and feasibility studies for transporting their big turbines to various locations around the country. And at last, I achieved another goal; AEG won several contracts and recognized us as the only Argentine company capable of transporting their equipment, granting us exclusive hauling rights and becoming one of our best clients. For many years, our platform trailers were the only ones suitable for this type of cargo, and it was we who delivered the majority of the components for energy substations throughout the country.



ROMÁN IN THE CENTER OF THE PHOTO
WITH SOME OF HIS COLLEAGUES



In 1969, we faced our first challenge in the transport of large, heavy, non-reducible loads: hauling a huge, 135-ton generator to the Nihuil hydroelectric center in Mendoza, situated at an elevation of 4,250 feet above sea level. Water and Electric Energy (AYEE), the state water authority in charge of the project, had their own transportation equipment, but their platform trailer's wide turning radius and design wouldn't be able to negotiate the winding mountain roads along the route, so they offered the job to us. With almost no time to think it over—the equipment to be delivered was already hanging from a crane in the port of Buenos Aires—I decided to accept. But when we got to the foot of the mountain and ran a final survey to check the measurements of available turning room, we realized that our rig wouldn't make it around one of the curves, either. Just looking at that road with its cutbacks and precipices was enough to make one's head spin. Even in a pickup truck, a trip up that mountain caused vertigo, so one can imagine how we felt at having the responsibility of climbing it in a big semi rig loaded with that enormous generator. When I took another look at the data and calculated exactly how much room we would need to make the curve at the tightest cutback, I saw that by blasting out a small part of the mountain, we would be able to widen the curve enough to get through.

I hired a blasting company in the area and we determined

how to go about this. Finally, with one of its front wheels completely off the road, our powerful International rig practically hanging in the air, we managed to get around the difficult curve and continue the ascent. But our troubles weren't over. One night after a breakdown, I had to replace the semi tractor's transmission, lying on my back beneath the rig while my coworkers used torches to keep away the enormous spiders that are abundant in the area.

Once again, our efforts made the difference, and we had a new client in AYEE, the largest energy company in the country and a model of efficiency. Their works, in all of which we played an important role, can be seen across the length and breadth of Argentina. This was how we became a business capable of participating in large-scale engineering and construction projects. With AEG and AYEE in our portfolio of loyal clients, Román Transport achieved undisputed leadership in the heavy hauling industry.

Constant investment in the company, sometimes beyond what we could afford, constituted another important factor in our growth. I felt confident that in the long run the country would develop and that pending infrastructural projects would come to fruition sooner or later. To be ready, we needed to have the best equipment and the best trained and motivated personnel in the industry. Each time an adverse economic cycle came around, we continued risking capital when others sold, and on more than one occasion, we purchased equipment from our competitors.

We also acquired idle components from the companies Jaime Coll, Mellor Goodwin and SAOPIN, and we participated in auctions of equipment from the state oil company Public Petroleum Deposits (YPF). We refurbished each piece of equipment until it was like new. This was my job and my vocation. I enjoyed repairing equipment and could lead my teams of mechanics naturally.

Infrastructural projects require a lot of investment in equipment, and they can be too risky if one doesn't come up with work enough to keep this equipment active on jobs. Clients, in turn, value the installed capacity of their providers, and in this lay our secret: earning the confidence of those who hired us. ***One can maintain an excellent relationship, even be friends with a client, but the only thing that will sustain his or her loyalty is to do things well, with dedication, passion and professionalism.***

Business on a new scale

This early period of intense work yielded good fruit. Our sense of responsibility as a business, our crystal clear administrative practices and the fact that we converted Román Transport SRL into the corporation Román SAC² greatly improved our credit

2. SAC.: *Sociedad Anónima Cerrada*: a type of private company similar to a closely held corporation.



**1965, MACK TRUCK TRANSPORTING
AEG TURBINE**



I felt confident that in the long run the country would develop and that pending infrastructural projects would come to fruition sooner or later.

profile and reputation with banks.

The country continued to enjoy very healthy growth. The policies of the Onganía administration, their first attempts at economic liberation, proceeded. A particular example of these was the plan implemented by Minister Krieger Vasena in March of 1967 which, among other things, unified the exchange market, loosened governmental economic restrictions, ratified a new hydrocarbons law and encouraged the entry of foreign capital. Also, large-scale infrastructural projects were springing up, despite political instability. These accompanied the economic expansion of the time, which between 1963 and 1970 reached an annual rate of six percent.

Given this healthy economic situation, we were able to develop and consolidate the business, obtaining a sizeable fleet and attracting highly qualified workers; this permitted us to undertake profitably jobs of the highest technical complexity. My brothers Ricardo and Oscar provided an excellent example, being the first to arrive and the last to leave on any given work-day. Only fifteen years old, Oscar specialized in operating the big hydraulic pistons and chocks to load and unload the cargos that we hauled. As always, we could count on our father's wise advice, and he wholeheartedly offered his support. The workers I had during those days, many of whom are still at my side, were fundamental to the epic journey that transformed us into the leaders in the business of transporting large, non-reducible loads, which we dubbed "Science at the Service of Moving."

At that time, we created a research and development department in which our own engineers worked, as well as contracted people. We studied ways in which to improve operations, and we designed new equipment.

By constantly leveraging capital, we generated an installed capacity that allowed us to participate in the majority of large-scale projects undertaken in the country. A look at the detailed balance sheet of Román SAC from the period 1969-1970 will show: AEG Argentina, Portland Cement Argentina, Loma Negra, Fiat Concord, Sade, BVS, Boving & Co. Limited, Mellor



PLACING SIEMENS TRANSFORMERS



The workers I had during those days, many of whom are still at my side, were fundamental to the epic journey that transformed us into the leaders in the business of transporting large, non-reducible loads, which we dubbed “Science at the Service of Moving.”

Goodwin SAC, Mellor Abengoa, Segba, Water and Electric Energy (AYEE), Argentine National Shipbuilding and Naval Works, Public Petroleum Deposits (YPF), Burroughs Machine Company Ltd., Siemens Argentina, Argentine Metallic Construction (Cometarsa), Babcock & Wilcox Limited, Siam Electromechanics, Siat, Armetal, o/c. Kuehne + Nagel, and the list goes on.

So at the age of twenty-seven, I entered the 1970s with

*At the age of twenty-seven,
I entered the 1970s with a
financially solid business that
enjoyed an excellent reputation
vis à vis clients, the market and
the competition.*

a financially solid business that enjoyed an excellent reputation vis à vis clients, the market and the competition. Looking back, I am grateful for having been able to begin my career while very young and for having learned by doing. •

Family

Chapter III



MORE INFO



Family

Chapter III

Those were hectic days. I arose at dawn to go to work and didn't return home until nighttime.

But I did still manage to find the energy to go out. I always enjoyed a mix of work and pleasure, and I loved having a good time with friends and hitting the dance halls. I would often stay out all night and considered sleep a waste of time. Despite this intense lifestyle, I began to think about finding the right woman and starting a family. One night in 1966 at the Manhattan Dance Hall in Liniers, I noticed a lovely blue-eyed blonde watching me. I found out later that she had asked some girlfriends that we had in common about me. Eventually I would learn that at first she'd thought me unpleasant and conceited, but she later decided to take the important step of calling me. At first we just chatted on the phone, but we eventually got around to going out on our first date.

Hilda Margarita Kowanz, my beloved Marga, is the woman of my life. From that first date onward, we struck up a relationship that has ever since been characterized by long talks. We've always been able to spend hours sharing ideas, plans and wishes, and early on we discovered that we had a lot in common when it came to dreams about the future and a family. We entered into an intense and passionate courtship. Our love grew the more we got to know each other, and by the time two years had passed, there was no doubt in my mind about asking her to marry me. We married in 1968.

Marga is the daughter of immigrants; her father arrived in Buenos Aires from Germany in 1926 at the age of nineteen.



Play audio:
The virtue

Here, he met Hilda Yaques, of French and Chilean extraction and fifteen years his junior, whom he married in 1940. They had three children: Marga, Emilio and Roberto.

The first thing I did as the prospective head of a new family was to try to surprise my future wife with a beautiful Latin-colonial-styled house in an exclusive part of the neighborhood of Devoto. This was a mistake; the place was too big for the two of us, and Marga felt uncomfortable with it. This taught me that acting alone in matters involving one's relationship is not a good idea. We put things right by looking together for a place to live and found an apartment in Caballito only a few blocks from my business, a place at street level with a small back yard. Marga gave it the woman's touch it needed to make it a welcoming home. We lived there for four years, and then moved to a larger house, this time with more reason because by then we had three daughters.

Our first, Gabriela Nancy, was born after one year of marriage. Five more daughters would follow: Ivana Karina, Silvina Verónica, Andrea Mariela, Lorena Vanesa and lastly María Valeria, whom we lost when she was only a few days old. This

was a tremendous blow from which it was very hard to recover, and for which I barely had the strength to console Marga. But she, far from being daunted at the terrible loss, swore that her child-bearing years were not going to end in such a way. A year later, in 1982, we had the great joy of the birth of our son Alfredo Javier. I will never be able to fathom my wife's strength of will. She possesses an indomitable set of values, and she does whatever needs to be done to make her dreams come true.

From the beginning, Marga has shown me a patience that is practically Tibetan. On the day of our wedding, for example, I had been negotiating up until the last minute for a loan from the Cid Campeador branch of Banco Provincia and ran into the registry office late. Marga's reaction? She simply said in a calm voice, "You need to learn to enjoy the important moments more." That was just the beginning; days later, we would have to interrupt our honeymoon so I could take care of some other urgent business.

Her dedication and warmth created a very special climate in our home. She personally saw to taking care of the children, ever occupying herself with their studies and play, their successes and failures, carefully following their learning and progress, and always involving me. Our home was always a refuge where support and balance could be found, especially during difficult times. I might come home stressed, carrying the weight of some



MARGA TAKING OUR DAUGHTERS
TO SCHOOL



We taught them that the truth matters above everything and that they could always rely on the family for a solution to any mistake, no matter how bad it might be.

complicated situation on my shoulders, but as soon as I crossed the threshold, my problems began to vanish. In the midst of my family, a soothing balm for my mind and spirit, I could forget about all else.

Our daughters attended Our Lady of Mercy Elementary School in the neighborhood of Flores, where we found invaluable help in their religious education, especially from Sister Ercilla. The girls were patiently educated in the Catholic Faith, beginning in the first grade. The school also reinforced the values we taught at home, such as the importance of family and sensitivity to the needs of others. Javier did his first years of elementary school at Saint George English School in the sub-

urb of Quilmes and later continued at the Bayard Institute in the neighborhood of Palermo. My children's elementary and secondary education allowed them to continue on to college without any problems. Aside from the educational programs, the early scholastic climate in which they spent their days strongly instilled in them the principles of discipline and good behavior. Marga and I taught them to be readers, and we always tried to be careful to promote activities for them out of which some learning could come. We worked hard to provide them with a solid education and to demonstrate by our own example that in order to reach our goals, we must make an effort to improve our skills. We taught them that the truth matters above everything and that they could always rely on the family for a solution to any mistake, no matter how bad it might be. We gave them freedom and allowed them to choose their own roads in life, but we advised them too, and made sure that they understood what we thought was best.

Our children have a particular style that identifies them: they are tenacious in seeing projects through; they are hard workers and they are possessed of great human warmth. This comes out in everything they do. Having raised responsible, good-hearted children is without a doubt Marga's and my greatest achievement. Despite their individual ways of thinking, they are close as brother and sisters, and they share the desire to pass down for

What one learns beginning in the cradle leaves an indelible imprint on one's personality

generations to come an ethic of work upheld by values, an ethic that goes beyond family, reaching outward to the community.

My experience as a father

What one learns beginning in the cradle leaves an indelible imprint on one's personality, and for this reason, the things parents do and stop doing during their children's early years have direct and powerful consequences for all their lives. True to this notion over the years, I have tried to be ready at all times to show love to my children, remain alert to circumstances which required setting limits and apply these limits with care.

Spending leisure time with them was very helpful. I could often impart teachings to them much more effectively through play and amusement than by lecturing. Child-rearing

theories abound, but personally I feel that the best method is to take advantage of the occurrences of daily life—those small, seemingly unimportant moments that, if given the proper attention, over the long run will promote good conduct and create a climate of confidence. I always tried to maintain a relationship with my children that was open to dialogue, and by doing so I established, before and during their adolescence, a circle of trust that enabled open conversation at critical times. Even so, given my dominating nature and tendency to exercise leadership over large numbers of people, I also feared being too rigid with them and inhibiting them, thereby driving them to others when they had a problem. Keen to this possibility, and thanks to the help of my wife, I developed the necessary sensitivity to be able to treat each child in accordance with his or her particular character. So I encouraged each one: Gabriela, Karina, Silvina, Andrea, Lorena and Javier, to express their innermost thoughts without fear, assuring them that no matter how difficult a situation might appear, they would always find understanding and support when they turned to their parents.

Friday nights were very special for our family. The girls used to produce and prepare their own plays that Marga and I would watch with delight in the living room. The depth of the girls' imaginations and their ability to invent stories never ceased to amaze me. Of course, these family Fridays changed

as the kids grew up and began going out. I remember dropping them off and later picking them up from their first dances. I also remember that, being one to keep a pretty tight rein on them, this wasn't easy, and I did my share of worrying. On more than one occasion, I just couldn't wait outside, and had to go in to see what kind of place it was.

As anyone might guess, I made mistakes in raising my children. Talking with them, I could often tell that they felt misunderstood and thought that I didn't pay enough attention to their problems and concerns. And in some cases, I have to admit that they were right; I got my priorities mixed up.

Like many from my generation, I was brought up to play the traditional role of the father figure, providing the family with the necessary financial foundation and leaving household matters to the mother. And like many, I was convinced that the best way of doing this was to work hard so that my children could enjoy opportunities that I hadn't had when I was their age. The intense pace with which I tended to go about my work often caused me to reflect on how much time, or lack thereof, I spent with my family, and I eventually learned that I needed to dedicate myself more to the children's education and upbringing.

Marga and I made a fine team, subjecting issues to debate, questioning ourselves and looking for the best way to communicate our feelings. *We tried hard not to be overly permissive. As*



With perseverance we teach our children to discover their weaknesses and work on them.

a father, I had to learn to say “no” often, and the lesson became branded into me that when it comes to family matters, it is essential for a parent to be present in order to act at the moment that requires action. I made certain that I took the time and acquired the wisdom necessary to impart my message to my children as well as to receive theirs to me. During any given day, a father has many opportunities to care for his children and show interest in them, and daily dialogue is essential. I tried to avoid sermons, to point out the positive to each child in each situation and, when necessary, to firmly correct misbehavior. One custom that has always been a great boon to communication in our family, and which I recommend, is this: on special occasions such as birthdays or holidays, to write letters in which we put down feelings and thoughts that in day-to-day life have proven themselves difficult to express. A tradition like this—or any oth-

er, no matter how unimportant it might seem—that strengthens family ties is of vital importance in these postmodern times, in which individualism is ever more stressed and new customs divert attention from the work of deepening human relationships.

In our extremely competitive, highly materialistic and very technological world, the desire to *have* outstrips the desire to *be*. In recent years, consumerism, technological advances, communications and globalization have opened a great breach between generations, and I think this comes as a great disadvantage to many parents. The children of today often face doubts they think their parents won’t be able to relieve, or they simply feel that their parents won’t understand them, and so instead of consulting them, they turn to the digital world to seek answers, a world which is a difficult place for many adults to access. Confronted by this reality, I have set myself the goal of becoming familiar with the technologies my children and grandchildren use, in order to be up to date and able to speak their language. Using knowledge and news of breaking developments in the digital world, I try to keep abreast of the sensitive themes of the day in order to be able to talk about them more naturally.

What’s more, when my children were young, I made it a point to know who their friends were and made my home a primary place for the kids to meet. The adage “You are judged

by the company you keep” contains a lot of truth. The risks to which today’s youth are exposed are numerous and diverse: addiction, violence, disease, and so on. Marga and I constantly made it our business to act with subtlety yet perseverance and find the right time and place to broach these topics in an open yet confidential manner.

Very emotional indeed were the times when my children came to me with situations for which I didn’t have an immediate answer, and now my grandchildren are outdoing them in this respect. In order to meet this challenge, I carefully monitor my emotions and use reflection as a means to cope with circumstances. Our constancy has helped our children discover their own weaknesses and work on them for themselves. Watching them grow over the years, I have come to learn that each mistake they have had to live through has helped strengthen their character and self-esteem.

Today, my children and I consider the generations that will survive us and the importance of preparing the family for its indisputable role as primary educator. No more excellent place exists than the home for understanding and celebrating the individuality of each child. If we proceed with love, sound judgment and sincerity, our children will be better able to accept help in working on their weak traits and making their strong ones even stronger.



GRANDPA ROMAN WITH SOME
OF HIS GRANDCHILDREN



I have always tried to grant my children the independence they needed to make decisions based on their own value systems. I also endeavored to make positive thinkers of them, encouraging them to move forward with their undertakings and not be daunted by the fear of failure. My wife and I made it our mission to work on their character, temperance and attitude because we feel that it is through these that one comes to know oneself as a person and attains happiness.

Only in a good home can children feel fully cherished and understood, since there they are accepted as they are, defects and all. But the extended family, as well, plays an important role in the development of personality. My extended family had a very positive influence on my education, forging principles of solidarity and compromise that nurtured the deep bonds of affection between family members. We have always thought highly of our family name, considering it our most valued possession. This trait runs very deep in our hearts and has become today the common denominator of the Román family.

These days, I am concerned to see how some couples with whom I come in contact are careful to prepare themselves for the education of their children but who, nevertheless, come up against difficulties that keep them from achieving their goals. They frequently lose control of situations and thereby lose their children's respect. They feel guilty for not sharing with their chil-

*I am sure that men know
what they are capable of only
when they are tested and
they find their skills to fight
against adversity*

dren the amount of time that they had thought they would; and often they follow the path of least resistance, agreeing to their children's every wish. All too often, I see working mothers who can't say "no" to their children because they don't want to cause friction during the scarce time they have to spend with them. Former couples who live apart often fail to set limits, thinking that doing so will make them less attractive to their children, and so in the name of "great parental love," they tend to be overly permissive. I believe the opposite is necessary: that the condition of being parents is precisely what requires us to exercise our role as educators and to do this with fondness and authority. Inaction at decisive moments can cause irreparable damage.

I have found that the ideal condition for the growing of men is having hunger: hunger for greatness and excellence.

My children's stages of development

Marga and I have achieved good results from planning a strategy for each stage in the lives of our children. In the ongoing dialogue we maintained with them, we reached a consensus on objectives toward which to strive, and we agreed on certain points that created parameters to which we could refer when things went awry.

The early years of life are when children are the most delicate because it is at this time when their characters and social skills are formed. This period, therefore, demands the mother's maximum attention. Education is more easily delivered when children are little, since the early ages allow for a closeness that

diminishes as they age. In our home, we avoided at all costs falling into the trap of overprotection, helping our children overcome their fears by allowing them to confront obstacles and learn for themselves how to get over or around them. I am certain that a person can only know of what he or she is capable by being put to the test and given the chance to prove his or her skills at dealing with adversity. Reflexes, instinct and courage can only develop when a person faces complicated situations; this is how one gets to know oneself and how personality is molded.

I have always tried to instill in my children an interest in all different kinds of sports. At a very young age, I taught them to strive to win as well as to have the guts to lose. Example is the best teaching tool, always outshining words. Once, in a fall from my horse, I broke both arms and received a good crack to the head and mouth. That night, I decided not to take the anti-inflammatory drugs or pain relievers that I had been prescribed. I was glad to be alive, and I wanted to feel the sensations without artificially numbing them. At this and other times, I gave my children a clear example of how to have control over one's own body. At times I even encouraged them to deal with slight fevers or pains by getting over them as best they could on their own, without resorting to drugs. Against doctors' wishes, I persuaded them to let some time pass without taking medication, so the metabolism could learn to defend itself. Of course, this tac-

I have always tried to instill in my children the notion that the only value they will never lose is the value that resides in what they make of themselves, that material goods are ephemeral, and that they must work to achieve their goals. Only in this way will they have the security of living life according to who they are rather than what they have.

tic should be used only in situations that aren't grave and with careful parental monitoring. If people put their minds to it and have conviction, they can confront difficult situations with more firmness. As children become more independent, they make de-

cisions for themselves, but they continue to be influenced by context, and that part of the context which consists of the education and habits that they acquired early on provides the best assurance that no one will be able to make them veer from their chosen path.

When our children began their school years, we realized the outstanding roles that teachers and friends now played, and we therefore involved ourselves in their activities. Our readiness to know our children's friends and their parents and take turns hosting gatherings allowed us to better understand the social world in which they were growing up. The idea is to create, along with the school and other families, a supportive, cooperative atmosphere in which the children's education can be openly discussed. Agreement among families goes a long way toward smoothing the road of our children's development.

The arrival of adolescence brought with it the concern that our children were now deciding for themselves, making new friends and frequenting new kinds of places. Marga and I talked and read a lot about the theme of adolescence; it was one of the most critical periods that we lived through as parents. We watched as our children experienced the changes going on inside them, sometimes with marked crises, as they searched for their identities and formed their personalities. We witnessed rebellions and found ourselves to be the brunt of criticisms that

called into question the values we had taught. But we knew how to stand firm and set the necessary limits, while at the same time giving our children sufficient freedom to experience their lives with new depth, so that they could make their own choices. The education we had imparted to them earlier and the relationship of trust that we maintained with them served as the foundation on which we could continue to act as a family and be with them during difficult moments.

When the time came to choose an institution of higher learning, we encouraged them to opt for the public university. The mixed social milieu there—with the great majority of students working in order to pay for their studies—requires and inspires self confidence. In Argentina, we are lucky to have many great intellectuals who agree to teach in order to set an example and as a gesture of gratitude for the education they themselves received. Our public universities have produced internationally renowned scientists and professionals, and graduates are sought after in the working world. My own activities allow me regularly to share my days with people from extremely diverse backgrounds, from day laborers to powerful executives, and I can personally vouch for what the statistics imply: the best results are achieved by those who have had to live through difficult circumstances and whose resources have been minimal. I have seen for myself that the optimal growth of a person occurs under conditions of hunger: the

hunger to overcome and attain greatness. People who come from such conditions know that no one is going to protect them, and that they must make do for themselves. The opposite is true of people who continually fall back on a family of means and take for granted the certainty that they will never lack anything. The finest people I have worked with have come from backgrounds of sacrifice and struggle. Those who can boast of a long academic career but who have not known how to complement this with similar experience in the working world, or who have not cultivated an attitude of hard work and dedication, usually achieve mediocre results. My recommendation as a businessman and father is that, as much as possible, young people engage in their studies while at the same time doing some kind of related work. No better way exists to discover and develop a true vocation than by working at something that one enjoys and finds satisfying.

It is through the lessons of life and by taking advantage of personal experiences and the experiences of those around them that our children can learn right from wrong and develop the ability to spot danger. I have always tried to instill in my children the notion that the only value they will never lose is the value that resides in what they make of themselves, that material goods are ephemeral, and that they must work to achieve their goals. Only in this way will they have the security of living life according to who they are rather than what they have. •

Business Growth

Chapter IV



MORE INFO

Business Growth

Chapter IV

Growth that I had achieved during the 1970s now made a solid base on which to broaden the scope of my business.

Growth that I had achieved during the 1970s now made a solid base on which to broaden the scope of my business, which was now counted among the leaders in the Argentine heavy transport industry and earning a reputation beyond the borders, as well. Much remained to be done, but by now I felt I was on the right track in terms of creating the large enterprise of which I had dreamed since my youth.

Since the beginning, it had been clear to me that in order to achieve sustainable growth on a solid foundation, it was not enough merely to rely on good organization and the right equipment. More important was to attain a level at which employees enthusiastically embraced the company culture, as well as to have a business plan that guaranteed advantages in the medium run.

In order to do what needed to be done and develop a longer-term strategy, I had to have more time. So we hired the best professionals in the industry and implemented a human resources policy that would make them feel like the integral parts of the company that they indeed were. Today, most of those who were hired back then and who haven't yet retired are still at my side. Also joining the team at that time were family members: my brothers, some uncles and some cousins. A chemistry developed amongst us that allowed us to overcome obstacles and keep moving forward.

This period was darkened in part by the complicated political situation in Argentina. Besides crippling and recurrent institutional instability (the consequence of nearly twenty years of prohibition of Peronism and the repeated interruptions of democratic administrations on the part of the armed forces), there were also the sharp differences between trends in the unions and the most radicalized Peronist groups—all which caused a tailspin into an ever worsening state of political violence. Democratic presidents and military revolutions came one after another, making it impossible for the local business person to operate with some semblance of foresight. The democratic system had lost legitimacy, and majority rule was squelched.

The period from 1968 to 1976 saw six presidents, not one of whom managed to hold office until the end of his term. General Juan Carlos Onganía was ousted in 1970 and replaced by General Roberto Levingston, who after just a few months ceded his position to General Alejandro Lanusse. This latter proposed a political solution, calling for elections, lifting the ban on Peronism and attempting to reach a compromise among all parties in the form of a national accord which would allow him to be one of the candidates for the office of President. But a social consensus within which a member of the armed forces might continue in power no longer existed. Against this backdrop, Héctor Cámpora, the delegate of Juan Domingo Perón,

the Justicialist leader in exile, won the presidential election on March 11, 1973. His government had absolutely no power, the economic and political crisis deepened and a violent internal struggle broke out within the Justicialist Party. A short while later, Cámpora resigned, calling for general elections. Perón won these, and he returned to the country after eighteen years in exile to begin his third presidency in 1973. His death on July 1, 1974 threw the Justicialist Party into an internal crisis that even he, its leader, would not have been able to control, much less the Vice President, his widow María Estela Martínez—known as “Isabel” or “Isabelita”—who succeeded him in power. This Argentine situation appears even worse when one remembers that it existed against an international backdrop convulsed by the Cold War, the oil crisis and the advance of pure finance over productive industry—a world situation that negatively affected local politics and economies everywhere.

Argentina became a target for interference and pressure from the main contenders in this global competition: the United States and the Soviet Union. It was as though they, in their search for allies for their conflicting ideologies, were launching a kind of earlier era of globalization—one of armed conflict.

Given this national and international context, some measures were attempted aimed at controlling the situation in Argentina. For example, the Social Pact signed in May of 1973

between the General Economic Confederation, the General Confederation of Labor (CGT) and the Ministry of the Economy froze prices and postponed salary negotiations for one year, with the aim of controlling inflation and curbing rising wage demands. But this plan's success was short-lived, and in March of 1974 a national parity was called for, which paralyzed the economy. The rudderless government of Isabel Perón did nothing to address the issue of the economy, which worsened under global inflation and unmanageable foreign debt. The hyper-devaluation of Isabel's Economic Minister, Celestino Rodrigo, destabilized legal certainty, leaving a great part of the citizenry defenseless. In less than twenty-four hours, the peso was devalued by 100% and the price of goods such as gasoline as well as public services shot up 200%. People hoarded until the store shelves were empty, many commercial contracts failed; in short, the country was in a shambles. Argentines underwent a crushing internal social convulsion marked by armed attacks against public service installations. During these times, one's personal safety seemed constantly at risk; any semblance of a system of organized authority vanished, and big business leaders lived in constant fear of kidnapping and murder. The state did nothing; neither the three branches of government nor the political parties offered any solution to the violence.

Confronted by such pandemonium, most people entertained in the backs of their minds the notion that a restoration of order, at least, would provide a breathing space, a momentary relief from the chaos and worsening political anarchy. For this reason, the military coup of March, 1976 had an element of social support, even though the military would place itself above the national constitution.

Our business situation was also complicated. Political turmoil and the lack of legal certainty prevented us from planning the company's future with any clarity. Yet paradoxically, the demand for our services was so great that it exceeded our installed capacity, so we had to continue to grow in order to meet it. My accountants advised me, however, of the risks involved in reorganizing from a medium to a big business structure. Also, the international political and economic scene was so difficult to understand that it was quite impossible to know how it would affect the economy of Argentina.

I was beside myself with worry, thinking that I could very easily lose everything that I had struggled to gain. I prepared myself mentally in order to confront the situation, and worked very hard at educating myself in my weak areas: financing and administration, for example. Once the kids were in bed, I hit the books and kept at it until daylight, reading and studying in an attempt to make up for my incomplete formal education. I bought

I was beside myself with worry, thinking that I could very easily lose everything that I had struggled to gain.

courses and books with accompanying cassettes—I remember Peter Drucker’s in particular—which provided me with valuable learning. ***I became like a sponge, eager to learn more and more, and I sought help as well from my consultants and executives. I set up a procedural system that included open debate on ideas, letting the most knowledgeable person in an area take the floor. Yet, it was I who made the final decisions, and I knew I had to have a solid understanding of the topics in question. I had no choice but to learn.*** I would bombard employees with questions in their areas of expertise and ask them to supply me with the right literature in order to delve more deeply into topics.

Along that stretch of the road in our business growth, I realized that in order to keep a large organization vital, strategy becomes an indispensable tool. In order to use it and guide



*Play audio:
Entrepreneurship (1)*

the course of the company, one must sharpen one’s instincts for predicting the future. This was no longer some esoteric pipe dream for me; it had become a no-nonsense need to forecast scenarios in order to prepare myself to confront changes that might occur. I remained ever alert and flexible in order to be able to act decisively, taking necessary precautions as well, so as to minimize risk. Before investing, I would make sure that a demand existed to justify the investment, and I structured each project so that it offered sustainable competitive advantages, guaranteeing clients a service or a product of maximum efficiency that would allow them in turn to be more competitive.

An awareness of my own limitations was my strongest incentive for growing as a citizen and as a businessman. The greatest risks I was able to intuit had to do with economic aspects that could change the makeup of my business, especially those that were intrinsic to the type of work we did. I lost more than one night’s sleep over this; a major accident on a job, for example, could cost us the business. Typically in industrial accidents, insurance companies turn first to the firm in charge of the project to seek damages. To avoid this, I negotiated a com-

prehensive civil responsibility insurance policy with an English company, one that would cover any type of claim from third parties, as well as any major accident whose magnitude went beyond the coverage of the more specific policies we already had. It was one of the first policies of this type in the world, and although it fortunately saw very little use, it served as a valuable promotional vehicle for us, since it meant more security for our clients, as well. In much the same way, it also helped us with credit institutions, since we could assure that all contingencies were covered and that no mishap could affect our business solvency.

Firmly rooted in our company culture was the notion of solidarity with our clients, suppliers and employees. I was convinced that if these three groups echoed our work ethic and committed themselves as we did to constant improvement, we would be invincible.

I enjoyed calling in scientists and specialists to develop state-of-the-art technology; this was like therapy for me, a chance to get away from the daily routine and apply some creative dreaming to new ventures. Doing so enabled me to take on big projects that had at first seemed daunting. Once I had a contract, I did everything necessary not only to meet the client's stipulations but perform beyond them. And I kept ever on the alert for the next project, so our installed capacity would remain active. Having idle employees was not an option.



**FIRST COMBINED OPERATIONS WITH CRANES
AT THE OLD PORT OF BUENOS AIRES**



Learn self-defense

In the mid '70s, large multinational contractors such as Kraftwerk Union (KWU) created worldwide organizational systems called forwarders. These took care of all the logistics, documentation and procedures involved in shipping merchandise door to door.

When KWU, a subsidiary of Siemens Germany, won the contract for the construction and supply of the Atucha I nuclear power plant near the town of Lima in the province of Buenos Aires, they decided to ship materials via the two big German forwarders: Kuehne & Nagel and Schenker. These two shippers immediately decided to export temporarily to Argentina all the vehicles involved in the transportation of components for Atucha I.

Work on the plant began in 1968. The first of its kind in Latin America, it possessed a large reactor that used pressurized heavy water and enriched natural uranium, with a generating output of 335 MW.

Here was a great challenge for us. I had familiarized myself with the details of this monumental project and prepared our company to take on the services of transport and assembly. Now, learning that all the work would be given to German companies, I figured I at least had to come up with a defensive strategy. Argentine law placed limits on the importation of heavy-duty hauling equipment if the country already had equipment with

similar characteristics. I faced a dilemma: we could either fight for our rights in an open confrontation with two multinational organizations (who in the future could then easily refuse to contract our services) or we could remain silent and accept things as they were. ***I opted for defending our rights and laid out a clear, legitimate plan for our taking part in the Atucha I project, presenting my arguments in the hope of safeguarding our own interests as well as those of Argentine haulers in general. Then I visited all the pertinent entities in public administration, including Customs and the Secretary of Industry, and demonstrated that we possessed ideal equipment for the project, for which we paid taxes, and that therefore temporary importation rights should not be granted. We also sought the support of CATAC, a consortium of transport interests, and FADEEAC, the Argentine Federation of Industrial Enterprise in Cargo Transportation.***

Meanwhile, we courted the forwarders and explained our position. In light of these defensive actions and seeing for themselves that our installed capacity was ideal for the job, they decided to call for bids from companies in Argentina. We won the contract for the heavy moving part of the project, which in addition to overland hauling had us undertaking extremely precise operations for positioning and assembling oversized, heavy non-reducible components within the power plant. We completed the job in due time and course, and our high level of pro-



ROMÁN SAC HEADQUARTERS AT VELEZ SARFIELD AV.



fessionalism was recognized not only by the client but by the directors of the plant as well. Six years after the project start date, on March 19, 1974, Atucha I was connected to the national electrical grid, contributing 4.5% of the total generating capacity of the country.

As a result, we achieved better positioning in the market and learned an important lesson for the future: *besides having sufficient installed capacity and performing well, we needed to be knowledgeable of pertinent industry laws and regulations in order to protect our rights.*

Promote national industry

Another great challenge we faced was that of regaining the confidence of multinational corporations in the Argentine construction and heavy equipment industries. The fact that the country was not investing in technology caused a lot of doubt in the developed world.

Traders as well as producers of large components for energy plants usually awarded contracts for their projects to providers overseas rather than to those of developing nations. This way of doing things resulted in a serious conflict between us and the Mitsubishi corporation of Japan.

This happened in the late '60s, when the Argentine state

relaunched its plan for the construction of the El Chocón dam and the Cerros Colorados hydroelectric energy complex. These projects had been stalled for twenty years, and their completion would be of great importance for northern Patagonia, since they would supply water for irrigation of the Río Negro Valley and control recurrent flooding along the Limay and Neuquén Rivers. Hidronor, which was at the time a state entity, publicly solicited bids for the project, after first consulting with two international firms, Merz & McLellan and Alexander Gibsa.

The largest, most prestigious companies in the world submitted bids. But upon studying the project specifications, they learned from the consultants that, due to road conditions, road legislation and existing means of transportation, it would not be possible to haul transformers heavier than ninety tons to El Chocón. For Román Transport, those difficult Patagonian roads did not pose such a big problem. First we studied all the offers from the competition in order to see who was working the hardest to come up with the winning bid. This turned out to be Mitsubishi. So we worked out a deal with them in which we would perform at no cost the technical feasibility studies for transporting loads heavier than those mentioned by the consultants and attempt to obtain the necessary permits from the pertinent national, municipal, and provincial authorities. For their part, Mitsubishi agreed to give us the job if their bid won. The

results of our feasibility studies were unequivocal and, countering what the international consultants had maintained, our engineers proved that it would be possible to transport transformers that weight up to 250 tons. The Japanese executives accepted our calculations, and we agreed that if they came out as winners in the bidding process, Román would manufacture and have ready the equipment necessary for transporting the huge transformers. We would also do all the necessary road reinforcements or detours along the route.

Mitsubishi did win the contract, thanks to the competitive edge our studies had given them. These allowed Mitsubishi to design their bid on the basis of using large transformers rather than the number of smaller ones that the other bidders had offered. Smaller transformers meant less efficiency and higher cost. Meanwhile, not only had we demonstrated the feasibility of the project, we had obtained the corresponding permits as well.

Great was our surprise, however, when the representatives of the Japanese corporation failed to fulfill their agreement, alleging that undertaking the work with locally produced equipment involved too much risk, and informed us that they would instead import from Italy a 128-wheel, road-proven Cometto platform trailer. This trailer's specifications were very similar to those of the one we had designed. So Mitsubishi essentially ended up soliciting a permit from the Highways Department using the very

*We found out that those
difficult Patagonian roads
could not be as hard obstacles
to get around as they seemed*

specifications of what was to have been our locally produced platform trailer, but now with the Cometto brand name on them, and also using our technical study of the trucking route.

Our company had also been doing consulting for Somerfin, and this allowed them to bid on the project for heavy transformers to be used at the substations. Yet when they won the contract, they informed us that they would not be using our services either because they had made an agreement with Mitsubishi to move their transformers on the Italian trailer as well. Our astonishment and indignation doubled.

We went into hard negotiations with the prestigious Japanese corporation, presenting them with one guarantee after another and explaining that the manufacture of our platform trailer was well underway. They remained intransigent. I was devas-

Our engineers proved it was technically possible to transport transformers up to 250 tons.

tated; we had been hard at work for two years on this project, and had invested great amounts of effort, time and money in it. We had the necessary engineering, most of the materials and the right people. ***We were ready to do the job, and now it appeared that the other party had taken us for a ride!*** What we had thought to be important new clients had now become our adversaries, not only refusing to live up to their agreement, but competing against us to steal away other work. I could not just stand by and accept such an injustice. If we just rolled over and gave in, we would lose a tremendous opportunity to demonstrate that an Argentine company could develop leading-edge technology. Letting them replace our design with imported equipment would mean relinquishing our leadership, and it would fly in the face of my ideals.



Building of the hydraulic transport cart for El Chocón

We immediately took action to defend our rights before Argentine authorities and the other companies involved. We had the law on our side: the temporary importation of this type of equipment was legal only if the country did not have the means to manufacture it or ready it in time. So if we were indeed capable of having it operable in timely fashion—and if the law were indeed enforced—we could win the dispute. Entering into this fight was by no means an easy decision; our overall investment

would be quite high, and we were talking about leading-edge technological development that involved risk. But my conviction left no doubt that we must push with all we had.

I decided to go ahead even without a contract and build the enormous platform trailer on whose design I and contracted engineers had worked so hard. It would be built using nothing but Argentine materials and labor. This was a complex piece of equipment with robot-like features. It would be able to load and unload hydraulically all types of heavy cargo— transformers included—control its height and level itself in order to negotiate dips, rises, bumps and most any other kind of ruggedness that a bad road had to offer. Winding up the final engineering and building the thing were major feats and my first significant foray into cutting-edge technology. To this process, we added a media blitz and political activity and won the support of associations in the industry, who backed our attempt to halt the importation of the Italian trailer.

For the metallurgical part of the construction, we had contracted with the Kandus family's company. Early on, they felt overwhelmed by the situation and advised against the project, considering it too risky. “Give it up,” they told me, even though the development engineering was all our responsibility and our contract with them freed them of any risk contingent on final results. Chicho doubted too, and so did my brothers. Every-

I decided to go ahead even without a contract and build the enormous platform trailer on whose design I and contracted engineers had worked so hard.

one told me to get out of the project, but I remained convinced that I had to continue. Of course, the uncertainty of building equipment for which we had no contract and the looming prospect of an administrative battle to prevent the government from authorizing the Japanese to import the other trailer gave me their fair share of worry. We had to demonstrate clearly to the proper authorities that we had what it took. Armed with blueprints and the technical specifications from engineering, plus photos that showed the progress of the trailer's construction, I visited office after office of any entity that might in some way have a say in the matter and invited officials to come to our shop and see for themselves how the project was moving forward.



LOADING A 220 TONS TRANSFORMER
IN THE PORT OF BUENOS AIRES





ROMÁN IN THE BACKGROUND WITH SUIT AND TIE OVERSEEING
THE LOADING OF A TRANSFORMER



The bases I had to cover were numerous, diverse and not easy to prioritize: there were the technicians in charge of the construction, the clients I needed to convince that this job should be ours, the civil institutions to whom I had to demonstrate our ability, and the banks from whom I needed financing. At the same time, I had to keep my employees, as well as the firms with whom we had contracts, from growing discouraged and to carry on a political lobby. These were stressful times during which I redoubled my efforts, boned up on intellectual matters I needed to have at my fingertips and sharpened my ability to keep my wits about me.

Despite our proceedings, Mitsubishi wouldn't budge. The government ended up going along with them and authorized the importation of the trailer. This was a terrible blow for us. Clearly, Mitsubishi's possession of such equipment and the deal they had cut with our major competitor at the time, M. Romano SA, meant that our chances for participation in the El Chocón project were slim to none. Even so, down deep I had not given up, and I mulled day and night over how to turn the situation around. I consoled myself with the idea that even if this attempt failed, some day sooner or later, our new equipment would be put to work.

Our company's economic situation was dire, its finances depleted; the project had placed me more deeply in debt

We did everything in our power to demonstrate that we had built state-of-the-art equipment.

than was prudent, and I had to seek extensions on repaying borrowed money and demonstrate once again our ability to pay off bank loans.

When our trailer was at last completed, I planned a guerilla marketing strategy that was very innovative for those times—indeed, the word “marketing” hadn't even yet become a household word. In 1970, taking advantage of September 21, the first day of spring in Argentina and a day of public celebrations, I paraded our brand-new, 128-wheel platform trailer, pulling it behind two powerful semi tractors down the entire length of Santa Fe Avenue. It was a spectacular event. Big crowds gathered to watch the passing of this massive enormity, over a block long, with features that made it look like a huge robot. We had set up some musical groups on it and draped it in banners decrying the injustice being committed against Argentine free

enterprise. Photos of the rig and its signs appeared in all the country's newspapers.

We did everything in our power to demonstrate that we had built state-of-the-art equipment of which even the United States couldn't boast, but that it had been left without a purpose. Yet all appeared to be for naught; there was no reversal of the political decision to import the Italian trailer. So I decided to play my trump card and organized a demonstration that would take place at the doorstep to the seat of power, at that time under the control of General Agustín Lanusse.

This time, rather than with musical groups, we loaded our trailer with a legally certified, 250-ton mass of marble, a truly imposing exhibition and irrefutable proof of our equipment's capabilities. We hauled this down Entre Ríos Avenue toward the Plaza de Mayo, with the intention of parking it at the doorstep of the Casa Rosada—the Pink House—the seat of Argentina's executive branch. Government officials intercepted us along the route, not to stop us, but to lend their voices to ours. This decisive action and the resulting surge of public opinion in our favor yielded good results. The government classified the importation of the Cometto trailer as “temporary” and requiring “proof of destination,” which meant that it could only be used for hauling the transformers that Mitsubishi imported for the El Chocón project. This made our trailer a valuable asset, the only one ca-

pable of hauling the heavy components of other companies with El Chocón contracts.

But “as we sow, so shall we reap.” Some time later, Mitsubishi used the imported trailer on a temporary job in San Nicolás, violating their customs permit. They were assessed a large fine and had to send the trailer back to Europe, making ours unique in the industry nationally.

Despite this initial altercation, I later managed to build fine and lasting business relationships with corporate heads and the rest of management at Mitsubishi. Our company ended up working on El Chocón-Cerros Colorados after all, from 1971 to 1973, making our contribution to that huge project by hauling nearly all of the oversized, overweight components. The complex is the largest hydroelectric generator in Patagonia and accounts for 25% of the total electrical generating potential of the country.

Stay protected during economic downturns

The outlook for growth in Argentina changed suddenly, and in 1972 darkness loomed for the national economy. I was concerned with keeping my installed capacity productive, so I decided to look for projects in other countries and found possibilities in Uruguay, Chile, Paraguay and Bolivia.



TRANSPORTING TURBINES IN BOLIVIA



We set to work to position ourselves in those markets, contacting SAOPIM SA, an important international company dedicated to large highway construction and engineering projects. After completing a strategic analysis on their operations in South America, we reached an agreement in which we would participate in a major project in Paraguay: construction of the Transchaco Highway.

So we set to work on this road, which crossed a red-earth region of jungles, swamps and scrubland teeming with wildlife, including mosquitoes and other pests. Unaccustomed to the climate, technicians frequently came down with fevers and most of the laborers spoke only Guaraní. Also, inflation brought on by the oil crisis was wreaking havoc in Paraguay at this time. Costs of fuel and imported supplies rose constantly, and the contract contained no clauses for adjusting to this. Under such conditions, continued work on the project became infeasible. Meetings with Paraguayan officials were intense, exhausting and fruitless. I felt extremely pressured at times, and more than once I received veiled threats. The presidency of Paraguay at that time was under the iron hand of the dictator Stroessner, whose government failed to provide any semblance of legal certainty.

We were employing more than 1,400 people and continuing to operate at a loss, but officials appeared to ignore what we were up against. One day during a top-level government meet-

ing, they demanded “a show of trust” as a condition for their approval of a financial adjustment formula that we had already negotiated. This show of trust consisted of us delivering a ferry with two 1,500-horsepower Schottel engines that SAOPIM had built in Argentina. I decided to demonstrate once again our resolve for moving forward on the project, and the requested ferry arrived a few weeks later. *The Paraguayan government failed to honor their promise, however, and continued denying approval of the adjustment formula. I was confronted with extremely unfair and puzzling circumstances: the government was fully aware that without this formula, work on the highway would cease.* Later I learned that their conduct hinged on ulterior motives beyond the project and also that they intended to abscond with our laborers and equipment in order to carry on the project through a business linked to those in power.

This was a delicate situation; here I was in a foreign country with a President known for acting dictatorially on his every whim. Having no choice, I presented the officials with an annulment of the contract and immediately traveled to the operations center located in the middle of the Paraguayan Chaco. There, with the help of a Guaraní translator, I explained to the workers and foremen what had happened. They understood the situation and the great efforts to which we had gone. The next day, the group mobilized a protest against the government,

Each job poses a new challenge and requires a lot of creativity in order to solve the engineering riddles that come with it.

despite the fact that such activity was very unusual and dangerous in those times. As for me, fully aware of the heavy-handed practices of the regime, I hurried to catch the first flight I could back to Buenos Aires.

Since our equipment was legally registered in Argentina, I submitted a complaint to the Foreign Relations Ministry, seeking their intervention before Paraguayan officials in order to recover it. Although our attempts failed, our efforts in Paraguay turned out to be worthwhile. Our relationship with our partners at SAOPIM remained excellent, and we were able to purchase in Argentina, at a good price, the equipment they had lost. So we succeeded in what turned out to be a well-managed retreat that received international attention, and we shed

some light on the spurious interests of the Paraguayan military government.

Necessary diversification

Transporting large components is thrilling work. Each job poses a new challenge and requires a lot of creativity in order to solve the engineering riddles that come with it. At the same time, it is difficult work to manage financially. Investment in technology and machinery is necessarily major, and personnel need to be highly trained. In a country prone to recurring crises such as Argentina, the demand for services can swing widely; installed capacity often sits idle, causing serious financial hemorrhaging. What's more, while construction unions have a contracting system that allows companies to increase or downsize their work force depending on the needs of the day, transport unions require permanent staffing. Consequently, when the Román SAC ledgers began to show that we had become a big business with a high monthly overhead and a costly permanent installed capacity, I began to look for ways to broaden the scope of the business and bring new services into our portfolio.

I focused on types of work that would increase our capacity for continuous operation, providing constant work for strategic employees, as well as relief in the area of fixed cost

distribution. We thus began to enter into new areas, such as petroleum exploitation, fill hauling, industrial plant maintenance, engineering and construction and port services.

Patagonian Oil

In early 1973, I learned that the Pérez Companc Shipping Company, who provided services to the state oil company YPF, was having trouble in the areas of loading, transporting and unloading oil-well drilling and completion equipment. So I offered our assistance. Their area of operation was centered primarily in Colonia Catriel, in the north of the province of Río Negro, from where tracks and dirt roads led out to the locations of the oil rigs. Operations centers and other installations were spread helter-skelter over the gigantic Patagonian desert—windy, cold and devoid of paved roads or any other kind of infrastructure—a totally inhospitable place.

Pérez Companc's problem lay in the large amounts of time it took to haul equipment to new well sites. We quickly discovered why: due to lack of maintenance, their oilfield trucks—which typically had an iron flatbed with a roller at the rear and a winch behind the cab—had fallen into a very bad state of repair. We proposed a plan of action in which we agreed to adapt one of our trucks for their hauling needs and acquire any other ma-

chinery necessary. In the meantime, we took on the work using inappropriate cranes and equipment, which soon broke down and wore out, but lasted enough to fill the time gap. Once he saw our response, Carlos Pérez Compagné asked if we would take on the repair of his trucks as well. I traveled to the Colonia Catriel installations with his brother, Gregorio “Goyo” Pérez Compagné and some of my people in order to analyze the situation and take stock of the parts and equipment we would have under our care. In order to achieve maximum efficiency, we formed a work team made up of high-level staff from both companies. We left no rock unturned, sifting for days through the mountain of surplus parts and materials there, and as we had suspected, came up with replacement parts in good condition and even some brand-new ones that shouldn’t have been there.

The oilfield work wasn’t easy. Besides opening roads and trails cross-country to the drilling sites, we had to learn how to accomplish very specific tasks, such as setting up and breaking down equipment onsite and leaving it in optimal operating condition. We had to relocate people from Buenos Aires, train the local people and set up a sustainable 24-hour, 7-day-a-week, 365-day-a-year system of operations. We built lodgings, operations centers and new roads, and we helped small contractors become established business people. Despite many difficulties, we completed our mission and established ourselves for many

*The oilfield work wasn’t easy.
We had to learn how to
accomplish very specific tasks.*

years in these activities in the south of the country.

The success of the Pérez Compagné operation brought in other clients from the oil industry. In order to optimize our services, we opened bases of operation in Colonia Catriel (Río Negro), Malargüe (Mendoza), Comodoro Rivadavia (Chubut) and Pico Truncado (Santa Cruz), acquiring equipment, building installations and hiring people for each. After several years of work in this area, I finally received the call I had been waiting for: YPF asked us for a Rig Move plan that would improve their rigs’ operating capacity. Raúl Ondarts, President of YPF, made his request crystal clear: “We must increase production, and to do so we must reduce the amount of down time during rig moves.” This was a difficult and intriguing challenge. The state oil company possessed the most important fleet of equipment in Argentina, so important that the head of the organization him-



EQUIPMENT FOR OPERATIONS IN OIL WELLS BASE NEUQUÉN



self had made it his priority to improve its operating capacity. We worked tirelessly and a few weeks later had our proposal ready. A team was quickly formed of our own people and YPF directors in order to determine what responsibilities we would assume. After negotiating rates, terms and operating conditions, we received a purchase order for undertaking the work in the regions of Neuquén and Río Negro.

In order to be working with the appropriate amount and type of equipment, we had to nearly triple our installed capacity in the region, acquiring an enormous fleet of vehicles and cranes, contracting and training people, increasing the size of installations, adding tools for the assembly and disassembly of oil rigs and installing an up-to-date communications system. Our mission in a rig move was not accomplished until the derrick was in position and the drill was ready to spin. In other words, everything between the point at which a rig finished operating at one site and was ready to begin drilling at another, depended on us.

At first we found it extremely difficult to deal with the YPF people. Neither those who filled the antiquated bureaucratic structures nor the union chiefs wanted to cede turf or make any changes. *The eventual success of our operation would unveil inefficiencies, abuses and even corruption in some areas of the company.* In many cases, established time-frames for operations were downright ridiculous. For example, the movement of

a drilling rig had typically been taking a month, while we completed it in ninety-six hours, and moving oil-well completion machinery had taken them a week, while it took us only eighteen hours. The unions reacted and tried to impede our activities, to the point of threatening staff and sabotaging equipment by pouring sugar into fuel tanks. But the fine attitude and dedication of our employees gave us our best defense. We were soon able to improve our relationship with the unions, the operational staff adapted to our company culture, and we ended up working for YPF for many years.

Multinational construction companies

At the end of 1973, we began a new activity. Always on the lookout for new business, I had learned that the Spanish firm DYCASA was selling some Wabco trucks, huge dump trucks ideal for hauling rock. A mechanical inspection revealed them to be in a relatively good state of repair and not requiring major work to bring them to optimal condition. With this in mind, I paid a visit to Vialco SA, the construction company in charge of the Futaleufú Dam civil engineering project in the province of Chubut. I knew that they needed to increase the size of their fleet of large dump trucks, and so I offered to take on some of the work for which they had contracted. After visiting the site and famil-

Vialco's problems soon affected productivity, which lagged on day after day.

iarizing myself with the details of the project, we signed our own contract with Vialco. I concluded the purchase of the dump trucks from DYCASA and we repaired them and began work at the dam, thus breaking into this type of large-scale activity.

The job consisted of extracting, transporting and compacting the material for the construction of the dam. No less than 4,055,000 cubic yards of rock had to be compacted in successive tiers for the wall of a dam that would measure 1,970 feet long by 395 feet high. Generating electricity for the Aluar aluminum plant to be built in Puerto Madryn, the hydroelectric center would be fed by the Futaleufú River, whose dammed waters would create a lake covering 22,735 acres.

However, a short time after our activity began there, 280 miles from the city of Esquel, we learned that Vialco was in the midst of some serious financial management problems. In a sit-



A WABCO TIPPER





Futaleufú dam

uation of general disarray, the 180 company representatives at that part of the site were putting constant pressure on executives. They worked in two shifts, and had managed to finagle getting paid the maximum of twelve hours for each shift, whether they worked that much or not. In a sense, this small Patagonian

world reflected the political and social convulsions that the entire country was experiencing. Vialco's problems soon affected productivity, which lagged on day after day. The crisis became ever more obvious, and there we were, under a binding contract, our invoices unpaid and trying to maintain a base of operations that cost a lot of work and money.

It all came to a head sooner than expected. AYEE, the state water authority, rescinded Vialco's contract, and the company had no choice but to go before a creditors' meeting. We were among those creditors. Facing this complicated situation and aware that AYEE was already negotiating the direct award of the contract to the consortium of foreign companies that had been undertaking such projects all over the country and South America in general, I asked for a meeting with Engineer Alcaraz, the project's Executive Director. I made this offer to him: Román would take over the entire job for the same price as under the original contract, retain all personnel, continue using equipment already in use and make any acquisitions necessary in order to finish in due time and course. I also promised not to hold up work for more than a long weekend when making the transition.

AYEE knew we had little experience in this type of project, but they had nothing to lose, since they would be simultaneously evaluating other options. Alcaraz had known of us for some time, thanks to our earlier heavy transport work for

The job we had taken on consisted of no less than moving a mountain.

AYEE. After considering the proposal, he passed it up to his superiors, who approved it.

The job we had taken on consisted of no less than moving a mountain. We had to blast to extract the material, load it into dump trucks and haul it to the dam site for compacting. My excitement at this opportunity, as well as its implied risk, left me sleepless for days. I made my way about that rugged countryside as though on autopilot, from one truck, excavator, bulldozer, grader and compacter to another, taking stock of the state of repair of each. We began a race against the clock to get the sorely neglected equipment into operating condition, planned every other step we would have to take and braced ourselves for problems that, without a doubt, were sure to arise.

During the four-day-long work stoppage, while we inventoried and repaired the equipment of which we had taken charge,



*To move
a mountain*



FUTALEUFÚ DAM

we also developed a strategy for dealing with the unions and workers. We would have to communicate in no uncertain terms the decision to drastically modify the wages and job descriptions of the 2,500 workers employed in this part of the project.

This was an extremely complicated situation, involving workers who had been very stirred up and politically influenced.

On behalf of the national government, AYEE offered me a personal bodyguard, but I turned them down. I had to spend time close to the people in order to earn their trust, and a bodyguard would have put out the wrong signal. I toured the various residences and workshops, announcing that it was impossible to continue under the conditions that had been established and that we would soon be announcing new ones. I remember that we prepared a huge traditional Argentine barbecue for around 1,500 people—by far the largest that I had ever put on. We used wire to improvise grills and fire pits that spread over an enormous area; it was a real spectacle. Before the food was served, I got up on a makeshift dais and explained under what conditions we had inherited the project and what goals we had set for ourselves. I told them the clear and unadorned truth. I explained that our company would be assuming a limited financial risk and that it was essential to pick up the pace; otherwise we would have to pull out. I said that we would repair and maintain the equipment, for which we would require a dramatic change in the work culture, and that only those who were ready to put out their best efforts would remain on the job. I set forth our human resources policy and the new wage breakdown, in which workers would receive the fixed wages expressly set forth in the contract. The inconsistent fringe benefits that had been worked out with Vialco would cease. I made it clear that from that moment on, social

security contributions and other withholding would be promptly and appropriately deposited. I also told the workers that they would receive incentive pay: a portion of what we were charging for each cubic yard deposited at the dam site would go to them. I stressed that this incentive would make up a significant percentage of their overall pay.

The incentive system consisted of a common fund that we called “the kitty,” which came from a portion of the value of each cubic yard compacted at the dam. An accompanying merit system was also established, with a number of points allotted to each different type of job, according to the level of responsibility it entailed. Penalties were established for which these points would be deducted in cases of poor worker performance. The amount of any one worker’s personal incentive, therefore, came from dividing the total amount of money put aside in the kitty distributed over the total number of points for all workers, multiplying that number by the number of points allotted to the individual worker’s particular job, and then subtracting any demerits he or she may have earned. In this way, the incentive would be determined according to production, the number of employees and the number of points discounted as penalties.

I displayed a chart showing the maximum number of points for each job, a list of the possible reasons for demerits, and the number of points deducted for each demerit. I assured

the workers that, among other benefits, they could count on having coffee at the worksite, good food, comfortable sleeping accommodations and the elements necessary for their safety and security. The workers, who had heard about me and my career, gave me their trust and support. The same thing happened with the Vialco representatives, who ended up helping us achieve greater efficiency because by doing so they ultimately increased their own earnings.

Bringing the people around to our side was the cornerstone to the success of that project. The change was dramatic: within a few days the percentage of machines and vehicles in operation had risen by 40%, which brought feasibility to operating on a 24-hour basis. The machinery was inadequate and in a poor state of repair, but we managed to adapt it to our needs. It was all there was, and we had to work with it.

The particularly harsh winter that year lent an epic air to the project: thousands of men in mountainous Patagonia, laboring on a nearly 400-foot-high dam in the midst of swirling snow, subzero temperatures and winds that often exceeded sixty-five miles per hour. We worked on roads that spiraled and snaked up precipices covered with ice. Though we salted them daily and maintained them well, some accidents were inevitable. In one, a dump truck slid into the abyss and, in a domino effect, smashed into another, which in turn smashed into another, so that in one

night we suddenly had three damaged trucks. *Fortunately, there were no fatalities. On another occasion, a truck failed to brake sufficiently on a slope and collided with my brother Oscar's parked pickup. Luckily, he had just gotten out to run some inspections.*

I had my share of troubles on those roads, too. One afternoon while I was teaching some drivers how to use reverse to keep a truck properly braked on a steep incline, the engine suddenly stalled for no reason. This cut the power steering, and the brakes alone were now not capable of holding the truck in place. I began rolling toward the edge at high speed, the dump truck and its forty-five-ton load pulverizing the rocks its wheels encountered until I came up against one big enough to stop it. When I got out, I looked down at what would have been an open freefall of 500 feet just beyond that rock. A miracle had saved my life. Obviously, though, my braking demonstration didn't go over too well.

I believe that one must sometimes take risks. *I am convinced that when it comes to leading people, one must begin by giving his own example.* More than once, I drove a dump truck for an entire shift, just to demonstrate the ideal pace. On the five-mile long, twenty-foot-wide dirt road to the Pedregal and Pedregalito quarries, we regularly hauled our forty-five-ton loads at forty-five miles per hour, but on the snaking road on the mountainside near the dam, we had to descend more slowly.

In the lonely darkness one night, the feeling suddenly came crushing down on me that it was all way too much, and I broke into tears at the thought of my family.

The shop was the central nervous system of our operation to assure the trustworthiness of the equipment, and heroic efforts took place there to keep things running well. We had set up the appropriate logistics to keep replacement parts coming from our headquarters in Buenos Aires, especially engines and transmissions. Shoulder to shoulder in a battle against the elements, foremen alongside workers, we labored tirelessly day after day in the snow and near hurricane-force winds. Despite the worn-out equipment and workers who lacked training and whose many bad habits we had to weed out, we finished this extremely important project two months earlier than the contracted completion date.

The many difficulties and the personal endangerment that I took on went into the price that I myself paid to meet this challenge. In the lonely darkness one night, the feeling suddenly came crushing down on me that it was all way too much, and I broke into tears at the thought of my family. Never had a job taken so much out of me. Yet now it all seems worthwhile; the effort yielded enormous awards. We received recognition throughout the industry for having overcome the crude reality we had inherited. That victory—and this is indeed the word that best characterizes the experience—brought about exponential change in the dimensions of our organization. Now no one could cast a shadow of a doubt at our ability to take on any large project that the country needed.

Development through leading-edge technology

In all of my businesses, we have always continually invested in research and development, even when it means a high level of risk. The contract for transportation and assembly of large components in the construction of the Río Tercero Nuclear Power Plant is a prime example of the rewards that a gamble on leading-edge technology can win. Toward the end of the '70s, after researching what was happening abroad, I saw that we were entering into a period in which the nation would re-

quire a great deal of heavy hauling, and I was aware of our limitations. So I leveraged all the means necessary to allow our engineers to devote themselves to the creation of innovative transportation equipment and machinery that would enable us to haul very heavy loads over bridges without damaging them. In this way, we would be prepared to offer solutions that no one else could.

When in mid 1972 the bidding process began on the construction of the Río Tercero mega-plant, which would bring 600 MW into the national electrical generation system, I saw our opportunity for developing equipment.

I went about visiting all of the various businesses who were bidding to take part in the construction of the plant and the provision of supplies. I reached the conclusion that the Italian-Canadian group made up of AECL and Italmimpianti stood the best chance of winning the contract. After our bitter experience with Mitsubishi officials, this time before performing a feasibility analysis of the transportation routes and assembly procedures, I negotiated a signed agreement in which the group promised to hire us if they won the contract.

The greatest difficulty this project presented was that the nuclear energy plant was to be located 435 miles from the nearest navigable waterway. All over the world, such plants are usually built near ports capable of receiving large ships, in or-

der to simplify the transportation of their enormous components and thus lower costs. Together with Canadian and Italian technicians, we studied the situation. A preliminary analysis indicated that the safest bet would be to transport the components in pieces and assemble these at the site. However, this would be very costly, and besides, assembly of these sensitive components anywhere but in the factory posed too many risks. So we set about conducting an in-depth study in order to demonstrate and prove that it was possible to safely transport the huge, very heavy components whole and set them up at the plant without damaging the roads or bridges along the national and provincial routes we would have to use.

The most delicate component of this nuclear power plant was the “Mockingbird,” a construction consisting of two giant rings thirty feet in diameter, which held the cylinders in which the uranium would be processed. This monumental piece, weighing nearly 300 tons, had to be transported the entire distance without its being subjected to inclines of more than two degrees, or cracks would develop, rendering it useless. Our client understood that this transportation problem was the Achilles heel of the entire plant construction project, the most difficult hurdle to overcome if they decided to ship entire components, so they very carefully considered our studies and checked and rechecked them with specialists. We worked hand in hand with them until

We worked hand in hand with them until they were entirely assured of the feasibility of the operation.



*Overbridge Rio III.
La Calandria*

they were entirely assured of the feasibility of the operation, and they finally decided to ship the components whole from Canada.

This was a huge undertaking, which would result in the most powerful electrical generating unit in Argentina, with nearly double the capacity of the Costanera Norte Power Plant and three times that of the turbines at El Chocón. In March of 1974, the National Atomic Energy Commission (CNEA) concluded their analysis of bids, and as we had foreseen, the National Board of Executives awarded the contract to AECL and Italmimpianti. This group honored their promise and contracted us for the integrated transportation and set-up of the various components. Even so, at the last minute, a technical director at CNEA, an engineer named Cosentino who had to sign off on the contract, declared the operation one of high risk and included very demanding conditions: fines for delays in the construction of the equipment

we had promised, and if we delayed more than thirty days, the provision that all the equipment would transfer to them for use with another contractor.

The responsibility was enormous. In six months, we had to build a self-transporting overbridge that could be installed along the route in such a way that the heavy loads would not touch existing bridges, as well as 370-wheel, hydraulically-leveling platform trailers to guarantee that the loads would not tilt more than two degrees during transport. We also had



INAUGURATION OF THE OVER BRIDGE
ON VELEZ SANSFIELD AV.



The moment arrived to apply the new technology that we had been developing for some time.

to acquire special trucks capable of ascending and descending the overbridge while pulling the loaded trailers.

At last, we signed the contract that would allow us to develop the equipment about which I had long dreamed. Once again, though, I was flooded with mixed emotions and asked myself why I had taken on such a risk, one that could endanger the business I had worked so hard to build.

The commitment to build a major set of state-of-the-art equipment had been made in a short amount of time, and now it remained to undertake this extremely delicate operation. Everything had yet to be done; none of what we had promised yet existed. I walked around with the world on my shoulders, and I got no sleep thinking of all the details. I organized an ad hoc team to do the work and delegated responsibilities according to areas of expertise. Everything would have to be done at

the same time: the road repair and detour construction along the route, the building of the hydraulic trailers, the construction of the gigantic overbridge that would have to span more than 235 feet, and the purchase of twelve heavy-duty semi tractors and a 300-ton crane, not to mention hiring and training all the necessary new people. For the building of the machinery, we prepared the workshops of EMCYM, one of the businesses in our group, and those of the recently established Román Engineering

Eventually, the moment arrived to apply the new technology that we had been developing for some time. We had come up with an advanced design that subjected steel alloys to heretofore unprecedented stresses. In order to test this engineering, we had to set up in a very short time a highly complex non-destructive test laboratory and electronic monitoring and measurement components. We also built a huge 2,500-ton press for purposes of testing materials at the actual weights that our loads would produce.

But dealing with bureaucracy became very difficult; approval of our engineering—and therefore our work start—were delayed. Meanwhile, we initiated all the processes for acquiring from abroad all the materials that we couldn't purchase or manufacture in Argentina. We opened a bidding process among truck dealers in the United States, and I traveled there to visit each one of them. I can still remember the surprise and curiosity I felt when I arrived in Manhattan at night in a helicopter that

threaded its way between monumental skyscrapers to land at a heliport. Unfortunately, since September 11, 2001, such impressive approaches are no longer allowed.

I finally opted for the Mack brand and spent a few days working with the technical team assigned the design for our trucks, making sure they understood and considered every detail of our design. They named this special model of truck destined for Argentina the “Gaucho.” Finishing up in the United States, I headed for Japan in order to acquire other components and to have manufactured the plate of special, super-resilient, WEL-TEN 80C steel alloy of which the trailers and the overbridge would be made.

Nothing was left to chance. But though our logistical organization turned out to be nearly perfect, problems didn’t fail to arise. In the midst of the frenetic activity, our chief engineer working on the overbridge began to show signs of stress. He was on tranquilizers, had begun to miss a lot of work and appeared to have lost his optimism, declaring over and over again that the overbridge wasn’t going to work. So just when we had everything running along smoothly, our key man was going into crisis, which slowed things down. Luckily, I had taken precautions and assembled a team of support engineers and international consultants, including Herb Rothman who had participated in the design of New York’s Verrazano Narrows Bridge.

One difficulty that arose during the final engineering

phases and in the prototypes of the overbridge was the great flexion of the structure when traversed by transportation equipment that exceeded 500 tons of tare and load. For the chief project engineer, the calculations showed flexions that were too risky and placed the stability of the system in jeopardy. Though our consultants countered this and tried to calm me down, I needed to get my chief project engineer back on board. So I decided to take extra precautions. I proposed that we install hydraulic cylinders in each module of the overbridge. These would rest on the pilings of the bridge and cause a hydraulic surge when a certain pressure was reached, increasing the system’s stability. In this way, stress could be even better distributed throughout the already stress-absorbing design of the equipment. This design was based on absorbing any structural stretching through built-in flexion and the camber of the surface over which the load passed, achieved via hydraulic cylinders placed at the heads of the ascent and descent ramps. In this way, all weight would be resting on a hydraulic cushion which would assure safety in the event of greater-than-expected flexion. This proposal was what our chief engineer needed to hear, and he got back on task, enthusiastically winding up the final engineering so that construction could begin.

The safety cylinders were manufactured and installed, but fortunately we never had to use them. I can say “I told you



ALFREDO ROMÁN DURING A
BUSINESS TRIP TO NEW YORK



so” here because we were able to safely pass over bridges without touching them. Seeing the expressions of surprise on the faces of those experienced engineers and receiving their congratulations brought me enormous satisfaction.

We were involved in a true race against the clock, and many had placed their bets against us. We had to deal with delays in obtaining import permits and met with many problems securing financing and getting approval on the engineering with stress tests. Meanwhile the arrival date of the components we would have to haul loomed ever nearer. As I mentioned, the contract stipulated that if we failed to meet our deadline, CNEA could take over our equipment in whatever state they found it and continue the project with another company. Unfortunately, rather than recognizing our success, Cosentino, the CNEA engineer who had pushed for the insertion of that clause, stubbornly insisted on observing it.

So once all the technical specifications had been met, for several days I had to work into the wee hours of the morning with our lawyers, drafting arguments and other documentation aimed at getting us more time. This was a difficult and exhausting process in the midst of which I came down with a bad bout of flu with a very high fever. But I couldn’t stay in bed; I had to avoid being assessed unfair fines and losing our equipment to another company. Very early one morning, my wife intervened

and called Doctor Daniel Stambouljian to see me at the house. This renowned specialist in infectious diseases informed me that I was courting meningitis, which news convinced me to stay in bed. Even so, the negotiations went on without interruption, the representatives from Italmimpianti, AECL and CNEA meeting at my bedside to continue them.

The delicate situation was finally resolved, thanks to support from our clients and the intervention of Admiral Carlos Castro Madero, the President of CNEA, who put a stop to the action his technical director had initiated and, aware of the efforts we were making, sought and won more time for us under the contract. When the cargo we had to transport arrived at the port in San Nicolás, we had all the necessary equipment ready.

We were so glad, we decided to celebrate. In Pergamino, the first place at which we would use the fantastic overbridge, we invited our clients and officials to watch the hydraulic platform trailer pass over it, but as so often happens, unforeseen circumstances intervened. Part of the hydraulic system malfunctioned and the operation was delayed. I had to announce to the more than 200 people assembled that it would be impossible to witness the event, due to technical difficulties that would take six hours to resolve. They received this announcement with a round of applause. *The few who did stick around to finally see the event witnessed the spectacular, flawless functioning of*

When the cargo we had to transport arrived at the port in San Nicolás, we had all the necessary equipment ready. We were so glad, we decided to celebrate.

our machinery that was totally unprecedented anywhere in the world and which received international recognition.

We exercised rigorous care throughout the operation. AECL, the Canadian company, constantly monitored the flexions in the load with sensors installed on their components as well as on our hauling equipment. Each operation was supported by manuals that contained clear descriptions of the roles of all involved, developed by our Quality Control Department, who oversaw everything. We couldn't slip up; there was no room for error. If something had to be modified, only I could give the green light to do so. We fulfilled that contract with complete success and to the total satisfaction of our clients.

That project—due to its innovation and application of leading-edge technology in the construction of the overbridge—would later be categorized as “a new technological feat” at the annual conference of countries with developed nuclear technology, held in Austria in 1979.

Moving a giant

Another project that deserves mention for its special characteristics is that of the construction of the Ensenada Petrochemical Plant in the province of Buenos Aires. Operating for a group led by Shell CAPSA, the plant produces propylene for both domestic use and distribution among Mercosur countries and sees an annual production of more than 100,000 tons. The Japanese firm Chiyoda called us in to conduct feasibility studies. In order to capitalize best on a positive swing in the industry, the plant had to be operational in an exceedingly short amount of time. The technique that this Japanese company offered to the world consisted of prefabricating these petrochemical plants in large modules in their own factories, so that they could be rapidly assembled at sites near navigable waterways, the great advantage being that a prefabricated plant could be up and running immediately. The problem in this particular case, however, was that in order to reach the site of the new plant, all its components had

to be transported through an urban area. So we formed a project team with our client and studied in detail the way in which they would make the prefabricated modules. These would be shipped via special vessel from Japan to the port of Berisso, and we would take care of transporting them overland and positioning them at the plant site. This plant consisted of twenty-four modules that had to be transported sequentially to the Ensenada industrial complex. *The distance was only just over six miles but full of big problems. The largest component measured one hundred feet in length by forty-six wide and eighty high; this meant hauling the equivalent of an eight-story building through the streets. To this day, it remains the largest bulk ever to traverse an urban area in Argentina.*

Starting months before the arrival of the ship, we worked intensely to obtain official permits to bury high-tension lines and residential power and telephone lines. We also had to widen some streets and traffic circles—which entailed completely rebuilding one business premises along the way—and rig dozens of streetlights so they could be swiveled on their poles to allow the cargo to pass and then immediately returned to their original positions. The goal was to achieve in organized fashion a “transparent” route, along which users and residents remained unaffected. I remember that the Mayor of Berisso, who was miffed because Petroken had opted for Ensenada for their plant rather

than his town, charged us an exorbitant tax before authorizing a permit, with the excuse that the money would be compensation for the “reduction in service-life of the streetlight posts” on which we had installed our swivel system.

For the assembly and welding of the plant’s main tower, the coordination of which was our responsibility, we temporarily imported from England an 800-ton crane, which it was our job to erect and stabilize in place. Due to its magnitude, this project was observed by high-level officials of the largest construction and engineering companies. In fact, we had to hire several buses to transport guests invited to the actual hauling event. It earned very special recognition both locally and internationally and has served as a model for other similar operations.

Dealing with competition

By the mid 1970s, construction companies had adopted the “turn-key” means of negotiating projects, by which they assumed responsibility for all aspects of a project through its completion. Such aspects included overland transport, for which some of these businesses began obtaining their own hydraulic platform trailers and heavy-duty trucks. Their taking on responsibility for making plants operational relegated us to the level of subcontractors, and we saw this as a threat. These companies



*The works
on Petroken*

were entering into our area of business. So I began to study the possibility of creating an engineering and construction business that would allow us to compete with them as equals. This was not a simple prospect because it meant engaging in activities controlled by large, well-known companies who would surely put up resistance. And some of them were our clients.

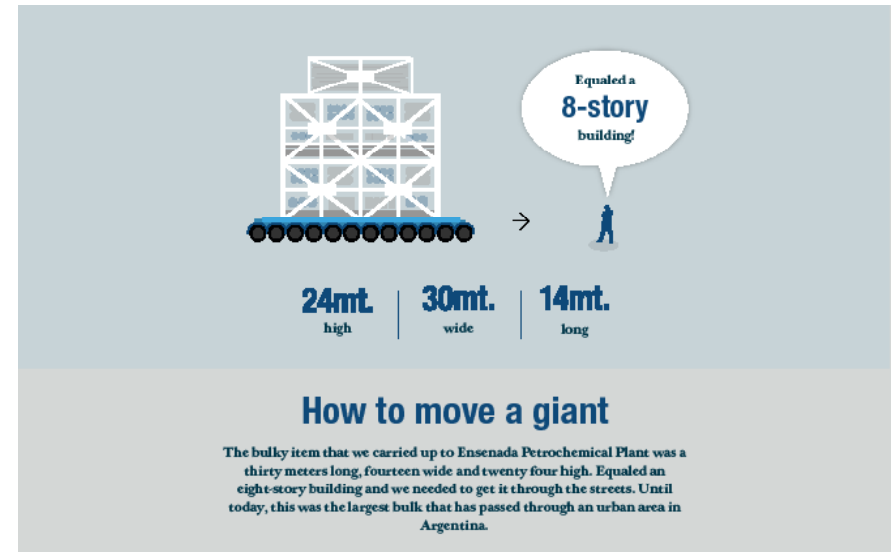
After weighing the pros and cons, and aware of the risk



MOVING THE PETROKEN ENSENADA
PETROCHEMICAL PLANT



*How to move
a giant*



TRANSPORTE DE BULTO DE MAYOR PORTE
QUE HAYA ATRAVESADO UNA ZONA URBANA

entailed, I decided to establish Román Ingeniería (Román Engineering). I really didn't have much choice; I knew that I couldn't very well come up against the big boys in construction as a hauling company; we had to compete with them on their own terms. The big projects in which we had participated in

the late '60s and early '70s had allowed us to come away with great technical and operational knowledge in diverse areas. For some time now as Román SAC, we had been doing heavy assembly work and joining some of our clients in the construction of industrial plants. And though at times we had been asked to undertake civil projects and electromechanical assembly, these had been special cases. Until now, we hadn't wanted to interfere with the interests of the big construction companies.

One of those special cases was setting up the electrical substations for the Salto Grande power plant, a shared Argentine-Uruguayan project on the Uruguay River, which we did for the Toshiba Corporation, and it was under these circumstances that Román Engineering was born. Getting the plant up and running called for considerable investment: we transferred employees who specialized in that area of work, hired other highly skilled people in the industry and trained workers as best we could, both within and outside of Argentina. We poured all of our know-how into this new business, preparing ourselves for competition with enormous companies and powerful business leaders who knew the construction business much better than we did. We aimed at placing ourselves among the best, and so we didn't hold back. Among the machinery and tools we imported figured two machines for treating transformer oil. At the time, very few Argentine companies had these, so we later end-



*Play audio:
Entrepreneurship (2)*

ed up renting them out. In this way, Román Engineering began to establish itself and take part in big projects, while at the same time fulfilling its function as a hedge for maintaining the position of Román SAC in the heavy transportation industry.

Aside from a few inconveniences, we enjoyed excellent results from the start. Clients who gave us their trust for the first projects went away happy, which earned us their loyalty and gave us good references in the industry. Outstanding among the projects in which Román Engineering has been involved since then are:

- ***For the gas industry***, we have built ten turn-key compressing plants, laid hundreds of miles of gas pipeline, enlarged residential gas networks and developed off-shore services, including cathodic protection inspections and the laying of the gas pipeline across the Strait of Magellan.
- ***For the oil industry***, we have performed very complex types of plant maintenance at refineries, including work with catalytic cracking units, ovens, towers and the refurbishing of boiler and

steam units. We built poliducts of up to twenty-four inches in diameter and increased the thermal cycle at the refinery in La Plata. We erected fuel storage tanks, some with capacities of over 1.75 million cubic feet. We were also involved in civil projects and the construction of a coke plant.

- ***For the electricity industry***, we have installed hundreds of miles of electrical lines of up to 132 KW as well as set up various accompanying transformer stations, done the necessary civil works for the installations of gas turbines, performed maintenance of large aerial and underground urban electrical systems and serviced lighting systems on avenues and freeways. In the communications area, we have erected microwave towers and installed various types of radio-relay link systems.

- ***In terms of civil projects***, we have done the preliminary project work and developed the construction engineering for several prisons in the province of Buenos Aires, done infrastructural cement paving for the port, and built agricultural byproduct terminals, industrial plants, water treatment plants and industrial refrigeration systems.

- ***For the Argentine Nuclear Energy Program***, we have completed numerous jobs and provided service at the Río Tercero

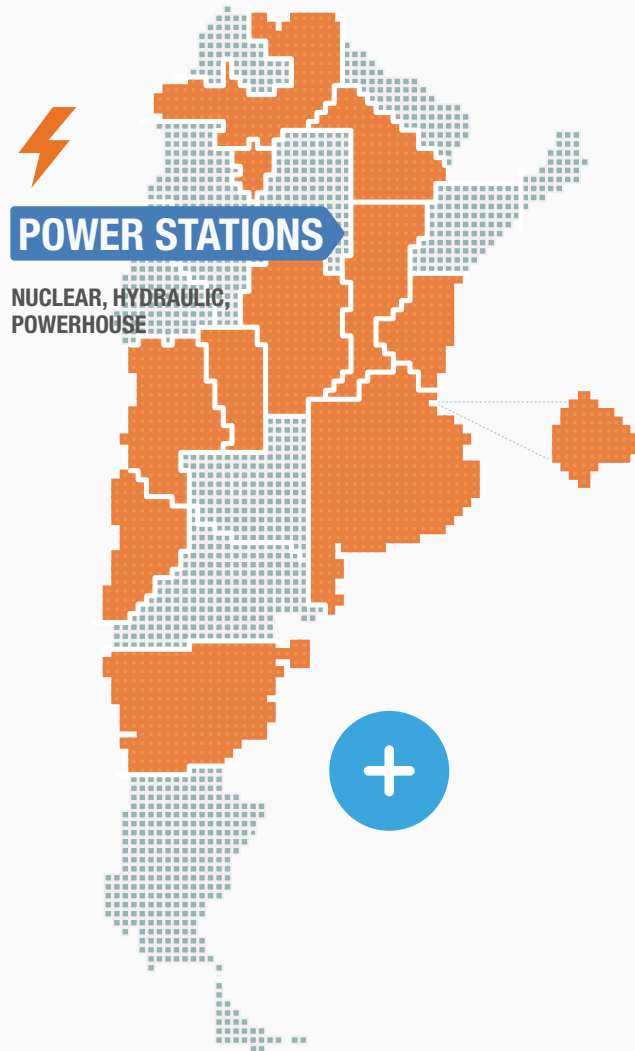
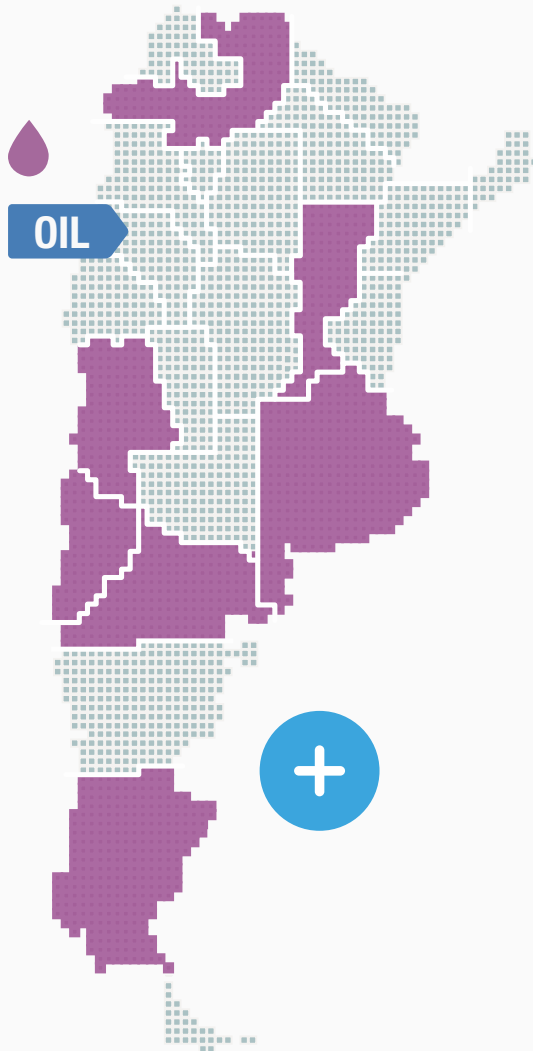
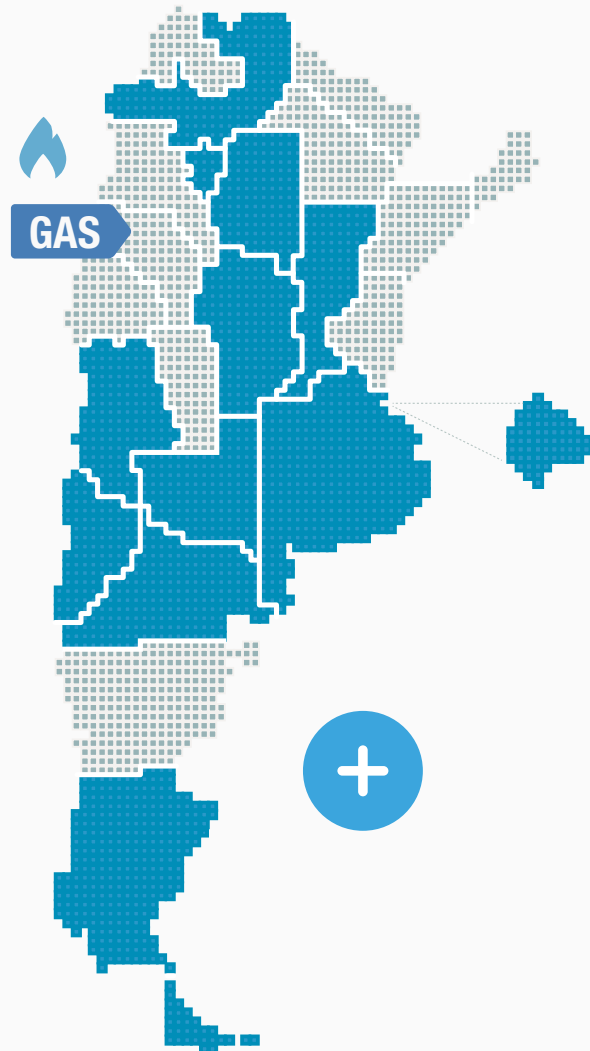
nuclear power plant (Córdoba) and at the Atucha I and II plants (Zárate, Province of Buenos Aires).

One job that deserves special mention was that of changing the pipes of the steam generators at the Río Tercero plant. The Canadian company that had maintained these discovered faults at other functioning plants and decided that the pipes needed to be changed. As we saw earlier, each enormous generator weighs 250 tons and had arrived by ship from Canada before being painstakingly hauled overland to the site at Río Tercero. Now it seemed it would be necessary to break them down, return them to Canada for repair and then haul them back to the site, an onerous, complicated prospect. So we offered to try a different approach, with the agreement that if it didn't work, we would only charge for costs. If it were successful, we earn the reward of being able to charge a premium price. Our approach consisted of setting up a 265-foot-tall bridge crane, cutting the head off the generator and moving it aside, removing and replacing the pipes inside the generator and welding the generator head back into place. This last operation was the most delicate: welding a five-inch-thick component according to stringent specifications in a sideways position, at a height of 265 feet. This had originally been done at the factory in Canada, with the generator lying down and with all the special tools and equipment necessary for

Projects attended
by **Organización Román**



TAP OVER
THE CROSSES

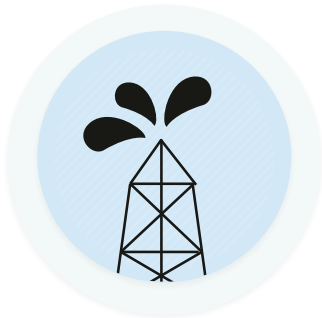


Román Engineering

Among the different projects developed by Román Ingeniería, the following can be highlighted:



CLICK ON
THE TEXTS



In the oil industry



We were in charge of the most complex procedures of plant maintenance in



In the electric power industry

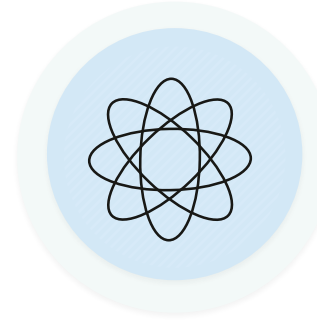
We installed hundreds of kilometers of lines of up to 132 KW and put together several transformer stations.



Civil works

We developed the drafts and the construction engineering of several prisons in Buenos Aires province.

We did concrete pavements for port infrastructure and shipping terminals



Argentina's Nuclear Plan



We performed countless works



In the gas industry

The construction of over ten turnkey compression plants.

Hundreds of kilometers of gas pipelines. Home distribution cable laying and development of services in the sea,

such an operation, and even there it had posed problems. But our approach proved to be a complete success, to the point that it served as a world-recognized example for such repairs.

Vertical integration for better efficiency

Demand in the industry meant contracting for turn-key projects, for which we assumed all responsibility. This being the case, we had to purchase and form new businesses which could be vertically integrated in order to guarantee consistent quality over the entire line of goods and services we provided. During those growing days, we started a real estate investment company, a metallurgy business, a technical consultancy, an insurance company and a financial firm. Details of the most important of these follow.

• *Alfredo Román and Company*

This was a real estate business established in 1968 which would accommodate ownership of the properties we were purchasing. My decision to launch it was based on the high level of risk involved in large-scale projects and operations, and I was sure that in this way we would be able to save something of what we owned. With this company, we bought 8,650 acres in Pedro Luro, a location in the southern part of the city of Bahía Blanca. There, we could put to use much of the equipment that had been

idle since the end of the Futaleufú project, and the job of cleaning up the dry land exempted us from some tax payments. After developing a complete business plan, we set to work in areas that had to that point lain completely outside the scope of our organization: forestry, agriculture and livestock. We hired specialists, moved in the equipment necessary for these industries and built shops and adequate housing for the laborers and technicians. Development of the infrastructure was dramatic. Through the expertise of our technicians, we witnessed a remarkable transformation in very little time, so remarkable in fact, that the Río Colorado Joint Committee (CORFO), the entity that controlled slope irrigation in the region, invited other investors to see what we had accomplished. We had a large equipment lot, two engineers and various technicians. Three hundred families lived there. Added to the numbers of subcontractors and clients, our personnel comprised a whole town. Their main line of work lay in the construction of drainage canals and bridges that were necessary for the recovery of these lands that were part of the Villalonga Canal hydric system, diverted from the Río Colorado.

This was our entry into agriculture, which saw intensive cultivation of garlic, potatoes, onions, squash and a variety of other garden produce. We started a eucalyptus plantation on which we planted 1,730 acres of trees in three years. We also managed 1,500 head of beef cattle.

- *EMCYM*

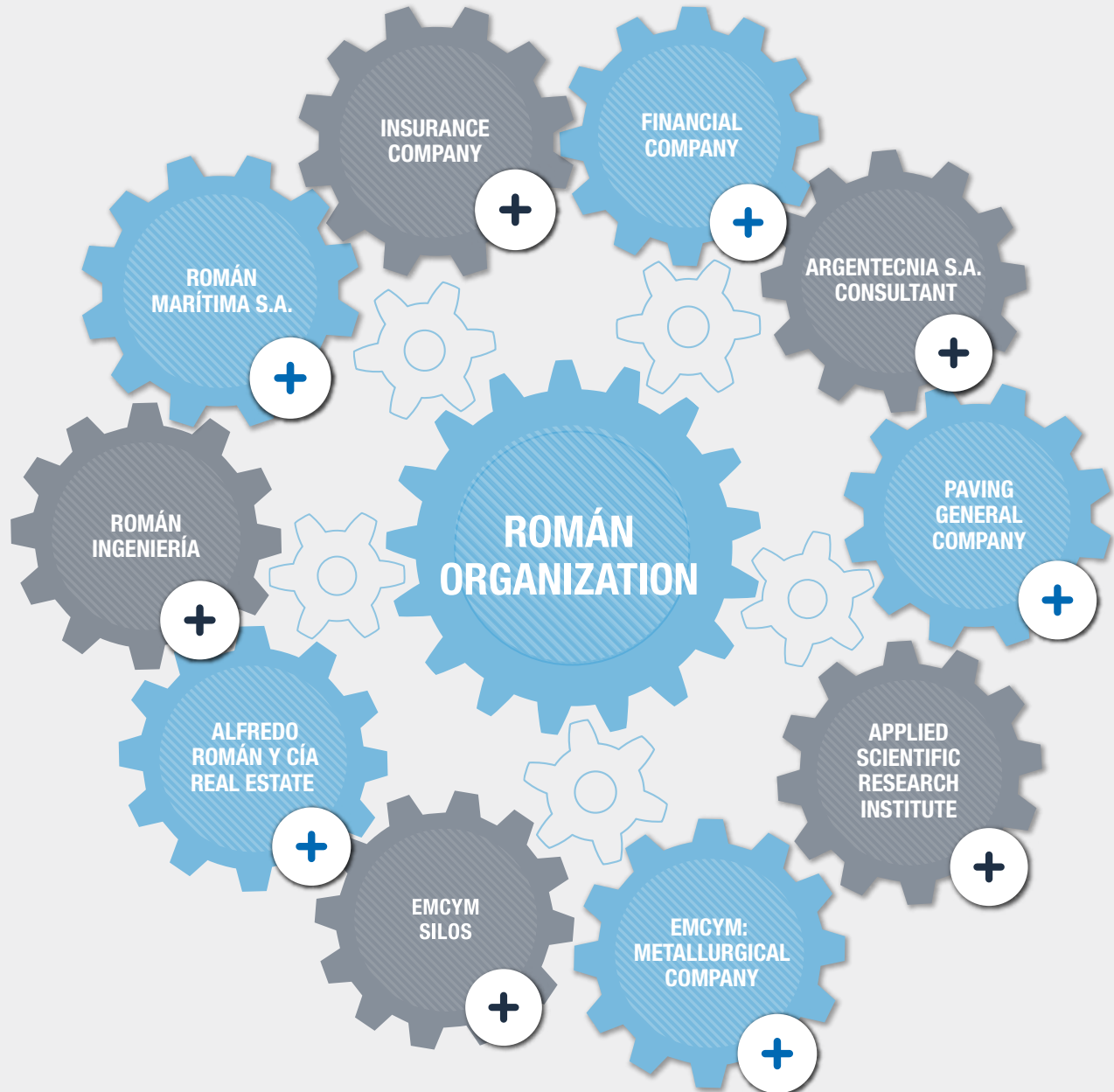
Our organization needed to gain efficiency and reliability on projects that involved metallurgy. Our main provider in this area had been the company that belonged to the Kandus brothers, who had built all of our platform trailers. Our business needs had grown so as to require a new metallurgical plant equipped with large bridge cranes and more advanced tools. So I proposed to the Kandus family—our friendship went back many years—that we form the Construction and Assembly Metallurgy Company (EMCYM), for which purpose we bought and equipped a plant in the Buenos Aires neighborhood of Mataderos. We took in new engineers and technicians to complement and professionalize the old family business. EMCYM manufactured important components for our organization, outstanding among which are the modular overbridge for Román SAC, the hydraulic leveling platform trailers used in the Río Tercero hauling job and the boom for the Satecna floating crane, which I will tell about later. The company provided important support for projects in which Román Engineering required metallic structures and heavy-duty boiler making.

Aside from the work they did for our organization, EMCYM enjoyed an outstanding presence in the industry in general. They earned high ratings on the components they made for the Argentine Nuclear Energy Program, as well as on their turbine vanes, heavy boiler parts and hatch covers for ships built at Ar-

gentine National Shipbuilding and Naval Works (AFNE). They took part in the building of nearly all the compressing plants for the country's gas pipeline system. When the need arose for a new installation at Terminal 4 of the Port of Buenos Aires, they took over the operating concession for grains and byproducts there and built a new plant with technology that has received international acclaim.

There, through their association with the Italian company Reggiani, they developed the engineering for making gantry and transtainer cranes for moving shipping containers. They were involved in advanced negotiations and landed a pre-contract for exporting equipment to the United States. This produced a synergy with our Exolgan port, where two gantry and six transtainer cranes were needed for the terminal at South Dock. The development and manufacture of these components required—besides the earlier mentioned Mataderos installation at the corner of Eva Perón Avenue (formerly Avenida del Trabajo) and General Paz Avenue—machine shops with large assembly lines and heavy boilers that were near a navigable waterway. This led to the construction of the building at 3240 Olavarría Street in the neighborhood of Barracas, with its 90-ton-capacity gantry cranes, as well as the purchase of the shipyard formerly belonging to Príncipe, Menghi and Penco, located near the mouth of the waterway called the Riachuelo, which feeds into the Río de

Integration in search of greater efficiency



“The market demand led us to execute turnkey contracts in which we accepted full responsibility for the results”.

“We founded new companies that could be vertically organized in order to guarantee the services and the supply of elements with a homogeneous quality throughout the line”.

With so much growth and diversification in the group, I began to feel that we should have our own consultancy,

la Plata. EMCYM became one of the country's three largest companies in the metallurgy industry.

- **ARGENTECNIA**

With so much growth and diversification in the group, I began to feel that we should have our own consultancy; outside consultants couldn't offer the efficiency and synergies we needed. By now, we had enough critical mass to merit our own consulting firm, so I established Argentecnia, which boasted approximately one hundred top-notch professionals, some of whom had transferred from our own operations businesses and others who were selected from among the industry's finest. I remember the big ads the group published in the newspapers that read "Román calls for the finest." They guaranteed complete confidentiality



**NEUQUÉN-MEGA PROJECT- HOISTING
A WATER TREATMENT PLANT**



and announced that at certain position levels I myself would be making the selections. With Argentecnia, we could concentrate within a single technology structure all of the indirect services activities our group needed.

This *technology* structure very efficiently supported our existing group of businesses as well as new ventures that came along. The people at Argentecnia were active in market analysis, research and development, organization and methods, systems development and support, human resources recruitment, administrative and operational auditing, legal counseling and financial consulting.

Reaching out to institutions and the community

As I said earlier, in order to play an active role in the defense of our rights and interests, I became involved in the affairs of entities related to the industries in which I did business. Among these it is worth mentioning the Chamber of Cargo Trucking (CATAC), the Argentine Federation of Industrial Enterprise in Cargo Transportation (FADEEAC), the Argentine Chamber of Construction (CAC) and the Institute for Business Development in Argentina (IDEA).

In 1974, I founded the Institute for Applied Scientific Research, in which our engineers teamed up with members of the Leloir Institute and the university's School of Engineering in

order to foment research and technological advances and apply these to inexpensive projects. The idea was to give a boost to the application of new ideas by asking businesses to assume the financial risk involved. I believe scientific research deserves the benefit of more resources from the state and from the private sector. A nation that commits itself to science and technology has its future guaranteed.

Social awareness and the protection of the environment have always been and continue to be fundamental goals in each and every one of our ventures. *Already, back in these formative and growth years, we capitalized on the synergies that arose from each operation in which our businesses were involved. Our activities in the oil industry and in large-scale projects made it possible for us to clean up polluted areas and provide jobs for nearby communities. We also offered training programs and home-improvement financing options.*

Another activity that brought us great satisfaction was helping along the birth of new small businesses and counting on them as vendors. In the world of transport, we helped out many independent haulers and cottage industries by assuring them a determined quantity of work. Our support for them consisted of financing their supply needs and helping them obtain bank loans. Many small enterprises that we helped went on to become solvent and sometimes prestigious businesses. Such success sto-

Social awareness and the protection of the environment have always been and continue to be fundamental goals in each and every one of our ventures.

ries bring me as much pride as does the success of our own companies.

The '60s and '70s were convulsive years in Argentina. Political parties fought for an end to the hegemonic deadlock which brought on Perón's downfall. The country lived in a permanent state of crisis, presidents could not remain in power, and hopes quickly vanished. Nevertheless, due to that very singular combination of factors that is Argentina, and despite instability and a fickle economy, this was not a bad period for industry and production. We in particular had a lot of work during this period, work that allowed us to bring new businesses into the

group, with the aim of creating synergies among processes and of integrating vertically.

These were times of great learning, and as we have seen, we greatly increased the capacity of our group. But we couldn't possibly have guessed what was coming. •

Years of Danger

Chapter V



MORE INFO

Years of Danger

Chapter V

Now came one of the most complex and violent periods in the history of Argentina: the military dictatorship of 1976 to 1983, which ruled with total impunity.

The country had undergone various other military revolutions in which democratic ideals fell to the wayside, but these seven years, the so-called “Process of National Reorganization,” were our republic’s darkest hour.

By contrast, the international panorama at the time was favorable; *the rest of the world witnessed economic growth that had positive repercussions in the country.* This and a combination of other factors related to the quadrennial world soccer championship, Mundial ’78, hosted in Argentina, helped further cover up somber episodes that took place in secrecy. The military regime attempted to manipulate popular elation at Argentina’s victory in Mundial ’78 and turn it into a kind of moral support for their politics. The armed forces that had wrested absolute power relied as well on the support of the Roman Catholic Church and part of the moneyed establishment.

The de facto decrees and laws that piled up could not hide the fact that legal certainty had disappeared. Congress remained shut down. Minister of the Economy José Alfredo Martínez de Hoz implemented policies which were based on monetary management and high interest rates and which plunged the country into a grueling recession. In 1978, inflation reached an annual rate of 178%, the gross domestic product shrank by 3% and the fiscal deficit grew. The chronic Argentine problem of soaring foreign debt also worsened. This latter fact is of no small

importance, since the debt of six billion dollars generated by Perón and Isabelita had been one of the main arguments used by the military to justify their March, 1976 coup. They took this debt figure and in their seven years of power multiplied it seven times, running up debt in a variety of ways and illegally using state-owned companies.

In a time of great international liquidity in petrodollars, with investors constantly seeking countries in which to pour capital into big business, the iron-fisted Argentine military regime wreaked social havoc, trampled on human rights and destroyed the economy. For people in business, it was an extremely confusing scene. Though the military's policies strongly backed public works and activated part of the economy by allowing in foreign capital for them, the indiscriminate way in which this was done and the powerful alliances among international financial sectors discouraged local production. In addition, the infamous foreign exchange “tablita” of Martínez de Hoz caused strong appreciation in the real exchange rate, which destroyed a large part of the industrial production system and brought impoverishment to salaried workers.

The 1978 conflict with Chile and the 1982 Falkland Islands War generated uncontrolled military spending, which further decimated national coffers. All of this resulted in sharp rises in indices of poverty and social exclusion. By 1983, when



1976- NEWSPAPER COVERS FROM THAT YEAR



The dictatorship's political and economic regulations once again caused domestic industry to drop off dramatically.

General Reynaldo Bignone ended the dictatorship (begun under Jorge Videla and continued under Roberto Viola and Leopoldo Galtieri) and handed over power to Raúl Alfonsín, the country's national debt had climbed to about \$45 billion, a factor that would have serious consequences for the new democracy.

The dictatorship's political and economic regulations once again caused domestic industry to drop off dramatically, and we had to restructure our business group if we were going to survive. We had to work against all kinds of obstacles, but we remained true to our business culture, and we knew that we were on the right track and doing all we could. I didn't hesitate to resort to litigation, either, if it meant protecting our interests in these anxious times in which few sought protection under the legal system.



*Play audio:
Democracy*

When confronted with injustice, frank and decisive action always wins out. I am convinced that the worst thing one can do in life is bury one's head in the sand and not face up to problems, even if doing so brings its share of strife.

Raising sunken ships in the Río de la Plata

In mid 1976, a few months after the military government took power, they directly awarded a \$40 million contract to a German company for removing from the Río de la Plata submerged hulls that blocked the shipping channel north of the entrance of the port of Buenos Aires. This riled me, since we had been analyzing the possibilities and details of just such a project since 1972 with the Argentine Naval Prefecture, a body with similar duties to those of other countries' Coast Guards. Our work plan made use of a mobile crane on pontoons for raising the wrecked ships, and had a budget of less than \$10 million, so we at least wanted to see a bidding process in which we could participate. But things weren't that easy.

*In times of doubts, acting
frankly and decisively
always work.*

The military leaders had been doing whatever they pleased without the least debate. We were faced with the dilemma of accepting things as they were or going up against this unjust situation. I decided to act. First, we began administrative proceedings and a lobby demanding open bidding, but these actions brought no positive results. We then tried the thorny route of dealing with the bureaucracy and finally sought the help of the judicial system. We had to stop the direct award of the contract because, besides hurting our business, it went against national interests. Resorting to legal action brought results; we were invited to discuss the issue with the authorities, and we were able to demonstrate that the rate given by the German company was excessively high. We also told them of the benefits that would come from having a crane appropriate for discharging large components that arrived on vessels of the major lines. This

would eliminate the need for using self-discharging ships that were terribly difficult to lade and discharge.

After several meetings, we received a reply that we hadn't expected: the Argentine Navy, along with the Prefecture, wanted to take part in the activities we had proposed, and they wished to know if we would be interested in creating a joint enterprise for the purpose. The level of professionalism displayed by Admiral Ricardo Guillermo Franke and the involvement of Admiral Castro Madero gave me sufficient confidence to move forward with this idea. We formed the joint enterprise with a view of the long run, and established that, aside from the current specific tasks, we would assume responsibility for the development of underwater technology and environmental maintenance along the continental shelf. With these ends in mind, the shareholders in the enterprise agreed not to withdraw profits, but rather reinvest them in these long-term projects.

Thus was born in 1977 the Corporation for Underwater Technical Development (Satecna), an enterprise that would be dedicated, among other things, to the raising and removal of sunken ships and the discharge of oversized components that arrived in the country on liner vessels. The state, represented by the Navy, controlled 49% of the shares of the company and named Franke as Chairman, while we controlled the rest.

In order to stay on schedule, we immediately went about

gathering the necessary equipment and training people in this specialty, which was not yet developed in the country. After conducting in-depth research, Admiral Franke, one of our engineers and I made an exhausting trip to various cities in the United States, Europe and Japan in search of an appropriate floating crane. I recall that our engineer, who happened to be of German extraction, planned that trip so precisely that he had us flying by night and arriving at our various destinations just in time for the workday. *After considering various options, we decided to import from Japan a 2,000-ton crane on a superb pontoon structure and with a highly efficient system of hydraulic winches that could be operated from a single control console.* We also purchased two tugboats and deep-sea diving equipment including decompression chambers and other components for training people for underwater activities. The tugboats had Z-Peller propulsion systems, with screws that could swivel 360 degrees and achieve a level of maneuverability totally new to our part of the world. What's more, they could be operated by a crew of only four, compared to the fifteen-crew tugboats in use up to that time.

In order to bring the floating crane, the tugs and the deep-sea equipment to Argentina, we contracted the services of an 820-foot, 100-foot-beam, semi-submersible sea barge, the first of its kind to sail to South America. It was large enough to accommodate the two tugboats beside each other at the bow and

the huge crane at the stern. But calculations performed by engineers at Argentecnia indicated that if sea conditions caused a vessel roll of more than six feet, the crane boom could collapse, so we proposed to the vendor that a support structure be built for the boom, so that it didn't have to travel suspended in the air. We also submitted these calculations to the surveyor (the inspector who approves the lading of the vessel) and the insurance company. Since our suggestions meant extra cost, however, the vendor opted not to follow them and decided to risk shipping without the support structure.

The barge left Japan towed by a 14,000-horsepower vessel, a true leviathan. Back in Buenos Aires, we monitored the shipment daily. One day Admiral Franke and Ismael Mata, the company trustee, rushed into my office with the news that the barge had run into a major storm. We immediately radioed the Japanese captain, who told us that the situation was dire: the crane boom had collapsed and fallen to the deck. Though it had not damaged the tugboats, it had considerably dented the prow of the barge. "The towing attachment system is also in danger," he informed us. Clearly, the barge might not even make it to a safe haven. We were extremely worried. The captain tried to calm us down, telling us that he would do everything in his power to save the shipment.

He was successful; three days later it arrived in Singa-

GRUA FLOTANTE "SATECNA 1"

Esta grúa, cuya capacidad nominal es de 2000 Tn, es apta para tareas en montaje y ensamble de estructuras offshore, de construcciones portuarias, de construcción de buques y de grandes puentes; para tareas de salvamento, de remoción de cascos y limpieza de vías navegables; para tareas de apoyo en el tendido de tuberías subacuáticas, como así también carga y descarga de bultos especiales. Para la realización de las tareas mencionadas la grúa está equipada con dos plumas de 1000 Tn, de capacidad nominal cada una y capaces de operar en forma individual o conjunta. La disposición estructural y los sistemas de control y bloqueo han sido implementados tanto para la operación como así también para la navegación autónoma.

POINTON

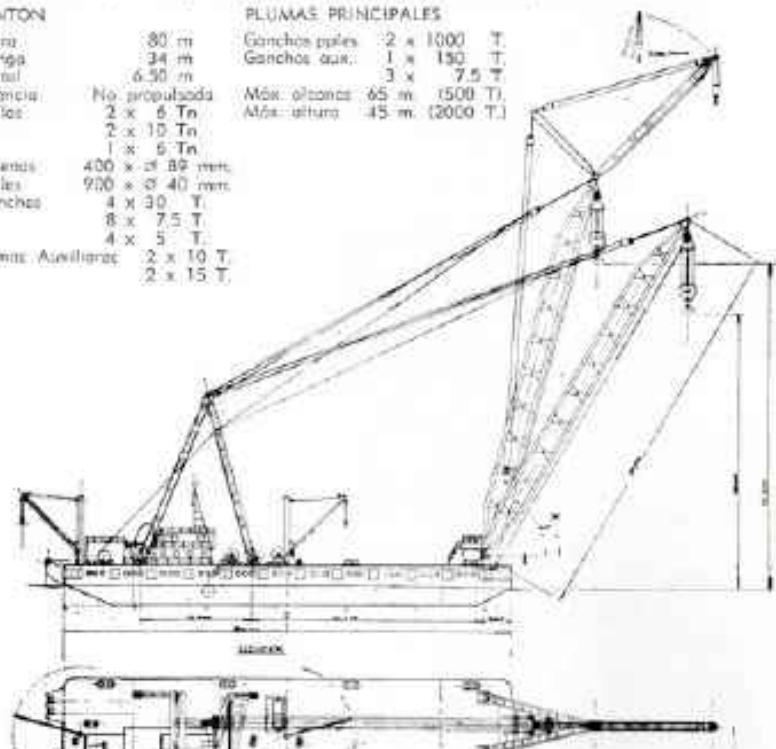
Eslora: 80 m
Manga: 34 m
Puntal: 6.50 m
Potencia: No propulsada
Anclas: 2 x 6 Tn
2 x 10 Tn
1 x 5 Tn

Cadenas: 400 x Ø 89 mm
Cables: 200 x Ø 40 mm
Guinchos: 4 x 30 T.
8 x 7.5 T.
4 x 5 T.

Plumas Auxiliares: 2 x 10 T.
2 x 15 T.

PLUMAS PRINCIPALES

Ganchos principales: 2 x 1000 T.
Ganchos aux.: 1 x 130 T.
3 x 7.5 T.
Máx. altura: 65 m (1500 T).
Máx. altura: 45 m (2000 T.)



EQUIPMENT OF SATECNA'S FLOATING CRANE



Never before had a boat these characteristics reached South America.

pore, and *my heart could begin to descend back to my chest. I set about trying to remedy the situation*, starting the administrative ball rolling and taking the necessary legal actions to scrap the crane boom then and there, re-stow the cargo and continue the voyage to Argentina. I ordered up a design for a new crane boom from engineering and began to get together the materials for its construction. I contracted with Lloyd Germany for its classification, got the workshops ready to build the thing and delegated the job to the same engineer who had handled the construction of our overbridge. We had very stringent contract clauses, and heavy fines would be assessed if we got behind schedule in removing the sunken vessels. Our technicians took off for Singapore and set about hiring the personnel for the scrapping of the crane boom and the re-lading of the sea convoy. *This rescue operation went off like clockwork, and a few weeks later the shipment arrived in Buenos Aires, with its damaged crane, as well as the two*

tugboats and the deep-sea and environmental paraphernalia that were in good condition.

In the first hearing on damages, the company that had sold us the crane accepted our claim without appealing legally. They assumed the costs of the claim, surrendering to the insurance companies the vessel that had towed the barge, and to compensate for our loss of revenue during the resulting down time, they surrendered to us the semi-submersible sea barge. I understood then how important it had been to choose our vendors well and rely on solid contracts, so that nothing was left to chance.

As soon as the conditions were right for reconstructing the crane, we went to work. We had prepared the design in record time, received approval from Lloyd Germany and purchased the special steel necessary for the boom's manufacture. But problems arose.

I was vacationing with my family in Mar del Plata when the head of the shop informed me in a teleconference that it was impossible to build the boom using the planned specifications. So I called him and the chief project engineer down, so we could figure things out. I remember us sitting in silence in a café on the shore, all of us exhausted and feeling as though we'd just come from a wake. I was persistent and kept coming up with different possibilities, only to have them shot down one after the other by my people, who insisted time after time that it was impossible to

build the boom according to our original design. For a minute, I began to think that this snag was going to scuttle the entire undertaking. But whenever I feel cornered in situations like this, I recall the saying about clouds and silver linings and a great calm comes over me, allowing me to open up new ways of thinking. I grabbed some paper and a pencil and began to sketch. Later, we checked measurements and technical questions concerning the winches and hoisting hooks, and right there, at that table in Mar del Plata, we solved the problem.

The solution consisted of building two smaller booms instead of one big one. These would work together side by side. This would make the crane even more efficient, since by working with two hoisting hooks, we would be able to secure the cables that were passed beneath a submerged hull in two places and thereby distribute tension much more evenly. I've always said that luck is with me, and it was true here once again, since by chance we already had nearly all the components necessary to accommodate this dramatic change in the design. The new booms were ready in only four months and cost less to build than we had thought.

In order to test for the weights stipulated by the German classification company, we had had to fill our newly acquired semi-submersible barge with water to reach a weight of 2,700 tons. During this testing, it was music to my ears to hear the



THE JIB FLOATING CRANE SATECNA





Transportation of Satecna floating crane's components

straining creak of the whole system and the circulation of oil as five-inch-thick steel hooks grabbed the flanges we had welded to the barge, and cables snugged up taut and began to lift. But problems always arise. We had thoroughly pre-checked the equipment's capacity for such loads, but one of the winches began to slip. I decided to secure it with a chain and shackles in case things got out of hand. But the test was completed successfully, and the public in attendance never even realized that we had had to take this extra precaution.

And so Satecna sprouted up well and met its goals: the access lanes to the port were cleared and oversized components

*Whenever I'm in breaking point I
automatically think there is an ill
wind that blows nobody any good.*

arriving in the country from overseas could be discharged. We put the sea barge we had acquired to such intensive use that we finally had to purchase two more. In the area of deep-sea diving and underwater work, Satecna became the company of choice. We positioned ourselves in the tugboat services market in the ports of Buenos Aires and Bahía Blanca, and we also entered into salvaging vessels on the open sea. We acted as consultants for underwater technology in Brazil and also received requests from the Brazilians to use our crane and its support equipment for servicing their offshore oil platforms.

True to our agreement to reinvest profits in the development of underwater technology and environmental maintenance along the continental shelf, we obtained a concession to develop a piece of land ideal for this purpose in Buenos Aires, located two blocks from the jetty where newly arriving immigrants used

to disembark. There, we built the home of the Institute for the Development of Marine Science.

Unfortunately, we were under constant attack from the Secretary of Maritime Interests and the Argentine Naval Prefecture, which actually reported to our partner, the Argentine Navy. The problem arose when this Secretary denied authorization of the equipment we had purchased and disqualified Satecna from participating in bidding for the very jobs for which it had been created. As for the Naval Prefecture, they took measures to prevent the registration of our tugboats. These measures reached the level of harassment. On one occasion, we were forced to disassemble virtually new engines in order to pass an inspection. We were also forced to double crew sizes, and we had to demonstrate that the Z-peller propulsion systems were safe. But the tugboats finally began to operate at last, and we broke into that industry in typical style: that is to say by competing, lowering rates and breaking up the price-fixing that had been going on. The tugboats turned out to be so efficient that they quickly became the choice of ship-owners. *In a typical reaction, the competition used every means at their disposal to thwart us, to the point of trying to get maritime authorities to hassle Román SAC drivers at the port. But of course this didn't stop us.*

On occasion, in the amphitheater of the Freedom of the Navy building, Admiral Franke I put on informative exhibitions

for officials on the development of Satecna. There, we gave details about our accomplishments as well as about the harassment that was detrimental to the business as well as to national interests. I didn't fail to mention the actions of the Secretary of Maritime Interests who, besides placing hurdle after hurdle before us, also contracted foreign companies to do jobs for which Satecna could guarantee lower rates. For example, in cases in which we had won the bidding processes for dredging jobs, the work was inexplicably awarded to a foreign contractor. I found it hard to swallow the fact that instead of being a help, having the state as a partner turned out to be a hindrance. Breaking up pockets of corruption among precisely the people who were supposed to be fighting it took a higher toll than we had thought.

This situation grew continually worse. Worried about our affairs with the Navy, and after having fruitlessly met with Admiral Emilio Massera, Commander-in-Chief of the Navy and member of the ruling military junta, I decided to sit down with Videla himself. At that meeting, I presented to him the critical situation that our non-profit organization was facing. He listened, declined to offer an opinion on the matter and told me that he would discuss it with Massera. Yet nothing changed, and so I had to take stronger and stronger measures to defend myself, since Satecna had high overhead costs and it was becoming impossible to sustain it while it continued idle.

Finally, something came along that got me out of the middle: an offer for a buy-out from a businessman involved in construction and who was on good terms with the Navy's top brass. The prospect of selling caused me no end of doubt; I didn't want to abandon a goal as important as developing underwater technology and caring for our country's part of the continental shelf. Yet, with great pain, I listened to my advisors and decided to sell my share of the business.

I had begun this project with high hopes. The thought of being a partner in a permanent national institution and of being able to make a personal contribution to national interests had filled me with satisfaction. Now I felt cheated, and I realized that the situation was jeopardizing not only the stability of my business and my family, but that my very life was in danger. Parts of this story remain recorded in Satecna's annals.

But to tell the truth, I still hadn't learned my lesson. And as I will recount later, during the administration of Néstor Kirchner, I would persist with the idea of establishing a business with the state, this time in the development of national shipyards.

Restructuring the organization

In the critical macroeconomic situation brought about by José

Martínez de Hoz, neither innovative industry nor the development of leading-edge technology were sustainable. ***This was a difficult stage for me to live through as a businessman. In order to survive, we had to downsize and seek refuge in the more profitable of our businesses,*** shutting some down and restructuring those that remained.

With its focus on new technology, Argentecnia was no longer viable under the circumstances. Compared to the same service in a developed country, the value of an Argentine engineer's hour of work doubled the cost of that service, so the business had to be closed. The insurance and finance companies had been created in order to support our group, and mainly to back the growth of our vendors and suppliers. But the general market had become so untenable that we had to close both of these businesses. The civil engineering firm, involved in finalizing the construction of three buildings in Buenos Aires, likewise had to be shut down. The group's forestry interest, involved in projects of reforestation and the production and sale of timber in several provinces, was sold.

As for EMCYM, it needed to be reorganized. This was one of the top three companies in its area, with an excellent company infrastructure and very highly qualified people, but the metallurgy industry was showing signs of such a harsh recession that we had to pare the business down to a skeleton. To maintain cash

flow, we took on construction projects and concessions, and this was how EMCYM became the company to build the modern grain byproducts facility at Terminal 4 of the port of Buenos Aires, where grain products were classified and stored prior to export.

Our entry into port activities

Every now and then in the midst of the crisis appeared a ray of hope. In 1978, when the cranes of Román SAC were kept busy at the port servicing the needs of ship-owners and stevedoring companies, the Argentine Maritime Lines Company (ELMA) asked us to perform a trial discharge of a ship that was arriving with 18,000 tons of bulk cargo. This meant an important opportunity for us. Here was the hope of counting among our clients the state ship-owner, with a fleet so large that, to a great extent, it was they who set the prices and conditions of the ocean shipping industry in the country. Always ready to innovate and make ourselves stand out from the competition, we came up with some new devices for lading and discharging ships and with these managed to run a more efficient and safer operation. ***When I evaluated the financial outcome of that trial job, however, I saw that our profits were higher than normal. So I decided to give a presentation to ELMA's Board of Trustees in order to let them know about this and suggest that they adjust their tariff sheet.***

As might be expected, this set off a chain reaction of reprisals on the part of the competition. They exerted pressure through the unions, tried to discredit us before clients and refused to rent us equipment when ours proved to be insufficient for a job.

Aware that we could help them reduce costs, the ship-owning companies supported us, however. ***The result was that, with lower tariffs and modern engineering and logistics resources, we revolutionized the port of Buenos Aires. ELMA gave us the lion's share of their work, and we brought other ship-owners into our client portfolio as well, firmly establishing ourselves in the port services industry.***

In 1979, encouraged by a high volume of work and some shifts in the unions, we decided to establish ***Román Marítima (Román Maritime)***, which became the number two stevedoring company in Argentina. We operated in nearly every port in the country, competing shoulder to shoulder with Murchison SA, a 100-year-old company with a large installed capacity.

A young, booming organization more readily adapts to abrupt changes and new procedures. By 1982, the three-year-old ***Román Maritime*** had already become a prestigious company. And then the container concept burst upon the market, revolutionizing maritime shipping. Bags, bales, bundles, boxes, crates and cans ceased to exist, and all merchandise was now placed in containers prepared for the various types of cargo. Absolutely

everything that shipped on common cargo ships now arrived at the port in containers. This change meant a new challenge for our business; nothing would ever be the same.

One of the first consequences was that ELMA's ships, general cargo carriers, practically disappeared from international traffic, due to their lack of capacity. We, therefore, lost our main client, which made us have to scramble and be creative in order to adapt to this new set of rules before others did. We were among the first to acquire rubber-tired container handlers, telescopic loaders and hydraulic hangers, but this didn't feel like enough to me. I had a hunch that the change was going to be more all-encompassing. I began to study the Argentine port system, and in 1981, I decided to initiate a search for a new site where we would be able to operate more efficiently.

The birth of Exolgan

With the new container industry growing rapidly, and having made projections as to just how far the changes in shipping would go, I asked the Research and Development department of the Román group to analyze various alternatives for improving efficiency. ***The results pointed to something that no one wanted to hear: the port of Buenos Aires was badly located, very difficult to maintain and had other features that made it***

Amid crisis, every so and then there was a light of hope

unsuitable for receiving container ships. With this diagnosis in mind, I set about looking for an appropriate site on which to develop a new, specialized ocean freight terminal, at which could be built a long, unobstructed pier necessary for lading and discharging container ships. The search brought us to the site of the old Anglo meat processing plant at South Dock, once the largest such plant in South America. Things were moving along when we received a call from Customs. Due to the great increase of imports, paralyzing congestion had gripped the port of Buenos Aires, and they were calling for bids on a project to increase capacity for loading and unloading containers, as well as bonded warehousing and related services.

I picked up the pace on the negotiations we had begun months earlier to acquire from the meat processor Rodolfo Costantini fifty percent of the shares of a corporation whose only assets consisted of the land and installations of the former Anglo processing plant. According to our research, though

With the appearance of the containers, the shipping loading method experienced a dizzying transformation.

it had been abandoned for several decades, the site was optimal for developing a container terminal. I bought the shares in mid 1981 and named the new company Exolgan. We wasted no time in drawing up a plan in which we would build our own port only three miles from the port of Buenos Aires. The Customs call for bids would serve as a springboard to this goal, so I went out on a limb and in record time built the components specified in the bidding documentation. This would allow us to come up with an unbeatable proposal for the Exolgan project that guaranteed safety and efficiency.

However, officials at the General Port Authority (AGP) were not about to allow in an upstart competitor and used every means at their disposal to influence Customs to prevent our pro-

ceeding any further with Exolgan. They also launched a smear campaign against us and instigated a series of actions led by the AGP's in-house union.

This was a terrible blow. We had invested a lot, and their actions stopped us in our tracks; we were idle. Our partner Costantini considered the new port project done for and wanted to look for another use for the installations, but I remained convinced that we would eventually succeed, and so I decided to buy out his shares.

I skimmed on nothing to move the idea forward, beginning what at first were administrative proceedings and which later became legal ones. I also went to the members of the military in power, and I negotiated with the AGP's union. News of our situation appeared in the papers, as well, but all seemed to be in vain. Attempts ended in offers that went against our business culture. ***After having poured significant investment into an installation that would have had the capacity to meet market demands, Exolgan remained closed.*** But I didn't lose hope. I knew how to be patient because I was convinced that this was an excellent project, one that would eventually bring financial gain to us and aid the country's international commerce.



1982: EXOLGAN'S FIRST STAGE



Reflective times

By 1981, I had five children, eight businesses, more than 1,500 employees and a healthy financial situation. Yet, though I could say that I had made it professionally, something was not right inside. Constant disputes during the military regime had taken their toll and worn me out. I was not spending much time with my family, and my body was sending me signals to take it easier. The doctor told me I was suffering from overwork and mental fatigue and prescribed tranquilizers. This triggered a reaction in me, and I told myself that it was time to start planning my activity in a new way, placing my family and my own well-being over business matters. This turned out to be one of the most profound changes in my life. I learned to put many things aside, and I dedicated time to conceiving an organization that would transcend everything that had come before and help bring the family together. I needed to let go of so many responsibilities and claim more freedom for my personal life.

I made these decisions after a personal stock-taking that I did while on vacation in 1981. In this process of deep self-evaluation, I asked myself how I had been putting my time to use; *I tried to understand how I had wound up in the extreme situation in which I found myself, and I considered what changes I needed to make in order to live better yet not sacrifice my*

I dedicated myself to conceive an organization that could transcend myself

ideals. As part of this process, I organized my time into four major categories: family, work, community and pleasure, assessing how much I had been spending on each, and I then determined what was truly important for me to do personally and what could be delegated. With a new outlook on life, I laid out guidelines and plans of action that would help me achieve goals that I set down for each of the decades to come.

I decided to speed up the launching of the Román Inversora (Román Investments) holding company. I organized a different way of working in order to make optimum use of my time, and I put it into practice immediately. This involved learning to say “no,” populating my date book with activities that brought me personal satisfaction, and dedicating more time to my family and leisure. I spent more time at my favorite sport: riding. Although I have had some serious accidents, I continue riding to this day. Tennis, squash, windsurfing, diving, wave-boarding, downhill skiing, kayaking and marathon running now also

became hobbies in which I engaged with great passion and joy. Happily, the tranquilizers the doctor had prescribed were no longer necessary. Today, when circumstances cause stress, I still immediately latch onto sports; they are my grounding cable.

Another source of gratification that kept me in touch with loved ones was the little twenty-five-acre country place that we bought when my father had begun to have heart problems. This place became our weekend haven when the doctor ordered him to stop work and take it very easy. Though only twenty miles from the city, the place was practically inaccessible, located in an area with only dirt roads in very bad condition, no other buildings around and no electric or gas service. All of this made it a magic place where we felt as though we were far from the city. It had a beautiful stand of trees, and with the help of a landscaper, we planted twelve more acres of them. We had stables, chickens and a fruit orchard. We built a chalet for each of my brothers, and I and my family shared the old country house with my parents.

This place served as a center for family get-togethers, and we spent Saturdays and Sundays there from when the kids were little to their teenage years. My parents loved the tranquil days they spent there with their children and their spouses, their twenty-one grandchildren and the many friends and companions who came to visit. How we enjoyed the sports and recreation

of those times together! I recall taking the horses out on those dirt roads, stopping in the middle of some field somewhere and getting our strength back with a little barbecue of delicious sausages. My father shared all of this with us and always went out of his way to surprise and please us, taking care of every last detail. One day he bought a little carriage pulled by a pony, which became the undisputed delight of the kids.

Family time has been and continues to be invaluable, and even squabbles have served to strengthen our value system. *We have been able to create a way of being together which puts a premium on friendship and good company and unites the family generations in a bond of love. Today, they all form part of the Román extended family.*

The personal changes that I made during those times became the formula necessary for bringing balance to my life. I continue to be passionate about work, but since those times, I have taken a different path that brings me nearer to happiness for myself and for those around me.

A first attempt at a family legacy

Since 1979, we Román brothers have talked about the best way to institutionalize an organization that would endure through time, a means of uniting the family in a work ethic and helping

The family unit has been and still is something immeasurable

the common good. I remember a conversation with my father one afternoon, in which we decided to introduce a fundamental change. We both possessed the greatest portion of shares of the organization, and that day we decided to donate what was necessary so that the four brothers would have equal participation, that is, twenty-five percent of the holding company each. ***My father supported my idea of fraternal unity and renounced his participation in the business.*** He no longer wanted anything for himself and figured it was his sons who had their futures before them.

The core of the idea was to create a system resistant to the typical problems of family companies, as well as to the economic downturns that have been so recurrent in the history of Argentina. And this was what we tried. With the help of our lawyers and the advice of some of the country's most prestigious jurists, we worked out the structuring of the articles of the this new organization and its regulation, creating a holding company that would manage the interests of the entire Román

Investments group. We worked out the plan for each business from scratch together, determining which assets were essential to each one and culling out the rest. These residuals would be either sold or considered the property of the possessing brother at the moment.

The company charter set forth four categories of shares, regulated the relationships among the partners, made the functions of the directors clear and established management policies for each business. Since one of our goals was that this company last through time, we needed to assure that family interests remained independent from business matters. These latter would be conducted professionally and independently, but in close connection with the directors of each company.

With this new legal instrument, we transferred leadership which until then had been primarily mine to the directors of each company. This meant a change in the culture of the overall organization which “represented the legal and institutional confluence of the brothers Alfredo, Ricardo, Oscar and Walter Román.” In the message we wrote to define this important decision, we said, “The business concept of this group consists of managing economic entities that will endure through time and that are based on sufficiently planned, independent legal and estate structures, as a desirable means of contributing to the common good while emphasizing individual human values.”

This legal mechanism sought to reform the statutes and regulations of each business. It focused on respecting each business's culture and the independent activity that each directing member, as well as the managers of the various companies, would have. ***The main challenges to achieving this were human resources policies and the recruitment of the most highly qualified professionals the market had to offer.***

I thus delegated not only my leadership as an executive, but also as a shareholder. Now all of us brothers were on equal footing with respect to conditions and shares owned. Some of our lawyers felt that my decision had not been prudent, that my thinking was overly idealistic, that it would be very difficult to run such a large organization in this way. But I felt convinced that the new structure would give employees an opportunity to grow as leaders and increase the possibilities for the growth of the organization. One concern I did have was that my brothers might not understand the aim of the new model and resist answering to a leader other than myself. But we all knew that I would be there to arbitrate in any dispute that might arise. As far as the family was concerned, I was thinking not only of my brothers but of our children, and I felt confident that the next generation, with more than twenty members, would strengthen the new structure even more over time.

This was no doubt a major change, in which we had gone

*The goal was an organization
that will last over time*

from leadership centered in one person to the establishment of professional directorships for each one of the companies. These directorships in turn would be managed by the directorship of the new holding company, who ultimately responded to the equalized decision-making power of the four brothers.

I firmly believed that this new structure and our careful observance of all its articles would take us where we wanted to go. For me, this road to group leadership required a lot of effort. ***I spent many hours training others, including my brothers, and I respected to the letter all of the tenets of the new model.*** I had to set an example by no longer making the unilateral decisions I had been making for more than twenty years.

This was a period of deep reflection, mixed emotions and inner searching. One new experience after another now entered my daily life. I spent hours attempting to improve myself consciously, while still guiding and supporting the organization that had cost me so much to build.

We went from a one-man driving to establish professional directories for each of the companies.

The end of an era

While we were reorganizing our business structure, circumstances on the national scene did not ease up a bit. On April 2, 1982, I awoke to radio announcements that the Argentine military was in the midst of an attempt to take the Falkland Islands. It was reported that donations of all kinds were coming in, a reflection of public sentiment in which each wished to contribute according to his or her means. We were at war, and the general feeling one of need for immediate action. In the nation's company board rooms, discussions focused on whether or not these occurrences were best for the country, but given that the action was already underway, people considered the various means at their disposal to help out. I offered to organize all of the logistics for getting supplies to the Islands, donated trucks and automatic



FALKLANDS WAR
BY THE DAILIES



loaders and I got involved using the resources I had available. But it was all in vain, and this military adventure quickly turned into a bitter frustration resulting in the loss of many human lives and an embarrassment for the country.

Yet this unfortunate experience served as a wake-up call to the people, who realized that it was time to make a fundamental change and build a stable democracy. The military leaders had no choice but to listen to the public outcry. After the defeat in the Falklands, General Leopoldo Fortunato Galtieri stepped down and Reynaldo Bignone took over, with the mission of convoking general elections. We braced ourselves before these winds of change. The time had come to build a new nation, and for business people, this meant putting out our best effort. •

Times of Change

Chapter VI



MORE INFO

Times of Change

Chapter VI

December 10, 1983 was an extraordinary day, the day in which our nation was reborn into unconditional democracy.

The inauguration of a democratic president at last meant the beginning of a new era and an end to the negativity of a political system that had been vacillating between military and civilian governments since 1930. The streets pulsed with hope and excitement. ***The moment had finally arrived to rebuild the state and other institutions*** and to begin to heal the terrible social and economic wounds inflicted by the latest military regime.

As a candidate from the Radical Civic Union Party, Raúl Alfonsín had known how to interpret and make the most of this historic moment in order to garner the support of the Argentine people. On October 30, he had won the election with 7.7 million votes against the 6 million of his nearest contender from the Justicialist Party, thus dealing Peronism—whose candidates had been too closely aligned to the disastrous government of Isabel Perón—the first defeat in its history. With this politically legitimate base, Alfonsín was perceived as a founding statesman. The helmsman of the ship of state, riding the crest of a wave of popular support for change, for the recovery of individual liberties and democratic institutions, he enjoyed the total support of the country for the re-establishment of the bases of the republic. He would also receive ample support from abroad, thanks to the internationally perceived fairness of the election he won and his later efforts to consolidate a republican system.

Alfonsín was recognized as a founding statesman, star of a time of collective change for the recovery of individual freedoms and the democratization of institutions.

A cycle of repression had ended, and culture, education, art and science were reborn with new vitality. The Theater stood out in this renaissance; numerous halls were re-opened and flourished in the city center of Buenos Aires, in outlying neighborhoods and in the country's interior. There was rebirth in other areas as well: the Argentine César Milstein won the Nobel Prize for Medicine in 1984; the Argentine film industry triumphed in Hollywood with Luis Puenzo's *The Official Story*, which won the Oscar for Best Foreign Language Film in 1986; Ernesto Sabato won the Cervantes Prize in Literature; Julio Bocca shone in the Ballet, as

did Martha Argerich, Ástor Piazzolla and Mercedes Sosa in music. Diego Maradona was at the height of his soccer career, the absolute climax of which would be the 1986 World Championship in Mexico. Young people wanted to study again; college enrollments increased by 500% in just four years. Congress defined fundamental issues for society, such as the rulings on divorce law and shared parental responsibility. The hope of the citizenry was palpable and contagious; everyone wanted to help rebuild the nation.

I felt the euphoria, too. I wanted all the dreams I had been putting off to come true now, business-related ones, as well as personal. It was during this period that I bought a lot in the neighborhood of Palermo, for the house my wife and I had been planning for many years. It would be our immediate family's home, the extended family's clubhouse and my place of work. We gave it a modern design with floating gardens and large projecting structures, and to build it, we used our metallurgy shops and applied technology that had come out of our projects. Its unusual features continue to make it an object of study at the country's architecture and engineering schools. And as fate would have it, the house stands in the same block in which I had found those Grey steel I-beams that we used to manufacture our first platform trailers.

As for business matters, conditions seemed to be ideal for moving forward with the set-up of ***Román Investments***, the holding company that I saw as key to our group's structure, the



ROMÁN AND SOME OF THE SPORTS HE PRACTICES





*Play audio:
Perseverance, values and social
responsibility (1)*

umbrella organization that would encompass all of our businesses. On December 20, ten days after Alfonsín's inauguration, we sent legal notice to all our companies and settled the financial transactions for implementing the new structure. My brothers and I communicated the details to our people and let them know how we foresaw things running from then on. We all had to be ready to take advantage of the opportunities that were sure to open up on the new national scene.

The Románs were ready to invest in order to keep growing and play our industrial role in support of democracy. We also decided to seize the day and proceed with our most ambitious and most delayed project: the Exolgan container terminal.

The flagships of the román group

The most solid and successful companies in the group comprised the base of the new organization, but even these had serious problems to overcome.

The Romans were willing to invest in further growth and support of democracy in terms of their productive role.

• *Román Engineering*

We had vast cumulative experience from all the large-scale, highly complex projects we had done for top companies, state and private, domestic and international. We were also well versed in addressing problems such as constant inflation, disputes with competitors, late payments from state entities and idle periods. The truth is that, even under democracy, the business was going to have to tread water earnestly in order to defend its rights and interests and stay afloat in our difficult market.

One episode comes quickly to mind. The Alfonsín administration decided to award the construction contract for the Bahía Blanca Petrochemical Center directly to a bi-national consortium composed of the major Italian construction companies and Argentine firms with ties to Italy.

Our company, working with a powerful Canadian group, had offered to do exactly the same jobs at a cost 40% below that of the Italian consortium, yet the government proceeded with their negotiations in Rome. Meanwhile, the Italian government had officially invited top Argentine national officials to a series of meetings to nail down a political agreement of cooperation that included, among other things, the award of this contract. Alfonsín himself headed the Argentine delegation, accompanied by much of his cabinet and a committee of leaders of the businesses with ties to Italy.

Our chances of landing this contract were quite slim, but I thought about it and decided that if I didn't do something to stand up for what I thought was right, my conscience would eat at me. So I took off for Italy to see what I could do to stop this agreement from going through. This was by no means a pleasure trip. I participated in the public meetings between officials from both governments and made my position clear, but Alfonsín's spokespersons informed me that the decision had already been made; the Bahía Blanca contract would be awarded as planned, part of the agreement of cooperation between the two governments.

Though my efforts appeared pointless, I kept at it because my cause was just. Quite arbitrarily, they were taking away my right to compete for business, and I just wasn't ready to throw in the towel yet. So in a pique of frustration on the day the accord was to be signed, I showed up at the concierge's desk at the Gran

I felt that if I didn't get involved in defense of what I believed to be right, I would really regret it.

Hotel Roma, asked for some letterhead and right then and there wrote out in longhand a kind of manifesto in which I explained how detrimental the direct award of this contract was to Argentine business and to the Argentine nation. I made a few dozen photocopies, took up a post at the doorway of the sumptuous hall where the accord was to be signed and handed one to every person that entered. The business leaders of the Argentine-Italian consortium all got one, as did Alfonsín.

The only person who took immediate interest in what I said was Rodolfo Terragno, about to become our new Minister of Public Works and Services. He came looking for me, we found some easy chairs in the lobby and he asked me to elaborate. When I had made my opinions clear, Terragno promised to review the entire contract award process, and assured me that he would not sign anything detrimental to the Argentine state.



ROMÁN INDUSTRIAL BUILDING.
AT OLAVARRIA 3240, BARRACAS



When the Italian business leaders heard about this, they requested that I meet with the consortium's top man. Face to face in his office, he tried to convince me to change my mind, even offering to let me in on the deal. He didn't at all like hearing my response: I would only cease my activity if Argentina were out of this particular harm's way, and that this was possible only if the consortium lowered its price by at least 40%.

As it turned out, that contract went neither to the Italian-Argentine consortium nor to our group. Years later, during the administration of Carlos Menem, the development of the Bahía Blanca Petrochemical Center would be completed with venture capital from the petrochemical companies that now operate there. But I at least had had the satisfaction of defending national interests and meeting Terragno, with whom I became good friends.

- ***Román Maritime***

Specializing in port services, this company obtained in 1986 the rights to operate half of Dock D, now called Terminal 5, at the port of Buenos Aires. For this, we formed a temporary partnership with Plata Estiba SA and obtained a bridge crane used for lading and discharging full container ships.

But a nagging problem continued to stick in my craw. Ex-olgan, our main project, the creation and operation of a container

However, I still had a thorn stuck: Exolgan.

terminal that would be in all ways more efficient than the port of Buenos Aires, continued idle due to opposition from the union and state officials at the General Port Authority (AGP). These groups had quickly changed their allegiance from the military regime to the democratic government and saw to it that our terminal in the making remained idle during the Alfonsín administration.

- **Román SAC**

In the mid 1980s, the amount of work coming in from large projects dropped dramatically. Though there were some smaller residual jobs, we needed to sharpen our skills at landing new larger ones.

In 1983, I heard that the state water company AYEE needed to build a hydroelectric installation in the province of Córdoba at the top of a rocky ridge that was difficult to access. The Cerro Pelado hydroelectric and pumping center is located in the heart of a mountain with enormous slopes that form much of the walls, top and floor of a dam. The entire complex of which this

center is a part is composed of two dams, one higher and one lower, and uses water from the Grande River, the flow volume of which varies greatly between the rainy and dry seasons. In the dry season, huge pipes carry water from the upper dam to feed two-way turbines that run the electric generators. The lower dam collects this water, and during the night, when energy demands are less, the turbines function in reverse, pumping the water back up to the higher reservoir to be re-used the following day. In this way the installation can continue operating until higher flow volumes return to the river.

When we learned about the scope and importance of the project, we immediately made ourselves available to AYEE to do the job at the lowest cost. *This was quite an unusual project, for which we needed all of our technology for the transportation and assembly of turbines and other components in the colossal machinery chamber at the top of the mountain.*

First, we transported all the necessary components and other materials from various ports and manufacturers to the generator and turbine site. There wasn't enough room for assembling components in the machinery chamber itself; we would have to move them there for installation once assembly was complete. But how were we going to move the big, heavy assembled turbines to the chamber? The only access to it was through a tunnel that was too narrow.

We learned that an important interprovincial bridge needed to be repaired. It was the General Belgrano, which links Resistencia with Corrientes.

Our creative solution to the problem was to build a model that had the exact shape and size of the turbines, then perform dozens of calculations, maneuvers and trial runs, worrying it through the tunnel and carefully—even surgically—widening and reshaping the tunnel where necessary to get the thing through. This worked, and the job was a success.

Some time later, we learned of another project. The important General Belgrano inter-provincial bridge that links the cities of Resistencia and Corrientes needed repair. Years earlier, when the bridge—over a mile long and 130 feet high—had been completed, it had totally changed the character of the region. Before the bridge, the city of Resistencia had watched the years



**GENERAL MANUEL BELGRANO BRIDGE. ITS REPAIRING,
ALLOWING TRAFFIC TO OUR MODULAR OVER BRIDGE**



pass without hurry and without a future. The bridge acted as a catalyst, transforming the city into the communications hub of the Northeast. Corrientes, as well, grew incredibly in the years after the completion of the bridge. The two cities, now connected, have become a metropolis with approximately 800,000 people, the fifth largest urban center in Argentina. Given all this, stopping the traffic on that bridge to repair it would mean real chaos. But it had to be fixed, and for this it would be necessary to raise three isostatic spans by three feet. Each of these weighed 800 tons. We quickly analyzed the situation and offered an innovative solution.

Our proposal was to use the overbridge that we had designed and built for the Río Tercero project. This new application required detailed engineering and the creation of newly designed complementary equipment. Our proposal was approved and we threw ourselves into the job. Maneuvering something as huge and heavy as the overbridge at a height of over 160 feet and in winds of up to sixty miles per hour is no small task. ***We positioned the overbridge on the pilings that supported the bridge bases, freeing up the beams that had to be removed. This way, traffic could still get through, heading in one direction or the other in time slots.*** In order to raise and support the beams we had removed and hold them in the necessary position for repair by the company in charge of that, we installed special

grips and a hydraulic system that we had designed specifically for this project. This unprecedented and successful operation received international recognition.

Then there was Atucha II. Though construction of this nuclear power plant was frozen, the country had agreed to obtain an 820-ton reactor for it from Germany. At Román SAC, we had never dreamed of hauling such an enormously heavy weight; it seemed impossible. But I got our engineers and technicians together to consider various alternatives for doing just that. For the Río Tercero project years earlier, we had received world fame in the industry by hauling the “Mockingbird” reactor housing to the power plant using our modular overbridge. This new opportunity, closely monitored by the industry’s largest corporations, would be a chance to perform another unprecedented feat and put us in the spotlight once again.

The weight of this reactor for Atucha II (located beside Atucha I in the town of Lima in the province of Buenos Aires) nearly tripled that of the reactors that we had previously hauled. We would only have to cover a distance of about a mile, but this was on a steep grade, and the greatest hurdle to overcome would be dealing with the bank of the curved road.

The solution we came up with involved readapting our hydraulic platform trailers so that they worked in a single 370-wheel unit that rode three feet off the ground. We had our



TRANSPORTATION OF THE 870 TONS NUCLEAR REACTOR WITH A MODULAR BOGIE OF 240 WHEELS IN ATUCHA II POWER PLAN - ENACE S.A.





*The Works
on Atucha II*

doubts, of course. In Germany, to transport this thing over a short, flat distance, they had had to deal with the weight by using support beams and hauling it at a height of eight feet, which jeopardized stability. When the engineer in charge of that job saw the details of how we were going to manage it, he said,

“Are they going to move an eight hundred and twenty tons reactor supported directly on a boogie a meter off the ground?”

“Wait. You’re going to move an 820-ton reactor by placing it directly on a trailer only three feet high?” to which I said, “Yup.”

This reactor was a very special, international beast. Some of its parts had been made in Japan and others in Holland; it was completed in Germany and then shipped to Argentina. It arrived at the port in a self-discharging ship. I’ll never forget the tension in the air in Lima as the vessel’s discharging mechanism lowered the reactor—so slowly that it was almost imperceptible—onto the hydraulic trailer. A monastic silence pervaded the scene; only the hum of the crane motors could be heard. Once the entire weight of the reactor lay on the trailer, we all breathed a bit more easily. We then checked the flexions in the metal, the burden on the tires, the pressure of the hydraulic circuits supporting the load, and we began the move. We walked slowly beside this “mastodon” as if we were helping to carry it on our own shoul-

ders. It was exhilarating and extremely stressful at the same time. When we reached the destination, we all tried to release some of this tension in big round of applause and shouted bravo's, as though the curtain had just gone down at the Colón Theater.

We also helped out with the transport of Atucha II components that the IMPSA company had built in Mendoza. We hauled two 440-ton steam generators over a 1,000-mile route with steep grades, a job that required closing roads and shutting down high-tension lines. We also had to reinforce bridges and plan detours, and we once again used the overbridge on a 235-foot span. All together, the Atucha II project was unprecedented in its requirements of tonnage moved, dimensions of loads and the length and difficulty of the route. Unfortunately, due to political ups and downs, nearly thirty years have passed since the time of that epic project, and only now is the plant in the final phases of entering into operation.

In a down period, then, with few projects, we managed to stay agile and keep our people busy and our installed capacity financially covered. Those were difficult years, and the outlook wasn't bright. As it turned out, things did indeed get worse.

Misfortunes on the business front

Paralyzing what little industrial activity had remained after the

military regime, the Alfonsín administration's economic policies clouded their otherwise invaluable contributions to the restoration of democracy. The media battle against the International Monetary Fund (IMF), the unfavorable global economic atmosphere that sprang from very tight credit internationally, misguided domestic economic measures and exchange rates that undermined the competitiveness of Argentine labor internationally—all contributed to the drying up of opportunities in the nation's industry and discouraged domestic and foreign investment.

These factors plus repercussions from the Falklands War plunged Argentina into a recession that lasted over ten years. During this "lost decade," domestic market demand evaporated, and foreign trade sank to nearly nothing, resulting in the virtual dismantling of the country's installed industrial capacity. Since the government spent more than it took in, the country's foreign debt increased exponentially; in an attempt to avoid default, more currency was issued, and this had inevitable dire consequences.

The failure of the adjustable foreign exchange pricing objectives attempted in the "Austral Plan" in 1985 and the "Springtime Plan" three years later unleashed rampant inflation that primarily affected low-income and poor people. *Fiscal imbalances, runs on banks, hyperinflation, supermarket lootings and planned electrical outages were some of the phenomena*

of the deepening crisis, which finally resulted in the early termination of Alfonsín's presidency in 1989.

Financial problems began for Román Engineering because the state either defaulted on payments of debts it had built up or began paying with vouchers that quickly depreciated on the stock market. These were truly difficult years. We invested great sums of money and time in large-scale projects, but did not receive compensation in due time and course. This happened, for example with the company Electric Services of Greater Buenos Aires (SEGBA), who had hired us to set up turbo-groups and substations, change tension in the grids, lay underground cable and perform other tasks involving the city's electrical networks. In 1989, with the country reeling from the highest hyperinflation in its history, we nevertheless continued delivering these services. Yet SEGBA not only failed in their obligations to us—a failure that continues to this day—they shut down jobs in progress and rescinded the call for bids for others in the pipeline. This effectively idled our installed capacity and caused us other economic damage. Privatization further exacerbated this situation, since the foreign companies that received concessions opted to hire out the work to engineering and construction companies from their own countries.

At EMCYM, likewise, we fell victim to the crisis in metallurgy. Despite our being one of the three most successful com-

panies in this industry, with an excellent business infrastructure, the highest level of technology and highly qualified personnel, we suffered severe blows. The nation's nuclear program had been deactivated; public works remained frozen; incentives that had gone to some shipyards were eliminated, all resulting in an industry-wide recession in metallurgy. Even IMPSA, the number one company in this industry, went through an extreme downsizing and had to borrow in order to survive. This was the death knell for smaller dependent companies, who were forced to shut their doors. EMCYM slowed to a crawl as well. We gave our utmost effort at shuffling people to other areas and businesses in our group, but even so we had no choice but to let fine people go, and EMCYM too finally closed down, a monumental frustration for me. The dream of our building a developed, high-tech country had been left behind.

To this national economic crisis were soon added energy problems. Low spring runoffs, drought in the littoral region and malfunctions at Atucha I all contributed to the situation, and planned daily electrical outages became necessary. The Argentine economy had gone comatose, and this became all too evident in the balance sheets of our businesses. The absurdly high cost of financing, with rate increases of up to 200% per month, caused a hemorrhaging of capital that worsened frighteningly.

It is hard to believe what happened during those times in

The dream of becoming a country with the latest technology and large structures seemed to be left behind.

this country with such great competitive advantages: high energy capacity, an abundance of raw materials, a benign climate, low population density and a high level of education. Argentine universities produced extremely qualified workers and professionals, who regularly achieved international renown. Nevertheless, we Argentines had once again failed in our objective of moving forward.

If we compare the situation in Brazil during those years with that of Argentina, the differences are abysmal. Brazil hadn't even yet developed oil- and gas-producing capabilities, and its industry was limited. By contrast, Argentina was a leader in nuclear technology and enjoyed active industrial production. In agriculture, mining and petroleum, Argentina notably outshone Brazil, with high export volumes of these essential raw materials. Nevertheless, Argentina lagged behind. It is easy to deduce from an analysis of the growth of both countries that Argentina's

current retarded state of growth is the result of the misguided political strategies applied here during the past four decades.

Today, we can lament this and say that we missed a golden opportunity, but we must also take this sad truth as a lesson and use it to create a better future.

Institutional activity

During those difficult times, some colleagues and I determined to work together with the government to better conditions at the macroeconomic level. We did this via various business chambers, such as the Argentine Industrial Union (UIA), IDEA, FADEEAC, CATA and CAC. At one point, however, with other members of the industry in the auditorium of our insurance company, I had to initiate our split from CAC, whose activities and aims had become unacceptable. We formed what is today known as the Argentine Construction Union (UAC), comprised of the country's most important construction companies.

On another front, I belonged to a group of business people from the logistics field who in 1990 saw the need for an institution aimed at integrating and professionalizing the industry nationally. This resulted in the birth of the Argentine Association of Logistics Executives (ARLOG), which would be complemented later by the Chamber of Executives of Logistics Operators (CED-

OL). Both are nonprofit organizations, the goals of which are to promote and improve management in the logistics industry and demonstrate to large retail chains, as well as to the industry itself, the advantages of outsourcing.

In 1993 I participated in the creation of the Export Foundation, and we were accompanied in our efforts there by the State Department and the Ministry of the Economy. Our mission was to catalyze the formation of a political action committee, an attempt to unite business interests with government action. We worked arduously to optimize national resources in a campaign to promote Argentine brands and to develop a business plan for each product, all in an attempt to create lasting competitive advantages. The foundation called for all Argentine ambassadors to promote Argentine brands at each embassy in accordance with market demands. We were successful in combining funds from various entities dedicated to this purpose; we implemented strategies that would aid the exportation of products and we participated in trade fairs throughout the world.

In 1992, with the idea of making our efforts international, a group of colleagues and I formed the Europe-Argentina Club, which would later be renamed Europe-Mercosur. The aim of this organization was to develop business relationships and politically manage conditions related to the integration of the economies of various countries, capitalizing on their respective strong

points. In the Europe-Argentina Club, I had the honor of working closely with François-Xavier Ortoli, who would later serve as Minister in various governments in France, and at whose side I was able to broaden my perspective of the world scene. I took part in meetings known as Chapters, which convened in various countries in Europe and in Brazil and Argentina. Only owners of the most important companies in each country were admitted to these meetings, a strategy that sought to limit the organization to members who shared certain codes and thus avoid sectoral interests. In my work there with representatives from Brazil, I could clearly see their desire for integration and the importance they placed on having Argentina as a strategic partner. With respect to the European countries involved, I saw the indisputable priority they gave to creating and maintaining sustainable employment, to quality of life and to care for the environment.

My years of work with that organization caused me to reflect on key aspects in the development of a nation and building a future. The fact that a country like Germany dedicates funds to research and development that nearly equal Argentina's gross national product, for example, is a statistic that merits special attention. Also, Germany's economic planning includes constant input from business leaders, and the interests of the business community are always considered, an example that is without a doubt worth following.

In 1995, I was giving a speech at a meeting of German and Argentine business people in Bonn. The only Argentine representative of a German company present, I invited the Europeans to analyze ways to further their technological development by working together with South American business leaders toward the export of our competitive products to other markets, including Germany. *The next day, I received an invitation to breakfast with the German Minister of the Economy*, who wished to learn more about the proposals I had laid out.

Privatization and its consequences

Carlos Saúl Menem assumed the presidency in the midst of a profound crisis. During its first year and a half, his administration attempted to control chronic inflation, which had once again become Argentina's sword of Damocles. He had no success. That frustration sparked the beginning of a structural change in the political and economic model, marked in particular by the Convertibility System, which placed the Argentine peso at a one-to-one parity with the U.S. dollar. Within this new model, the Central Bank stopped financing the federal deficit and had to use its reserve dollars to control the equilibrium of the monetary base.

Domingo Cavallo took over as Minister of the Economy on March 1, 1991, generating a climate of opportunity for

In 1992, with the aim of becoming international, with a group of colleagues we founded also the Argentina Europe Club

investment from abroad through the privatization and modernization of public enterprises. Unfortunately, coinciding with this policy of opening up the national economy, Cavallo accelerated the process of replacing the already weak fabric of industrial production with a service-based economy. What's more, the kind of privatizing engaged in granted great privileges to foreign businesses, allowing them to capitalize credits obtained abroad and giving them majority shares in the privatized companies, for example. It was also stipulated that technicians must come from abroad.

In stronger economies, things are never done this way; local business receives priority, maintaining management responsibilities and the majority of shares. The government used the argument that domestic construction companies were not prepared to

take on these privatizations, pointing to the woeful financial and operational state of the industry. The government also claimed that foreign management was necessary in order to make up for the previous inefficiency of the public companies and that the majority of shares had to be in foreign hands in order to best capitalize on investments in international financial markets.

I did not agree with this privatizing policy and decided to take action through the UAC, as a member of its executive committee. With technical teams and consulting from qualified specialists, I studied the policies and contracts being implemented, so that we could agree on modifications to the privatization policies in order to make them beneficial to the country and serve as a means to use the installed capacity of Argentine companies. We arranged a meeting with Menem and Cavallo, demonstrated the negative aspects of their plan and presented them with a more effective proposal, which mentioned the technical work we had already done. We made clear the devastating effects the country and domestic companies would suffer if the government's plan went through. But Cavallo adamantly defended his position and the President backed him.

Despite the efforts and warnings of local business people, privatization was implemented without considering any of the consequences. History shows that not only did Argentina lose out on competitive opportunities as a result, but also lost



*Alfredo Román alongside
Hadad and Longobardi*

position and prestige in the international market, due to the gutting of its industry. The plan succeeded only in shrinking the government and encouraging foreign investment, much to the detriment of domestic industry and business. This caused unemployment and the resulting inequality and social exclusion.

The government conducted an international marketing campaign to launch its privatization plan. In their opening the

Privatization was materialized without measuring no consequence

country up to foreign capital from important businesses, they regrettably did not seek to build strategic alliances that might have made Argentina a reliable supplier.

Though this economic policy aided the country's to grow in terms of controlling instability and slowing inflation, it contributed nothing to true economic growth. The first wake-up call which laid bare the vulnerability of the plan—it depended on foreign financing to lessen the fiscal deficit—was the 1994 Mexican crisis, which caused massive capital flight not only from that country but from Latin America in general.

Effects became more evident during Menem's second presidency from 1995 to 1999 and afterwards during the presidency of Fernando de la Rúa. The glaring absence of a competitive industrial presence, misguided and swinging national economic policies, and the direct competitive loss caused by devaluation of Brazil's currency in the late 90's, all explain the sharp spike in indices of poverty and indigence and the drastic shrinkage of

Argentina's middle class that had once been so emblematic.

Argentine business people found themselves in a very tight spot, due to imbalances in foreign accounts and tax revenues that brought on recurring macroeconomic crises with hyper-devaluations, vary high inflation and exchange controls.

Proposals and projects in a new national context

The national privatization plan went through without compromise and we, like those in many other businesses had no alternative but to revise our goals and move forward with a strategy that would allow us to operate and put our installed capacity to use within this new context. ***So we adapted to the circumstances and developed proposals within our areas of specialization.***

In 1993's privatization of freight railroads, we participated as minor shareholders in Buenos Aires to the Pacific (BAP) and New Argentine Central (NCA), in which we held 25% and 15% of the shares, respectively. Our aim was to continue as leaders in the rail transport of containers and cargo destined for export, but the majority shareholders had other plans, and we finally decided to sell our shares in those businesses.

We also studied the bidding documentation for the concession of rail passenger transport and developed a project that would enable the removal of freight trains from Buenos Aires by

creating transfer terminals on the outskirts of the city. Our project would also would improve the efficiency of passenger trains by creating direct connections between the two main passenger train stations in the city, Retiro and Constitución. The plan had trains destined for Retiro operating in underground trenches from Salguero Street inward, with room enough for buses in the trenches, as well. To this day, I continue to push this project; I believe it to be the best way to relieve most of the vehicular chaos in Buenos Aires.

Yet for this idea, those in government included the condition that such service should be subsidized by the state, while our proposal had shown that the project would operate at a profit and make subsidizing unnecessary. We were certain that a subsidized system would cause enormous problems in the long run, which is exactly what has happened. After fruitless attempts at dealing with the government, we desisted.

We decided to offer proposals for other concessions, as well: for energy distribution in the capital, transport and distribution of gas, drinking water purification and sewers. *After evaluating each call for bids and making sure that we could respond favorably, we did so through Román Engineering, which counted among the nation's top companies in its areas of specialization.* But once again, the bidding documentation required the participation of foreign operators and foreign major-

ity shareholders. We conducted a search for partners and linked up with the French water company Compagnie des Eaux SA to participate in the privatization of water treatment and sewer services, which were at that time under the charge of the national entity National Sanitation Works. Everything appeared to be going along fine, but Compagnie des Eaux surprised us and partnered up with their competitor in France Lyonnaise des Eaux-Dumez. That partnership won the contract, and we were left without an associate after having invested time and money.

With respect to the privatization of airports, I signed an agreement with a business leader who had a project—approved via legislation by the province of Buenos Aires—for the construction of an airport in the town of Quilmes. To me, this would be very beneficial to the country. So we set to work on the details of the undertaking and looked for an international partner. The airport would be built on the strip of coastline between the towns of Avellaneda and Quilmes, southwest of the capital, an area that is primarily sanitary landfill and an excellent location for an airport.

Our proposal included plans to clean up the area and install treatment plants, so that effluents from the Reconquista River would stop polluting the Río de la Plata into which it flows, as well as to solve the problem of recurrent flooding in the area. Later, we would take on the entire business risk of building and operating the domestic/international airport, which would also be

served by rail and subway. This would allow for the removal of the Aeroparque, the secondary airport located right in the midst of Buenos Aires proper. If this happened, the park called the Woods of Palermo could be extended all the way to the river, and the railways and freeway currently there could be moved to subterranean trenches. The primary airport, Ezeiza, would also be deactivated as a commercial airport and transferred to the armed forces for military use. With this proposal fully fleshed out, I began making the rounds to administrative and political officials. Things went well, and the proposal received a lot of praise from air industry technicians, the airlines and travel agents, who all knew that the country lost out on tourism because passengers could not be guaranteed connections to other domestic or international destinations.

Administrative bodies in the province of Buenos Aires gave the project a nod. The national government, however, decided to leave the Aeroparque and Ezeiza airports the way they are, operating separately, even though President Menem had expressed more than once his wish to unify the two.

Privatization at the port

The period of privatization brought moments of great disillusionment. After years of making significant investments and proving time and again our efficiency at delivering port services, in 1994

the national government rescinded Murchison-Román's permits to operate Dock D, now Terminal 5, at the port of Buenos Aires. This was done in an administratively objectionable and legally questionable manner. Murchison-Román had been created a year earlier for operational reasons and at the request of our clients. Thanks to this agreement with our former competitor, who operated half of this dock, we made important technological advances at the port. ***Bridge cranes operated there for the first time, as well as transtainer cranes, reach-stackers and special container trailers, all of which lent it the characteristics of any first-class port.*** But Menem's aim was to bid out contracts to international firms for all services at the port, without exception.

We proposed the alternative of bidding out only four of the terminals instead of all five and allowing us to compete. This was a modest request; one domestic company against four international ones would not affect the bidding process or the future market. But the government rejected us.

We considered litigation, but our installed capacity would be left idle during the time eaten up there. So we went before the national Congress, but found no support there, either. The national government's policy was monolithic. The conditions set forth in the final bidding documentation had the port divided into five terminals and included a clause that appeared to be purposefully designed to prevent us from defending our rights

and to frustrate our efforts. This clause stipulated that anyone involved in litigation could not participate in the bidding process. We were faced with a dilemma: either litigate against the state or lose the concession we had had and participate in the bidding. We were also required to give up operation of the grain facility we had at Terminal 4.

Scrambling to continue in operation and avoid idling equipment and laying people off, we decided to bid for work at some of the terminals. Though we made a proposal for all of them, we especially focused on Terminal 5, where we had been operating after making large investments. (We had reinforced the piers, installed rails for the bridge cranes, repaved and installed electrical enclosures. Despite all our efforts, the concession for that area was awarded to the Philippine company ICSL. The bidding documentation had stipulated that the concession would be awarded to the company who could guarantee handling the largest minimum tonnage, and this company's proposal had beaten ours in this respect, though they later failed to come through.

We didn't lose hope. Our offer for Terminals 1 and 2 had finished in second place, and when we looked at the proposal of the winner—an association between the English holding company P&O and a minor operator—we saw what looked like fraud in the balances submitted. They had also substituted the bank guar-

antee with cash dollars, which were supposedly to be found in a safety deposit box. Murchison-Román demonstrated and officially certified that this amount of cash would not fit into a safety deposit box at the institution where they claimed to have it.

Though by rights we should have been awarded the concession, we were called to a meeting and offered the options either of being minor shareholders in the P&O association or declaring our offer null and void and developing another one from scratch. Not interested in either of these, we went before the Supervisory Committee of Privatizations of the national Congress and requested a meeting with Menem. We never received a response.

The option of being minor shareholders in the P&O consortium was still open, however, and ***it was our only recourse if at least part of our installed capacity at the terminals was to be absorbed.*** So the company Río de la Plata Terminals (TRP) was formed for the operation of Terminals 1 and 2. Yet after all this time and effort, our relationship with the other partners turned out to be such that we decided to sell our share of TRP to the English holding company.

So overnight, Murchison-Román SA had become a kind of residual company which had surrendered all of its installed capacity to the new firm. And then we learned that the minimum tonnages promised—the reason why our proposal had been rejected in the first place—were never reached.

Then there was another difficult situation we had to face. When the government decided to shut down its Bureau of Guarantees for Contractual Remuneration (ENCOGAR), which had managed the system of temporary contracts, several labor lawyers, seeing that it was now useless to litigate against the state and that Murchison-Román was solvent, took advantage of this situation in a lawsuit that cost us ten million dollars.

An environmental protection project

Despite these problems, we launched into a new venture. In 1994, the Argentine Constitution was amended to include Article 41 for the protection of the environment. This article addresses issues of environmental clean-up and restoration of habitats damaged by excessive exploitation. ***My concern for the environment is deep, and here, I felt, was an opportunity to do something to help.*** I took interest in an initiative to develop a high-tech waste treatment plant, for which it would be necessary to become partners with a world-renowned firm that specialized in this area.

After conducting a meticulous study and several rounds of negotiations, we obtained the participation of Browning-Ferris International (BFI) a North American giant outstanding in the field of solid and liquid waste treatment. With them, we formed the company Soluciones Químicas (Chemical Solutions), which

would be at the vanguard of this industry. Aware of our important responsibility here, we contracted the English consulting firm Richard Parsons for advice on the engineering and supervision of the plant that we erected in the county of Zárate. Boasting true state-of-the-art technology and highly trained personnel under the direction of an English specialist contracted for one year, I can say that this plant was a national pride for its time. It purified water-based liquids via chemicals and mechanical filtration systems, minimizing final waste. Liquids with highly combustible content, such as those containing hydrocarbons or paint, were mixed in several stages, creating a blend that met specifications approved by the Environmental Secretary.

Crushing economic policies

The country's economic program had punished us, and we entered into some truly difficult years. Day after day we dedicated all of our energy and imagination to keep the businesses from losing ground and maintain solvency. Each decision meant a risk of capital. Our worst indebtedness was at Román Engineering; exceedingly high interest rates and the fact that the state-issued vouchers of those days were practically worthless meant more and more red ink. Looking back, it's hard to believe what we went through at that time. True to our business culture, we saw



ZÁRATE CHEMICAL SOLUTIONS PLANT





| *Play audio:
Perseverance, values and
social responsibility (2)*

projects through even if we had to borrow, while the state continually postponed payments.

Besides the loss of the port and metallurgical businesses brought about by national economic policies, we suffered from the lack of work in the areas of transport and services as well.

As mentioned earlier, we also had had to let go of the grain by-products facility at Terminal 4, since those bidding for contracts at the port could not have other concessions there. Also, despite the large technology investment we had made in Chemical Solutions, the nation's industrial crisis during those years prevented us from further developing this idea as planned. Our project had guaranteed minimal environmental impact by converting waste into an alternative fuel specially designed for use in cement-making ovens. But the crisis and the failure of authorities to enforce environmental standards all but destroyed the market for such a product. BFI felt cheated and pulled out, forcing us to take over the company completely. We had to restructure and lower fixed costs in order to deal with scanty demand.

The country's economic policy injured us. Those were really complicated years.

The catastrophic decline in industry and construction also affected Román SAC which, after a successful thirty-year history, now witnessed an alarming paralysis. We plodded onward, though, not wanting to lose the people who had been with us since the beginning. We sought out other pursuits, breaking into passenger transportation, waste management and port services. These proved not to be enough, however, and we endured major economic damage, forcing us to borrow.

Meanwhile Exolgan, the container port project that had been on hold since 1981, continued to take a beating as a result of the policies of the day and from the union at the AGP, a state organization whose leadership continued to see Exolgan as a direct competitor. Besides providing inefficient service, the AGP strangled free enterprise and damaged competitiveness in terms of foreign trade. During Menem's administration, I tried again

to negotiate and make compromises in order to get that port up and running, but the proposals we received conflicted with our business culture, and we rejected them.

Given this state of affairs, we four brothers thought deeply about our economic situation and the decision-making procedures we had laid out for Román Investments. *We weren't happy with their effectiveness; in this time of crisis, at least, they had proven to be inefficient.* Remember that I had gone from being the primary shareholder to holding one-fourth of all assets, and I had given up the leadership position I had previously held since 1983. I'd spent the next eleven years training the new directors and my brothers, but this wasn't enough to cope with such an adverse market. I realized that this multiple leadership structure had worked against us. The crisis made a lack of leadership and its resulting economic loss clear.

Fundamental values

Things had reached a point of no return. By 1994, market interest rates had risen to such a level that they were rapidly eating up our principle. Our businesses sat all but idle, and what paltry revenues came in didn't even cover interest payments. Several of our financial and legal consultants advised us to enter into bankruptcy proceedings for one of the viable businesses, a legal

recourse in fashion at the time. They argued that in a market in which the payment chain was broken and interest rates were so outlandish, this was a perfectly acceptable alternative and would not betray our ethics.

I'm moved every time I remember the meeting we had among the four brothers to consider whether or not to call for a creditors meeting. We had lost our father in 1987, but his spirit remained ever with us at fateful moments like this one. "What would he have done?" we all asked. *"He wouldn't agree to declaring bankruptcy."* "It may be in our best interest, but we would be honoring neither our own principles nor the company culture we've established over so many years." He had instilled this latter view in us since the cradle. We decided to sell as much as we needed to in order to pay off our debts and avoid a creditors meeting.

With complete faith that family love would prevail over any difficulty, my brothers and I agreed that, given how the remaining businesses had shrunk, maintaining the leadership structure that we had was no longer viable. We decided that each one would continue on independently in the businesses he preferred, and whatever assets remained after paying off the debts would be divided equally among the four of us.

So each one of us stayed active in the area in which he had specialized. Ricardo stayed in port services and logistics

The crisis highlighted the lack of leadership with consequent detriment of the economic performance.

and formed the Loginter company. Walter went to construction and agricultural enterprises. Oscar focused on real estate with Sociedad Interdepósitos (Interdeposit Company) and remained a shareholder in what in 2001 would become Román Servicios (Román Services). As for me, I persisted with the company that I had founded in 1961, Román SAC, now deeply in debt and virtually idle. To turn this around, I sold some of my assets, and after analyzing the market, decided to make a drastic change, which meant leaving aside the business's installed capacity and specializing in logistics with an innovative approach.

All of this brought about a profound crisis in me; I was not accustomed to selling off assets. For my entire life, I had been a pioneer who created and built businesses, and now here I was contemplating the dismemberment of the organization I had



Unveiling of the bust of Alfredo's Roman father

so laboriously built up. Desperately searching for the strength to keep on, I would repeat to myself each night, "Today was a bad day; tomorrow will be better."

Despite the financial upheaval of this long period, when I recall it now, I don't feel as though it were time lost. Those were years of significant institutional and community activity for me. I was able to spend more time with my family and enjoy

free time. I created a healthy blend of long work days and my favorite sports, and I returned to personal projects that I had abandoned.

The same period was also one of great personal loss: as well as my father, I lost my young daughter. In these tragic moments I sought solace from Marga, my companion for life, and from the rest of my family, and they knew how to help and support me. When I told them about the grave financial crisis we were going through, explaining as frankly as possible the state of Román Investments and the businesses it held, and when I warned them that if Exolgan finally took off, we would have no choice but to put our very house up as collateral, they unhesitatingly replied, “We’re with you; you know what you’re doing. If there’s one thing you’ve taught us, it’s that if we keep working hard and stick by our beliefs, we’ll make it through this.” •

Consolidation

Chapter VII



MORE INFO

Consolidation

Chapter VII

By early 1996, after a long period of one frustration after another, I felt as though I were losing my knack for leadership.

By early 1996, after a long period of one frustration after another, I felt as though I were losing my knack for leadership. I suddenly had more doubts than certainties.

The national economy was in the midst of Menem's complicated second presidency (1995-1999), and the global economic panorama was equally tumultuous. Successive crises in emerging nations—beginning with the Tequila Crisis in Mexico and ending with the problems in Brazil at the outset of 1999—made it more and more difficult to break into the international financial scene.

The 200% devaluation of the real in Brazil (Argentina's primary commercial partner) plus the persistent appreciation of the dollar against the euro weakened the competitiveness of Argentine exports and caused the country to languish in an economic lethargy that exhausted the convertibility system. Also, the fixed exchange rate system prevented adjustments that might confront recession in Argentina. In order to attract investment and equalize the balance of payments, it would have been necessary to make prices and salaries flexible and abandon the fixed one-to-one parity between the peso and the dollar, which made the private sector extremely vulnerable. But instead, the economy grew even more "dollarized," and this made any voluntary abandonment of convertibility more difficult. The topic of devaluation, which sooner or later had to come, became taboo.

Globalization, meanwhile, advanced with gigantic strides, obliterating borders. Argentina's economic policies aided this process, opening the country to an avalanche of imported products, which meant the demise of many domestic productive industries. As for service industries, the new rules of the game resulted in outrageously unfair competition on the part of foreign companies operating through subsidiaries.

Of course, all of these dark clouds building on the horizon would have a profound effect on the next administration. Fernando de la Rúa began his presidency in December of 1999, and one of the most climactic moments of economic instability took place a few months later. By the end of '99, the fiscal deficit had surpassed the GDP by four points, well beyond the two and one-half points agreed upon with the IMF. At the same time, the new government applied a tax policy that only exacerbated the contraction of the real economy. In 2000, the GDP dropped even more. Internationally, this may have been a period of intense growth, but in Argentina, we suffered crushing recessions and a terrible crisis, the fruits of political and economic meanderings that finally merged in the total breakdown of legal certainty.

This situation had a negative impact on commercial contracts and banking institutions and left many citizens totally unprotected and unable even to access their savings. Two

That complicated horizon, of course, affected the successor government.

years after assuming office, De la Rúa was forced to resign, and the republic, virtually decapitated, staggered through a period of one interim President after another—Ramón Puerta, Roberto Maqueda, Adolfo Rodríguez Saá—until Eduardo Duhalde took office, also as an interim President, on January 2, 2002.

The rest of the world continued its unchecked growth at the turn of the millennium, due in great measure to an unprecedented technological revolution. Biotechnology, computer science and nanotechnology were all changing the means of production. The concept of globalization and the leveraging of investments created a more agile international economy, opening the way for global commerce under the regulation of the World Trade Organization (WTO). The arrival of gigantic investors like China onto the scene gave a tremendous boost to international trade, revitalizing the market and brightening the horizon for our port business.

The beginnings of restructuring

By the time I set about restructuring Román SAC and getting the Exolgan project moving, I could rely on a well-recognized and respected business career. Nevertheless, the series of crises had taken its toll. The various options I considered entailed risks that were difficult to measure, and I didn't wish to place the remaining family assets at stake.

After years of acquiring ample experience in moving oversized, non-reducible loads, Román SAC now found itself heavily indebted and without job prospects. As for Exolgan, it was located in an inhospitable, highly polluted place that had been abandoned for over fifty years. Our port would need to compete with the prestigious port of Buenos Aires, which had been divided into concessions handled by foreign-based, multinational corporations. These factors made it difficult to obtain financing with reasonable terms. Circumstances demanded that I first do something to generate demand and thereby reactivate the companies' installed capacity. ***The alternative was to sell off the assets and wrap up my business career, a decision which would have meant renouncing my life's goal: to leave a legacy for my family and for society.***

This was a time of very significant internal debate, of measuring risks and trying to foretell the future, and the end

It was a time of deep internal debate, for measuring risks and envision the future.

result was that I decided to risk all I had and continue investing in both businesses. I reassumed the position of leadership I had had back in the early years. There was no room for doubt; it was my job to instill confidence and a sense of purpose. The ship was in danger, I was at the helm and I had to guide her to a safe haven. My family's future depended on it, as did the livelihoods of people who had been with me since the beginning; not to mention my great desire to do something for the community. In my heart of hearts, though, I felt things would turn out all right, so I took on this new role very happily, full of the same energy I had had when I began my career back in the early '60s. I felt young. The opportunity to create anew and the fact that others considered by business vision risky sparked my passions.

The strategy, then, was to put the installed capacity to work, focusing on a specialty for which there was a sustainable demand. I came up with a plan of action which consisted

of refinancing Román SAC's debt and giving the business a new profile, while simultaneously moving forward with the development of the Exolgan container terminal. Later, I would once again reinvest in heavy transport and assembly of large components, the activities that had given birth to our group.

Gambling on innovation

The prestige of Román SAC, our flagship company, remained intact. Yet the crisis had paralyzed the construction industry and our people and equipment were idle.

After conducting a very detailed analysis, I decided to play the innovation card and come up with a new concept in outsourcing logistics services for large mass-market retailers and industrial suppliers. At the time, no one knew what it meant to provide high-tech integrated logistics services with a venture capital component. To stand out from the competition, we decided to invest in logistics parks, equipment for transporting and handling merchandise and the latest hardware and software. ***Our guiding principle was this: in order for a business to decide to outsource to us, we had to be better than they were.***

In order to make the necessary investments, ones that amortized over long periods, we needed long-term contracts that were flexible enough to guarantee efficiency. We looked for stra-



*Play audio:
Technological advancement*

tegic alliances that went beyond mere commercial relationships, and this was how we rapidly set ourselves apart from the multinational logistics companies operating in the country at that time. The software that supported their services had been designed for other countries and did not take local market characteristics into account, while we offered a range of services in the development and delivery of integrated solutions tailor-made for Argentina, Brazil and Uruguay, especially targeting the areas of petrochemicals, mass-market retailers and industry. These services included flow and process analyses, distribution network design, distribution center design, storage and distribution model creation and integrated operation of all involved logistics processes.

Using inventory control systems, we helped businesses with the following services: billing, purchasing administration strategies (that lowered working-capital levels by efficiently managing products or goods), contracting other means of transport in a multimodal chain, packaging, maintenance of stock in retail displays, real-time supply in production lines, plant materials reception and preparation of products for distribution to the consumer market. We closely involved ourselves with our

Roman SAC eventually reinvented itself and with it inaugurated a new stage in its history.

clients in order to better understand their needs. This was how Román SAC reinvented itself and began a new era. Rather than hauling huge items, the challenge now was moving ones as small as T-shirts, sneakers, watches and screws.

One of our major accounts in this period was Unilever, with whom we began our relationship in 1997, renting them a 215,000 square-foot warehouse complete with stock-handling equipment and custom-designed inventory administration and control software. Later, we operated their Home and Personal Care (HPC) line and helped them in a move to a new 538,000-square-foot logistics park. By 2001, we were handling all of their services in both Argentina and Uruguay.

Carrefour was another major client during those years of development and growth. First, we helped them with the storage and distribution of merchandise to their stores from our facilities in Tapiales in the outskirts of Buenos Aires. Over time,

we worked together with their technicians and came up with an ambitious project that completely transformed their way of operating. The French company had been shipping large home appliances to each of their super-stores based on sales estimates supplied by the manager of each store. With our new method, only one demo model was shipped to each store, and customers received their purchase at home within twenty-four hours after the transaction. The obvious advantage of this is that an appliance no longer had to bounce around from store to store based on estimates, with the expense and the possibility for damage that this entails, but rather shipped directly to customers, packaged just as it had come from the factory. ***We also changed their purchasing and supplier management procedures, systematizing everything and concentrating the entire operation in our logistics parks.*** This way, we could service all Carrefour stores throughout the country from a single integrated center that received merchandise from various suppliers, shipped appliances directly to customers and maintained mass-market stock in each store's sales displays. With this new system, Carrefour lowered their stock-to-working capital ratio by 40%.

Some time later, these excellent results led to our signing a new contract with Carrefour under which, in less than six months, we would build 970,000 square feet of state-of-the-art storage and handling facilities for this type of operation. While

we negotiated the cost of this, we began the paperwork on using a lot for the purpose that was part of the old Central Market, a location that the client preferred. The plan, which included feasibility and environmental impact studies for this location, was presented to the three authorities in charge of this piece of land: the national government and the those of the province and the city of Buenos Aires. Since this was a polluted place prone to flooding, the plan included its clean-up, which would revitalize the area. Many meetings and presentations later, we received approval from the national and city governments, but for some inexplicable reason at the last minute, Eduardo Duhalde—then Governor of the Province of Buenos Aires—refused authorization within our allotted time frame, and we had to look for another location urgently.

We found a ninety-acre parcel not far from the first location, in the county of Esteban Echeverría, 300 yards from the Reconquista River. This was a good spot, but it also flooded frequently. The clean-up, fill and compacting of the land proved risky because it was difficult to judge how the water table would respond to stress. This stress would vary depending on the diverse uses we intended for the land. Some places would be subject to transitory pressure from the comings and goings of heavy trucks and cranes, while places under the storage facilities would receive significant and constant stress from the stored merchan-

dise. Of course any such decision involves risk. After analyzing the various alternatives for dealing with this type of problem, I opted for quality over low cost in order to be safe, and we finished the project in due time and course.

The success of this difficult project in terms of design and quality meant a big step forward for our company. But the nation's economy once again dealt us a severe blow. In 1999, after completing the Esteban Echeverría logistics park, the bank that had agreed to finance the project backpedaled, claiming the appearance of new unfavorable conditions in the market. ***We looked elsewhere for financing but had no luck.*** At that time, the effects of successive crises were beginning to be felt in a number of emerging economies: Mexico, Southeast Asia, Russia, Brazil, and so on. Financial liquidity dried up, credit grew very difficult to access, and interest rates rose sharply, reaching alarming levels by 2001. Financing costs became usurious, surpassing even the most pessimistic predictions, and banks simply refused to give credit unless repayment was ensured. Chaos had returned. Without financing, all of our revenues went to the bank, resulting in zero cash flow for the business.

In an attempt to make it through this situation, we turned to the Cargill group and their Andean Asset Management SA fund, signing a contract subject to the sole approval of Cargill corporate headquarters in the United States. Then however, the institu-

The effort was huge, and happily the job resulted in a success for its design and quality.

tional, economic and social stability of the country received an even worse shake when Vice-President Carlos “Chacho” Álvarez resigned on October 6, 2000. In order to avoid defaulting on the foreign debt, and with the backing of the United States Treasury, the Argentine government agreed to financial assistance from the IMF and creditor banks to the tune of \$40 billion. For this, Argentina agreed to reduce public spending nationally and provincially in order to revert the deficit and achieve a fiscal surplus equivalent to 1.5% of the GDP. But this economic breakwater didn’t last. During the first trimester of 2001, the government failed to meet these terms, and the assistance was taken away.

As a result, Cargill, with whom we had a contract in suspense, decided not to invest in Argentina, and we lost that opportunity to establish a link with a powerful partner, a link that would have seen us through this tight spot and given a powerful boost to our business.



LOGISTIC PARK ESTEBAN ECHEVERRÍA



The bitter taste still in our mouths, we resumed negotiations with the banks, who required that we restructure the company, dropping heavy transport and component assembly, where there were losses. *To meet this requirement, we created Román Servicios (Román Services) in November of 2001, and made new capital investments in Román SAC in an attempt to create the assets structure that the financial institutions had stipulated.* But one misfortune followed another, and weeks later, when we were ironing out the final details of this, the great devaluation of 2002 hit. What with the implementation of the financial “corralito” and the following default on the public debt, we never reached the point of signing these contracts and returned to square one. Only now, credit was completely unattainable and the payment chain broken.

Not until a year later could we refinance our debt with acceptable repayment terms at a fixed rate, but adjustable per the Constant Exchange Rate (CER), a credit index based on inflation patterns. This was risky financing, but it was our only option. If inflation took off, there would be no way for us to pay, since we couldn’t very well pass on such a liability to our clients. The state had prohibited index-based clauses in commercial contracts as part of an attempt to curb inflation. Our clients felt the pressure also, and this made commercial relationships difficult. This was particularly true in the case of Carrefour, with whom

any negotiations about rates became extraordinarily conflictive. Given all this, and seeing that rampant inflation and its consequences were inevitable, we decided to dispose of the logistics park and transfer that debt to Exolgan, which at that point had the liquidity to pay it off.

Exolgan, the container port

With the passing of Law 24.093 in 1994, which placed ports under provincial rather than national authority, I had new hope for moving forward with the dormant Exolgan project. I called in specialists from the port of Hamburg to conduct a technical review of the project and with their help prepared a feasibility study. This I presented to Guillermo Murchison and my brothers, inviting them to participate in the venture.

It was just at this time that the port of Buenos Aires was undergoing all the privatization under the law. *Exolgan, for its part, had come up against various problems: its assets had sat unused for fourteen years; it was located in a rundown area; navigability of its waterway was limited and there were few approaches to it by land.* For these reasons, I couldn’t come up with the support I needed. Murchison preferred to keep open his offer at the Port of Buenos Aires. My brothers, as well, didn’t like the looks of things and didn’t think it a viable project.

Faced with this unexpected situation, I went out on the open market to look for partners, but came up empty handed there, as well. After several failed attempts, I finally managed to attract the principal operator of the port of Hamburg, Hamburger Hafen und Logistik AG (HHLA), their consultant Hamburg Port Consulting (HPC) and Deutsche Investitions und Entwicklungsgesellschaft (DEG), an organism of the German government that financed projects and businesses in developing nations. One issue remained: the Germans would provide technical consulting and would only invest when the port was operative, so Exolgan would have to assume all the risk involved in getting the facility up and running.

Complying with the new law, we conducted an investigation, and in a meeting I laid out the project for Governor Eduardo Duhalde of the Province of Buenos Aires. The plan included the development of the port at South Dock as well as making the port at the Exolgan site operational. During the meeting, I agreed to invest \$40 million in the first phase, offered the payment of an equal amount as a levy destined for use on public spaces, assumed the responsibility of lowering foreign commerce port rates by 50% and agreed to build piers that would transfer to the province once our concession terminated. Work also included widening the mouth of the channel at South Dock. For its part, the province had to guarantee, according to the ports law, that

revenues from this undertaking, as well as taxes and levies applied, would be spent on maintaining access by land and water. The project also included a clean-up plan and the relocation of the Villa Anglo settlement, where 170 impoverished families lived. We presented the plan to the provincial government under the category of Private Finance Initiatives.

I made media announcements of the significance of the Exolgan plan and its main objectives. Unfortunately, certain offices of the national government interpreted this as a provocation on my part and said that my intention was to sabotage the call for bids at the port of Buenos Aires. Here began what became a situation of permanent harassment against Exolgan.

When one finds oneself in such stressful situations, business acumen becomes fundamental. Aside from having the desired effect on our clients, our newspaper announcements would later serve as irrefutable proof that became necessary in a complaint brought before the International Centre for Settlement of Investment Disputes (ICSID). Later I will say more about this claim brought before the national government by the terminals at the port of Buenos Aires.

So despite the existence of an appropriate legal and administrative framework within which to develop the port, the national government openly went on the offensive to prevent it, which made finding partners and financing that much more dif-

ficult. The initial investment foreseen had been for \$40 million, but at that point the Exolgan project didn't inspire enough confidence to land the necessary funding, partly because the banks' technical consultants were doubtful of the project's viability. The financing situation grew critical, and we were forced to take on short-term loans with real guarantees and high rates. After a lot of thinking this over, and having exhausted all options for attracting partners and adequate financing, I decided to tackle the project myself. In order to justify such a decision, I had to find lasting competitive advantages in the form of ship-owners and importers who would operate at our port.

We would have to make significant changes and innovate in various areas:

- **Intermediation:** Traditionally, maritime agencies had taken care of all ship maintenance and supply services and assistance to ship-owners. They also saw to all commercial management with importers and exporters, contracted tugboat services for ships entering and leaving the port, and in some cases contracted services at the port terminals, as well. Our port strategy would be to deal directly with ship-owners and provide services directly to importers and exporters. We needed to broaden our spectrum, and to do so we decided to offer logistics solutions to gain client loyalty. Exolgan's direct services management sys-

When you are in such urgent situations, the entrepreneur instinct is critical.

tem, without maritime agency middlemen, would be more transparent and efficient.

- **Software:** We needed an advanced system to coordinate services and keep them moving along. The port of Hamburg, whose specialists were our technical consultants, used well-known software, but our tests and analyses of it did not yield satisfactory results. The competition used a software system that broke things into sectors, which meant piecemeal results that were not reliable. So I decided to send two people to check out ports in Asia, Europe and the United States. After an exhaustive analysis, we opted for Navis Network, Inc., an innovative North American corporation, who would provide us with superior technological advances. Unbelievably, in an industry that was extremely developed all over the planet, we became the first

port in the world with totally systematized operation, making our terminal a test laboratory for specialists and technicians.

- ***Control:*** Working in tandem with Customs personnel who were responsible for supervising all port operations, and with the help of the software we had developed, we were able to achieve much more agile Customs control and renowned reliability.

- ***Infrastructure and equipment:*** In order for a port to be truly efficient, it must be highly productive yet use the least amount of equipment possible. Achieving this means investing in infrastructure that allows the port to operate at maximum capacity. We decided to purchase the highest quality equipment, such as Liebherr gantry cranes and Noell transtainers. Equipment like this operating on long piers adjoined to large, open handling areas means optimum performance.

- ***Labor relations:*** Our greatest challenge was to maintain a relationship with workers that was unique to our port. We had to avoid the port unions because we needed top-notch people to operate the new equipment. Our agreement was more flexible in terms of seniority, workday schedules and the number of workers on a particular task, and it was incentive-based. Specialists in collective bargaining, both from the rank and file and from

management, gave high praise to the labor framework that we achieved, and it served as a model for other businesses.

- ***Community:*** Our port was located in a run down area devoid of other economic activity, and we had had to assume the costs of revitalizing it for our purpose. The terminal became a new center of activity that turned the entire area around.

- ***Public funds:*** The operation of the port made dredging in the area more profitable. Before, dredging had been done only to accommodate the oil tankers that used South Dock. Now that container ships were arriving as well, the high cost of this could be more efficiently distributed. The contrary was true for our competitors located at the port of Buenos Aires in the city center, who dealt almost entirely with containers. For them, dredging costs were much more difficult to absorb and justify. Also, the constant coming and going of container trucks at the port caused terrible traffic problems. So in terms of the community and public funds, the cost/benefit ratio of our port was significantly better.

- ***Competition:*** This was our most difficult hurdle. Our competitors were strong and quite publicly opposed to the opening of our terminal. During the period of privatization, concessions at the port of Buenos Aires had all gone to powerful multinational-



INAUGURATION OF EXOLGAN



al companies. Our decision to install a competing port whose entire conception was based on efficiency and low cost went against their expectations of high revenues. Those concessions began to take affect at the same time as Exolgan began to operate. In their eagerness to stop us, the competition offered to buy our Liebherr crane no sooner than we had bought it. They said we had no chance of competing successfully with the port of Buenos Aires, where huge investments were in the pipeline and operations contracts at all five terminals were being ironed out with world-class leaders in port services. I looked at the their purchase proposal the day it came in, and immediately and with a clear head decided to go for broke. Rather than selling them the crane, I bought a second one then and there, to be delivered on the same date as the first. This made clear to our clients and the port community our unflinching commitment to begin operations. With these cranes, our service would be unbeatable and we would take the lead in this port race. ***This was a watershed decision. Our determination brought on a strong reaction from the competition, and the fight we had to go through was extremely tough. But the foundation of our project was so solid that we felt confident that we would win out and meet our goals.***

At last, in March, 1995, Exolgan began operating with complete success as a private container port. It was an unforget-

Our competitors were strong and they openly opposed to the opening of our terminal.

table moment. A dream I had kept alive for fourteen years had finally come true.

In order to become operational, we had had to make investments that technically should not have been ours to make. The provincial government dragged its feet on the issue of promised street and road repair, so we had to make these repairs ourselves, as well as install the basic services of water, sewer and power in this derelict area.

With a newly restructured Román SAC and the Exolgan port operating, we took our first steps away from our economic crisis and began once again to consolidate our organization.

Exolgan's first difficulties

Our initial hurdles overcome, our first client arrived: the Norwegian company Ivaran, owned by the internationally renowned ship-owner Eirik Holter-Sørensen. His manager Gerd Myrvold gave us our first contract, and in March, 1995, we began to operate in conjunction with the Chilean Compañía Sudamericana de Vapores (CSAV) and with Proline, out of Germany.

Very soon, the most important companies gave us their confidence, and our terminal began servicing ships from the likes of Crowley, Maersk, Sealand, Transroll and Hamburg Süd. This latter company, a worldwide leader in the industry, is currently one of Exolgan's most important clients.

Our early success did not go down well with the competition, who attacked us in the following manner in an attempt to knock us out of a business in which we were undoubtedly in the lead position.

On March 8, 1995, we received a visit from Gustavo Oetker, principal shareholder of Hamburg Süd, and his chief executive Klaus Meves. I had borrowed a power yacht for this important occasion, and I took them on a tour of the shipping channel of the port, showing them the facilities and how they worked, the innovation we had brought in and the efficiency with which we could handle full container ships. They also visit-



*Exolgan
& Historical TDH*

ed the terminal itself and the surrounding area, where they heard firsthand the praise of our efforts from thankful neighbors who, besides having jobs now, also had new public water, sewer and electric service and paved streets.

The visit had been going along marvelously when, as we were tying up at the Yacht Club Argentino at North Dock in the port of Buenos Aires, we were informed of a major accident at

Exolgan. The wake from an oil tanker coming down-channel at an unusually high speed had hit a Hamburg Süd ship, the Aliança, as well as a Crowley ship, both at our terminal, snapping some ties and cleats that kept the ships fast to the pier, and causing the ships' gangplanks and a roll-on-roll-off ramp to fall into the water. *Miraculously, no one had been hurt. I knew at once that this was sabotage, and I took immediate precautionary steps, reported the occurrence to the Prefecture and tried to ease my clients' concern.*

Workers on the two ships at the moment of the incident confirmed that they had seen a person on the oil tanker filming everything. Later testimony verified that the tanker had been proceeding at a speed of fifteen knots in an area with a five-knot speed limit, an obviously deliberate attempt to cause harm. So it became very clear that we were up against unscrupulous competitors who knew how to strike. The two clients whose ships had been damaged did in fact stop operating in our port for more than two years after the incident. The competition also tried to get insurance inspectors to declare that our port was risky, a very sensitive topic among ship-owners, since the daily operational costs of such vessels exceeded \$30,000.

Seeing that this situation would not be easy to correct, we hired Cooper Brothers, one of the world's finest hydraulic specialists, to perform a study on navigating conditions in the

channel, including possible effects on docked vessels from ones that pass by, according to speed, vessel length and beam, and so on. For this, we received support from those who would later become our partners: Hamburger Hafen und Logistik and their consultant HPC. At the same time, in order to prevent further such attacks, we worked with the Prefecture to establish firm speed limits and install radar and closed-circuit TV cameras for controlling traffic along the South Dock channel that passes by Exolgan. The Prefecture also agreed to keep us in the loop on all authorized navigation permits, and we set up internal procedures dealing with this. Thanks to these measures and good performance, we managed quell the "dangerous port" rumors that went around after the incident, and we demonstrated to clients that it was safe to operate in our port.

But the competition remained hell-bent on shutting us down. When we were negotiating the purchase of the SANYM shipyard—it was in bankruptcy proceedings, and its purchase would allow us to have a more efficient shipping channel—we came up against a new barrier. The P&O company had gotten a head start, financing part of the creditors meeting and buying up debts and mortgages and thereby coming out ahead in terms of control of the proceedings and buying power. Even worse, the Sub-Secretary of Ports made a series of environmental accusations and took measures to prevent the absolutely essential

dredging of the south shipping channel and South Dock's turning basin and shipping canal.

Officials in the Ministry of the Economy, the national governmental authority in charge of ports, also pressured some directors of companies of our group to break away from us. One example of this happened at a public meeting held on a large Hamburg Süd ship during its christening. Rafael Conejero, the Sub-Secretary of Ports and Navigable Waterways, questioned the General Manager of Ferrosur—the railroad assigned by concession to the Loma Negra cement group—on his connection to us as operators of the rail terminal at South Dock. Conejero suggested that this General Manager cover himself because he, Conejero, was filing a criminal complaint against Exolgan for usurpation of lands. The truth was, we had obtained all the legal permits for use of the land there via a court-ratified administrative act. I quickly heard about these libelous comments and accosted the Sub-Secretary in front of those who had heard him, asking him to repeat what he had said. He started stammering in confusion, at which point I grabbed him by the shirt and invited him to step outside with me so I could punch his lights out. For me to reach such a point, things had to have gotten pretty bad.

So I asked for a meeting with Domingo Cavallo. At one point, that conversation became so intense that he began ringing one bell after another, summoning a member of his inner circle,

We face competitors with an unscrupulous culture and who knew how to hit us.

the engineer Carlos Bastos, whom he asked to find out exactly what was going on. ***After more meetings and some explanations, this official assured me that the harassment would stop.***

Meanwhile, we had entered into negotiations for long-term credit with a German banking syndicate led by DEG. Right in the midst of signing the documentation for this loan, the Mexican financial crisis (the “Tequila Crisis”) broke out, causing the banks involved in the loan to balk. We went through very difficult times for a while, but miraculously we were able finally to obtain that loan. I remember that during the approval meeting in the office of Dr. Juan Carlos Cassagne, everyone present—what with lawyers, notaries and representatives of the various entities involved, we numbered about twenty—commented on how extraordinary it was to be signing a financial agreement of this magnitude in the midst of the 1995 crisis. But the top banking



ALFREDO ROMÁN GIVING A SPEECH DURING
EXOLGAN'S 5TH ANNIVERSARY



executives made it clear that the loan had been authorized because they were aware of how we handled ourselves in difficult moments; the business history of Exolgan shareholders meant a great deal to them and had made their decision easier.

Several months passed, and when the business had a good rhythm going, our efforts were rewarded again by the German investors DEG and Hamburger Hafen und Logistik. The latter decided to reinvest in our company the fees we had paid them for consulting, and they made a cash contribution that got them 15% of Exolgan shares. Some years later, in 1997, DEG also took advantage of their right to reinvest some of their loans to Exolgan and became 4% shareholders.

Our German partners may have been very cautious at the outset, taking on only minor risk, but their institutional support ultimately proved to be a determining factor in our company's development. In those days, the lifeblood of all projects in Argentina was foreign capital, and the various embassies acted as the greatest promoters of ventures. For us, being able to rely on the German government was vitally important. It gave us the institutional support we needed to counteract the detrimental actions and harassment coming from our own government and the competition at the port of Buenos Aires.

This relationship of mutual trust grew day after day both in Argentina and in Germany. On my trips to Germany, I

was treated with deference, honored and given homage at various receptions presided over by the Mayor, the Bürgermeister Henning Voscherau, at the Rathaus— the seat of the city government—of the Free and Hanseatic City of Hamburg. I fondly recall the trips on a yacht on Lake Alster, during which I was asked to speak about Exolgan's development to groups of other business leaders and officials of Hamburg.

At the headquarters of DEG in Cologne, as well, I was always treated warmly and informally. DEG provided great technical and strategic support to our business. At the time, we were the only Argentine company to benefit from genuine German investments. Despite the difficult times Argentina was going through, we continued to receive German technical and financial assistance.

Exolgan's partners recognized our respect for the environment and the community, as well as our work culture grounded in honesty. The link with Germany grew stronger, to the point that on March 15, 2000, we celebrated Exolgan's fifteenth anniversary at the German Embassy in Buenos Aires.

Legal problems

In 1983, we had begun an administrative procedure in which we demanded compensation for damages suffered from the idling of our investments in the container lot that would later become Ex-

Although initially the German partners were cautious and only take lower risks, their institutional support was crucial for our development.

olgan. Failing results there, we initiated legal proceedings. A decade later, an appeals court finally ruled in our favor. We used this ruling (which was not final) as part of the conciliation agreement, since this was allowed according to the legislation of the Minister of the Economy of the time. Another factor in this legal case is that when the state re-appealed the ruling in our favor, it passed to the Supreme Court, where it languished for another four years.

In May of 2003, we received various offers that we rejected, and a month later, the Supreme Court ruled against us, a frustrating injustice. The verdict came down two days before Chief Justice Julio Nazareno and Judge Guillermo López were

forced to resign amidst serious accusations made against them in the Judicial Policies Committee of the House of Representatives. As is often said, “A judge is known for his rulings.”

Meanwhile, the provincial government, claiming serious budget deficits, continued to fail in its agreements to dredge the navigable waterway and do necessary infrastructural work on lands near Exolgan. We had two options. We could either begin legal proceedings, though experience had shown us that a ruling in favor of what the contract clearly stated was by no means certain, aside from the fact that such an approach would idle the port for a long time; or we could take on this necessary expense ourselves. Concerned, our partners and creditor banks who supervised the management of the business held a number of meetings with provincial officials, all unsuccessful, and so we decided to take on the dredging and part of the road work. A deeper waterway was in our clients’ interest, of course, since it allowed for deeper drafts and therefore more containers per ship, and so they acted as allies here, helping us to defray costs.

New threats

Despite our efforts to achieve a relationship of equanimity, our competitors, the companies with concessions at the port of Buenos

Our partners recognized in Exolgan our respect for the environment and the community.

Aires, kept up their counterproductive activities, using their clout with the government and applying all kinds of pressures in an attempt to derail us. At national Cabinet meetings, they managed to voice again and again their concern for the danger that our company's unfair competition posed to their concessions at the port.

Stemming from this, the national government ordered the province to participate in a commission to conduct a comparative analysis of costs, rates and other details between the port of Buenos Aires concessions and our company. The results showed that Exolgan was not violating any precept of fair competition. They also proved that the costs of Exolgan's land use—land that was ours—were higher than those paid by concessionaires at the port of Buenos Aires for the use of lands and other public assets and installations received as part of the concessions. The com-

mission generated a lengthy final report that strengthened the legal certainty behind our business. And this is not to mention the financial risk we had taken on by investing in a site at which full container ships had never operated, while the port of Buenos Aires could claim a high goodwill value after a long history of dealing with established clients.

For a time, it looked as though we had finally reached a point of conciliation. But this was an illusion. Those at the port of Buenos Aires continued to try to hold up Exolgan's development. In 1997, an international claim before CIADI and under the Treaty of Protection of Investments between the United States and Argentina, the concessionaires called for a revision of their contracts, claiming that when they bid for their concessions at the port, they were unaware of the existence of Exolgan, which could offer services at lower cost due to its more favorable concession. For this dispute, we had time and time again to detail the basics of our project, and these were later validated by the Argentine government during litigation. ***The dispute was concluded years later in our favor and had no effect on the nation or on our business.***

At Exolgan, meanwhile, work went on at a healthy pace. Our good performance was based on the support of ship-owners and import-export companies. But the large, corporate concessionaires at the port of Buenos Aires wanted to destroy us, and in

2001, we faced a new threat. An imminent Presidential Decree would make it possible for the three concessionaires at the port to work together within a single terminal. This would change the bidding documentation and therefore all derivative contracts.

I was working in Brazil at the time and decided to return to Argentina immediately. I attended a meeting at the Naval Prefecture at which President Fernando de la Rúa was also present. I approached him and informed him that the signing of the decree would be damaging to our company—since we would lose our most important clients—as well as to the nation’s foreign trade in general. I said that the monopoly formed by allowing concessionaires to merge would hurt the competitiveness of ship-owners and increase landed costs for foreign trade. The President looked surprised and told me to meet that very day with Virgilio Loíacono, the presidency’s legal and technical secretary. *The documentation I supplied was so convincing that De la Rúa himself could see the error and changed his mind.* He mentioned the embarrassment this would cause, since the President of P&O, an English lord, was soon to arrive in the country, expecting to receive the decree into his own hands.

Such difficulties clearly reveal the destructive practices of bad business leaders colluding with corrupt officials. This is due to lack of foresight and the absence of a judicial system that punishes such activity. In Argentina, it is essential to revise

current legislation and strengthen institutions, so that the Law is strictly enforced. The absence of a critical mass of business leaders who have the national interest at heart and who favor and follow state policy exacerbates the situation. Good examples do abound, nevertheless. A look at Brazil and Chile reveals strategic alliances among institutions, the private sector and politicians that result in sustainable state policies that promote and foster national development.

Innovative foreign trade logistics

The Exolgan port proved to be a good business from the moment it went into operation. And little by little, we began to offer so many new services focusing on foreign trade that, along with our German partners, we considered creating an independent unit dedicated to this within Exolgan. This resulted in the birth of Exologística en 1997.

My strategy for gaining a competitive edge was to move away from our sole dependency on ship-owners and broaden our client base among the owners of the shipped merchandise, the import-export companies. The idea would be to offer logistics services in the vicinity of our port that were dedicated to foreign trade, as opposed to my earlier logistics companies that had focused more on the domestic market. I was certain that, al-

The result of the analysis showed that Exolgan was not violating equity of the competitive system.

though a ship-owner could change his port in a short amount of time, changing a logistics company could take more than a year.

Exologística quickly became the undisputed leader in integrated services, thanks to the loyalty of Exolgan's clients. For the operations lot, we acquired lands next to Exolgan that had belonged to the Alianza and Príncipe and Menghi shipbuilders, which required significant investments in access and infrastructure in order to make them operable.

Exologística began coordinating overland transport for containers and general cargo as well as consolidated and deconsolidated freight services. Our mission was to meet each client's needs through the use of innovative technology, and this meant solving major problems in extremely complex operations. Our experience with Dow Chemical is an example of this. Dow issued an invitation to bid on integrated shipping for all their for-

eign trade, a nearly \$100 million contract. After a year of work, we won the contract, thanks to the highly innovative design we offered: we would modify storage procedures for their products, storing them in container warehouses equipped with special deconsolidating components. This called for custom-designed technology and integrating a service chain that included preparation of products leaving the Dow plant, rail shipments to our port, storage, distribution to domestic clients, export to Brazil through the port at Itajaí and storage and distribution in Brazil.

A life line - a sailing voyage

The final years of the twentieth century seemed to be destined to wreak havoc on my business life. Then one day in 2001, I had the sensation that things had turned around: Exolgan was a reality. True, I would have to continue defending it, but I felt as though the time had come to rise above my worries. Indeed, it was time for my competitors to worry now because right beside them they had an efficient terminal with excellent facilities and service. When I realized this, I relaxed a bit and decided to rest.

But I didn't stray too far from the water. That summer I took off to the little French port town of Canet-en-Roussillon to sail for the first time in my catamaran *Ushuaia*. I had personally

The port was envisioned as great acquisition from the moment it became operational.

worked on her design, creating a sailing vessel that could be handled by one person. There I was at last, with my family, taking her out on her maiden voyage around the Balearic Islands. Full of enthusiasm, I had also signed up to cross the Atlantic in the ARC Regatta, hiring an expert Italian captain to help me sail her. He tried to convince me to put the voyage off until the following year, telling me that *Ushuaia* had certain technical problems that needed to be resolved and that it would be advisable to gain some experience on shorter trips. But my mind was made up, so I invited two friends who had already made the crossing, but they too begged off, saying very candidly, “It’s too risky in a new catamaran.” But that didn’t stop me, either, and I moved forward with preparations for the trip.

I asked my captain to find two more crew members and sail to the Canary Islands, the regatta’s starting point. There,

I met up with the three of them, we provisioned ourselves, I bought—to their consternation—a weightlifting bench, a barbell and weights, a skipping rope and elastic exercisers, and we sailed the following day. *t* On the third day out, a storm hit us with huge swells and very gusty winds. Passing Cape Verde, we had the trade winds to our advantage, but spent several days with six-foot cross seas, and the catamaran proceeded like a train on broken rails. When I went below to sleep, I was tossed around in my bunk and had to use earplugs to deaden the smack of the seas against the hulls. We slept in shifts, but the weather was in command, and sometimes all hands had to be on deck to trim sails and keep alert. We checked the hulls and their seams each day, fearing fractures.

Thirteen days and fourteen hours after setting sail, we arrived in Santa Lucia. I fully enjoyed that adventure; it made me truly happy. There were times of extreme tension during the crossing, but calm always returned. In those quieter moments, pondering the immensity of the sky over the Atlantic, a profound peace came over me, a sense of wellbeing that is impossible to describe in words. And it was a great satisfaction to arrive at our destination and see that the catamaran had made it through in perfect condition. I have since racked up more than 25,000 nautical miles of sailing on the *Ushuaia*, and continue to enjoy setting off in her to the remotest corners of the planet.

Staying true to one's roots

At the turn of this century, both public works and private projects in Argentina were paralyzed, and the country found itself in a recession. Román Services was idle and hemorrhaging greatly each month—not exactly an unfamiliar situation. In fact, demand for heavy transport had been falling since the middle of 1985. We needed to look for alternative business. By this time, economic circumstances and best business practices indicated that we had to reduce our variable costs and that it was time to think about shutting down a business that had been in the red for a long time. But this would mean letting people go who had worked hard for the company.

Since my brother Ricardo was doing well in his business, I thought perhaps his company, Loginter, with activities similar to those of Román Services, could achieve better synergy by absorbing the latter's employees and equipment. Giving the possibility a closer look, however, he decided that this wouldn't be a good idea. So, going against all the norms of good management, I placed sentiment over economic considerations. As we saw, the recovery strategy for Román Services had been to take on smaller scale jobs, and for this I had developed a new business unit for port-related hauling services, which enabled us to generate work based on the demand out of Exolgan. We also broke



*12th Anniversary
Exolgan and Exológica*

into the passenger transport industry, winning a contract from Aerolíneas Argentinas, and later expanded on this, transporting people from other companies.

In an attempt to put the heavy equipment to use, we considered taking on a project in Brazil, where new hydroelectric power plants were to be built. In March of 2002, we did an exploratory tour there, encouraged by the end of the peso-dollar

parity, which made quotes in dollars more attractive. We saw complications in the Brazilian market, however. There was an over-supply of equipment offered, and companies offering the services of heavy transport and cranes were in cahoots. History seemed to be repeating itself, but by now we were experts at breaking into this type of market.

We entered into a partnership with Alspac, a well-known forwarder based in São Paulo. They did general freight transport and had no experience in oversized non-reducible loads. *Our first job consisted of transporting fourteen motors, each weighing 320 tons, from the port in Recife to the thermoelectric plants at Cabo and Pernambuco.* Given the underdeveloped infrastructure of northeastern Brazil at the time, neither the port nor the roads along the route had ever been subjected to such loads, so we had to conduct an analysis of the route and the sites and decide what equipment and engineering would be necessary.

With our first contract in hand, we began working on the legal issues for bringing Argentine equipment into Brazil. The first phase took place in Buenos Aires, where we reconditioned and adapted the equipment as necessary for the job. We learned that the competition in Brazil were keeping an eye on our activities in Argentina and would attempt to foil our efforts at breaking into the Brazilian market. Of course, we didn't let this stop us.

The preparations in Buenos Aires finished, we set off for the port of Suape, located thirty miles south of Recife, with our hydraulic equipment, two special Mack M32 heavy-duty semi tractors, an Italian load-distributing beam, and hydraulic platform trailers with a total of 240 wheels. *We were met in Suape by an unfounded accusation:* the transport union had complained to the Ministry of Industry that we were bringing illegal material into the country. The proceedings to clear this false claim took nearly two months, during which we had to travel repeatedly to Brasilia to meet with lawyers, representatives and ministers and doggedly track the inquiry for each piece of equipment, all of which seemed to have no effect. Tired of dealing with officials who had no answers, we sought a meeting with the Minister of Transport. We sat in the waiting room of his office from 7:30 in the morning until 4:00 in the afternoon, when the Minister had no choice but to see us. With no argument that could justify preventing us from doing our job, he gave a "preliminary" authorization for us to haul.

Once back at the port, we began to prepare the equipment for hauling, when the federal police paid us a surprise visit, acting on an anonymous tip that we were employing undocumented workers. All Román people were detained and taken to police headquarters in Recife, where we had to present the extended certificates of stay that we had received from the Brazilian Em-

We lived moments of extreme stress, but always the calm returned.

bassy in Buenos Aires. This done, we were immediately released and returned to the preparations for hauling the first motor, and we completed these in record time. But when we were ready to set out for the plant at Termosuape with the load, we were detained again. The transport permit had not been signed. It appeared there was another complaint from the transport union, saying that our equipment did not meet Brazilian standards. So it was off to Brasilia again to settle this new affair with the Minister of Transport. We had to handle all of this ourselves, due to Alspac's inexperience in the area and their lack knowledge of technical details. We finally demonstrated that our equipment did indeed meet local standards.

During one of the very long workdays on the road, the supervisory crew went on ahead of the convoy to check out road conditions, and as they happened past a police station, they noticed among the "Wanted" posters that there was one for us,

with pictures of our hauling equipment. When we asked the police about this, they told us that a few days earlier they had received a complaint, accompanied by the photographs, about Argentines who were transporting merchandise illegally. Once we had shown the police that all our papers were in order and made clear that what we were hauling would greatly benefit the region once the power plants were in operation, they gave us an escort and promised to find out who was responsible for leveling these false accusations.

After many such complications, we finally satisfied our client, who highly valued the efficiency of our operation and the engineering support we provided. When this difficult experience was finally over, we managed to obtain permanent import status for the equipment, and we were hired for other projects, including the transportation of some transformers for ABB, moving a 600-ton, 92-foot-tall oil drilling platform and various other internal positioning jobs for heavy industries such as Petrobras, Odebrecht and Camargo Correa.

Unfortunately, once we had begun to truly consolidate ourselves in Brazil, the administration of President Luiz Inácio Lula da Silva changed priorities and postponed public works programs, which dramatically reduced the demand for our services. Maintaining such a specialized enterprise involved steep costs. We made some attempts to reduce them by partnering up



TRANSFER OF AN OIL RIG OF 675 TONS FOR PETROBRAS. SAO
ROQUE PARAGUAÇU. BAHIA, BRAZIL.



The recovery strategy was to conduct smaller scale labors, for which I developed a new business unit for port service transportation.

with a general cargo company, but as time passed our deficit kept climbing. We finally managed to sell off the equipment. This turned out to be the right thing to do, since a rebound in the industry in Brazil was a long time coming. Being constantly ready to improvise and change in such widely swinging economies is a reality to which we South American business people are accustomed. Difficulties aside, our experience in Brazil has served as an excellent reference and we achieved a high level of prestige there.



TRANSPORTATION OF A 318 TONS SIEMENS TURBINE FROM ZARATE
TO A POWER PLANT IN SAN MARTIN TIMBUES, SANTA FE



Restructuring for growth

In 2003, although the Argentine economy remained comatose, we set for ourselves the objective of re-equipping the business without investing an enormous sum, since many of our assets had been sold off in Brazil. We began re-engineering the original hydraulic platform trailer that had been built for the El Chocón-Cerros Colorados project, bought more wheel assemblies on the open market and replaced the two Mack M32 semi tractors. The economy was in such a state that such equipment could be picked up at very good prices.

When the economy began to recover in 2005, with the resulting increase in large-scale projects, we were as ready as ever to take them on. Among other projects during this period, Román SAC transported and assembled the largest combined-cycle thermo-electric plants in the country. And of course we continued reinvesting in our business in order to remain the leader in the industry.

Throughout the fifty years I have dedicated to moving large components as part of “science at the service of movement,” my greatest satisfaction comes from the certainty that I have given my all to the development of the country, our community, my own family and my co-workers and employees.

The work I have done has always been a source of pride and happiness for me. To this day, I take enormous pleasure



**LIFTING AND ASSEMBLING COMPONENT
FOR A TUNNELING MACHINE**



In 2005 the economy was reactivated as well as the demand of jobs, and we were more than suited to shoulder both of them.

from the company of people who have been at my side in the business for more than forty years. And I am enthused and gratified to know that we continue to mold leading executives and technicians rich in the culture and values of our business group.

In keeping with our work culture, we continue to research and develop new operating techniques, and we constantly invest in new equipment and technology in order to remain number one in the industry.

During this phase of my business career, I once again took on roles I had thought were part of my past, and like the phoenix, we were able to rise up out of the ashes of what had gone before. The reconsolidation of the organization made me feel rejuvenated and full. •

Incorporation and Globalization

Chapter VIII



MORE INFO



Incorporation and Globalization

Chapter VIII

After years of constant effort, the businesses in the port and logistics areas were finally in full expansion.

After years of constant effort, the businesses in the port and logistics areas were finally in full expansion. I had decided to organize the port services and logistics companies (including logistics parks) under a single system, in order to achieve a highly competitive critical mass in terms of economics. For this purpose, I started the holding company International Trade Logistics (ITL) in 1997, centralizing the stocks of companies that shared synergies: Exolgan, Exologística and Logistic Platform Investment. ***In sync with this plan was the idea of expanding the businesses to the international realm of Mercosur.*** Since Mercosur's inception, I had been following its progress in regional integration, since this meant access to the fifth largest commercial bloc in the world, with 263 million inhabitants, 230 million possible consumers and a GDP of \$2.7 billion.

With a platform like ITL, the time had come to make this jump, and the first stop in this regional expansion would be Brazil. We had a very important feather in our cap here: at the 1997 TOC Américas Container Terminals Conference in São Paulo, ship-owners voted Exolgan the best terminal in South America and one of the ten best in the world. So we studied the Brazilian market and decided to look for a site there at which we could replicate the Exolgan experience.

Brazil is a very competitive market without a lot of room for positioning a container terminal, so site-selection analysis

It was time to give the great leap, and the first step regional expansion would be Brazil.



*ITL's institutional
video*

was intensive and exhaustive. The best choice turned out to be a steel mill with its own port on the Cubatão River, not far from the port of Santos in the state of São Paulo. Owned by Companhia Siderúrgica Paulista (COSIPA), it was virtually idle after the 1990s economic crisis. We searched for a Brazilian traditional partner and joined up with the Esteve family, owners of Columbia, a storage company also into logistics and bonded warehouses and with an excellent history. Together, we worked up a proposal, presented it to COSIPA and started the company Rio Cubatão Logística Portuária (Cubatão River Logistics and Port Services).

We began operating in 1998, and once again we stood out from the competition by applying the same management principles as Exolgan's: labor contracts with results-based incentives, a high-tech operations system, systematized, integrated controls

and the invaluable leadership of our general and middle managers, who stayed on long enough to generate sufficient confidence. Due to our high level of production, lower costs and better rates, we quickly rose to a 25% market share of the container traffic at the port of Santos.

In 2001, we started Exologística Transportadora (Exologistics Transport) and Exologística Limitada (Exologistics Limited), two companies operating under the commercial name of Exologística do Brasil (Exologistics of Brazil), that began



CUBATAO RIVER



bringing Dow Chemical products into the states of Santa Catarina, Paran  and Rio Grande do Sul, marking the beginnings of a successful regionalizing process.

After six years of constant growth, however, the steel industry took off again. COSIPA merged with the *Usiminas group and grew strong, but their piers were insufficient, and business in the port collapsed*. Since the beginnings of our own operation, we had been considering the possibility of building new piers and adjoining operations yards, but environmental restrictions prevented us from doing so, and therefore continuing with container operations at that port became unviable. We tried to relocate our equipment and people, but the Brazilian coastline doesn't offer many options for this type of activity, and the existing infrastructure conducive to it was completely saturated. So with a lot of pain, we had to stop offering port services and liquidate the Cubat o River Logistics and Port Services company.

Even so, as mentioned earlier, our growth in logistics and the hauling and assembly of large components continued. Currently, we are still helping important multinational companies with a presence in Brazil, and we invest in storage and equipment, maintaining a growing portfolio of clients. Today, we provide services to all Mercosur countries.

Moving towards globalization

Since its inception, I saw ITL as eventually becoming a global organization. Together with our German partners, we began a strategic alliance with the European group Rethmann through their port services and multimodal transport member Rhenus, a company with annual sales of €3 billion and one of Europe's primary providers of logistics services. Besides logistics, the more than 230 locations and over 14,000 employees of Rhenus specialize in international hauling, port services and transport for supply chains, comprising a branch network that connects the Continent's industrial centers and most important sea and river ports. For two years, we conducted intense negotiations and evaluations of the installed capacities of Rethmann and Rhenus. We created an *affectio societatis* partnership and defined a due diligence covenant, steps prior to signing the final documents of an agreement.

According to this process, the documents that we had been negotiating for months would be signed in mid July of 2001. The final agreement would make the dream of international expansion of ITL come true. The agreement was as follows: the European group consisting of Rhenus, DEG and HHLA would be 40% shareholders of ITL Argentina's South American business, while the Argentine group would be 40% sharehold-

We continue to grow in the logistic activity, and the transport and assembly of large components through Román Services.

ers of ITL Europe, a company that would be set up using the foreign-trade logistics assets and business of HHLA and Rhenus. In addition, negotiations were well along for the purchase of CAVE Logistics, a Spanish firm with sixty-two representatives and franchises throughout the Iberian Peninsula, specializing in the distribution of industrial packaging.

On June 16, 2001, I attended a meeting with the German Minister of the Economy, my HHLA and DEG partners and directors from Rhenus. During this meeting, we received the news that Argentina had refinanced the national debt at interest rates of around 15%. The business people and German government officials present looked at me seriously and said frankly that with this measure, Argentina was virtually declaring default. *“No country can pay off that kind of rate,” they said.*



AERIAL VIEW OF EXOLGAN



The decline in GDP, the fiscal deficit and imbalances of external accounts scores collapsed the Argentinean credit.

The economic situation in Argentina was extremely delicate. With the idea of keeping convertibility stable, the government tried to control the budget deficit by making deep cuts in public spending (Cavallo's so-called "zero deficit" policy), which only deepened the recession. The plunging GDP, the budget deficit and imbalances in foreign accounts destroyed Argentina's credit qualifications. The skepticism of financial markets toward the Argentine economy grew daily, and this was clearly reflected in any mention of its "country risk." Financial markets doubted the nation's capacity to repay its public debt as well as its ability to sustain its controversial currency board, the cause of the political and economic crises of the Menem administration which would also later affect that of De la Rúa.

Unfortunately, the instability in Argentina during those days became so pronounced that *the Germans decided against investing in a country in the midst of collapse, and they called off negotiations until such time that the future showed more promise.* And they were right in doing so. Not long after that meeting in Berlin, the predictions of my partners came to pass. De la Rúa resigned on December 20, 2001. In his speech upon assuming power, Adolfo Rodríguez Saá, the interim President named by the Legislative Assembly, announced the stoppage of payment on the foreign debt, a decision that received a standing ovation from members of Congress.

Recession and high unemployment had broken the payment chain. The new price of the dollar remained unknown because a bank holiday had been called. The new government even announced the creation of a third currency called the "argentino," which would be issued by the Central Bank and circulate alongside the peso, but without a fixed parity against the dollar. Although this decision didn't mean the end of one-to-one parity in technical terms, it did indeed foreshadow the devaluation which would come later.

The absolute lack of any reaction to this economic disaster from political forces threw the country into a profound crisis. Any chance of returning to negotiations with the Germans vanished, and we just had to swallow this loss of a strate-

gic alliance that would have meant huge possibilities for growth for our business and for the country.

Our situation grew even worse due to the failure of the Province of Buenos Aires to live up to the commitments they had agreed upon in the concessionary contact with Exolgan. In 2004, our European partners sent a complaint to the Governor that ended by saying: “A port which is difficult to access because the depths of its waters are insufficient to allow the passage of vessels and because its roadways cannot handle truck traffic is unviable.” Feeling cheated and having lost their confidence in the country after many fruitless meetings, our partners exercised their contractual right to sell off their shares to us, an action by which we had to abide. Once again, we found ourselves in a worrisome position, having to deal with the difficult business of Exolgan alone, having lost our partners because the provincial government refused to honor its commitments.

Problems also arose again for Román SAC, where deep and badly financed debt was eroding our capital. In 2005, in order to achieve better efficiency, we merged Román SAC’s interests in distribution and mass-consumer services with the multimodal operations and import/export interests of Exologística.

An unforeseen challenge

While trying to keep abreast of the problems piling up in our group’s companies, we received some unexpected news. Previously, no forecasts of international business had hinted that the large ships employed in trade from Asia would arrive in our part of the world. But the effects of globalization and financial leveraging had changed things.

In 2006, Hamburg Süd, our main client at the Exolgan container terminal, informed us that they would stop using their current line of ships and start sending larger vessels of up to 1,000 feet in length and with forty-foot beams. And this was only temporary, they said; in the future, ship sizes might increase even more. They later sent us the dates on which they would begin to use these larger ships, and they requested to see plans for our sufficiently adapting the navigable waterway of our terminal so they could be sure they would be able to continue operating there. So again, we would have to demonstrate our capacity for meeting new requirements. Otherwise, Hamburg Süd informed us, they would be forced to use other terminals.

Here was a crossroads that had me very worried. Hamburg Süd comprised 45% of Exolgan’s business volume, and the modifications they were requesting would require significant investment, not to mention dealing with all the adminis-

We felt the concern of being alone in the difficult business that Exolgan represented.

trative and bureaucratic problems that came with adapting the concession contract we had with the provincial government to these new conditions in a short amount of time.

In order to accommodate these new vessels, we would have to make major changes in infrastructure and equipment—changes equivalent to building a new port. The concrete pier structures that outlined the perimeter of the navigation channel approaching the port would have to be moved, and the access canal to the port would have to be widened along its entire length. The bridge cranes used to lade and discharge ships weren't long enough or tall enough, either. The wide beams of these new ships, as well as the weight of the new cranes necessary to service them (750 tons), meant lengthening and reinforcing the piers. Such a renovation would require an investment of over

\$100 million. We would have to be pretty creative if we were going to come out of this looking good.

So we developed a plan of action that included searching for new partners, obtaining financing with acceptable terms, doing all the engineering work, contracting the labor and buying the machinery. We also negotiated the revision of our contract with the provincial government, so that they would start to live up to their responsibilities, which basically consisted of widening the navigable waterway and accommodating the land-access infrastructure in the town of Avellaneda.

The new contract with the province stipulated that there had to be enough room to be able to service three 1,000-foot ships. (The original contract for the concession had stipulated a maximum ship length of 590 feet.) For the new ships, it would be necessary to lengthen the piers and extend the concession area to the towpath. As I've said, the contract assigned the task of dredging to the provincial government, and it also included levies paid by Exolgan and the ship-owners that were more than sufficient to defray this cost. Nevertheless, the Governor argued that, due to the provincial budget deficit we would have to take on dredging costs ourselves.

Risk aside, these renovations would place us in a new league, with a larger operating capacity. This increased critical mass would give us a better edge, allowing for lower costs to clients and a clear advantage for the province, since canal

We had to be very creative to successfully overcome this great challenge.

dredging costs would be better distributed and the public infrastructure more efficiently used.

In the eyes of the industry, *Exolgan would be the most competitive port in the country, the only one capable of simultaneously servicing three Super Post Panamax ships, and with a client with sufficient business volume to ensure return on the investment.* Many saw such growth as a threat, and they knew that if they could stop our renovation of the port, we would lose our main client. So surprise, surprise, in the midst of our negotiations with the province of Buenos Aires, an anonymous complaint was filed against Exolgan for “excessive earnings.” We very quickly found out that the name and address of the filer of the claim were fictitious, and its arguments inconsistent. We had always conducted our business in the open, and provincial officials had an ample paper trail they could refer to regarding our financial and operational management, annual balances, and so on.

Nevertheless, the provincial Comptroller ordered a comprehensive investigation going back to Exolgan’s founding in 1995 and including projections until the end of the concession, and they made the port renovations contingent upon this investigation’s outcome. For several long months, we had to demonstrate to all provincial offices Exolgan’s economic and financial viability and our strict adherence to all stipulations set forth in the concession contract. As we knew would be the case, the investigation came up with nothing untoward. At last, on January 10, 2008, we and the Ministry of Production signed a rider to the concession contract, and the Governor ratified it a few days later.

ITL expands

Despite the particular case of Argentina and its collapse in 2001, international commerce sped along at an ever brisker pace, and globalization became a reality in which larger and larger ships were built to haul the millions of containers moving between countries. Thanks to constant effort, our companies had their place in this growth.

Yet already in 2006, we could clearly see that this global economic expansion, based on the continuous and irresponsible leveraging of capital, couldn’t last. *We foresaw that the bubble would burst and that the consequences of this would be very*

difficult to fathom. And so we had to be ready. Despite all this, and even though I didn't have the necessary credit, I decided to go ahead with the renovation and enlargement of the port and build it out to its maximum capacity. Deep inside, I thought of how difficult had been my business life in services up to that point, and I had made up my mind to complete the mission of formalizing the legacy I would leave to my family and the community. I wanted to make some solid investments and turn some economic tables in the organization, in order to leave my family with a sustainable estate.

Of course I had a lot of uncertainty once again, but I was used to taking risks, and I had a hunch about this one. This would most likely be the last big-business ship to sail for me, and I didn't want to miss it. I went through a phase in which it seemed that the time had grown short to make this legacy dream of mine come true, and that I could wait no longer. At that time, my daughter Karina was running ITL, seconded by her sister Silvina, and both of their minds were more made up than mine in terms of moving forward on this. My people who had worked on the analysis of the situation were for it, as well. So I decided to reissue the stock in order to bring new partners into ITL.

On January 5, 2007, we authorized an order to Deutsche Bank for initiating an organized, competitive investor search. We chose carefully those who would be invited to participate,

prepared a presentation of the company, its business model and projections and launched what we called Project Patagonia.

We had to resolve the nagging problem with the provincial government in order to present investors with a consistent business plan. This plan was based on the enlargement and renovation of the port and the purchase of all equipment and machinery necessary to completely satisfy our main client, Hamburg Süd. We would create the ideal port for their large vessels.

The process of selection of future partners took long months of analysis. Our people presented the ITL picture freely and openly, since there was nothing to hide; it is at times like these that a healthy organizational culture shows its true value. We received three competitive offers. In making our decision, we placed the quality of a firm's people over economic concerns and opted for a consortium made up of Port of Singapore Authority (PSA) and the British company International Port Holdings (IPH). We celebrated the agreement to sell 80% of ITL stock in January of 2008.

PSA, with twenty-seven ports in seventeen countries, is ranked first in the area of container port services. ITL is their second largest investment (the largest is in Panama), and their goal is to use ITL's business structure and installed capacity to help them expand further. With General Electric and Credit Suisse bank as shareholders, IPH is run by Alistair Baillie, a man with great experience in the international port industry.

I had intended to meet my mission of realizing the legacy that I would leave to my family and the community.

Our predictions on the future of the global economy proved to be accurate. Just months after finalizing this ITL business, the international crisis began to take a serious toll on the port industry. Even so, ITL's budgets and business plans proved to be solid, an important factor in the value of the company, and one that was greatly appreciated by our partners.

In early 2009, I took part in a paddle outing on the Riachuelo. Passing by the Exolgan port, the view from my tiny kayak gave me a new perspective of it. Some of the huge cranes continued to operate amidst the enlargement and remodeling construction that was in full swing. Paddling towards the town of Avellaneda, I could see the new South Logistics Park, which had been developed on the site of an old shipyard. I felt a great sense of satisfaction at seeing another dream of mine come true: com-



2008, EXTENSION OF THE EXOLGAN CONTAINER TERMINAL,
TALFREDO ROMÁN NEXT TO PROVINCE GOVERNOR DANIEL SCIOLI



fortable homes replaced the hovels and shanties of the ghetto that once had been there. I could see for myself that the construction of the new access to the towpath on the shipping channel was moving along well. The whole panorama swept before me like a scene from a movie and filled me with happiness. This joy, this pleasure at seeing years of effort taking shape in brick and steel and cement filled me with strength, and I paddled faster.

Persevering with our convictions

Our organization continues to stand on the idea of resuming industrial activity and doing good business in order to help our nation's progress and create a better quality of life for its citizens. Just two years after the 2001 crisis, Argentine industry began to show signs of reawakening. At that time, the United States Federal Reserve promoted a rapid drop in interest rates in an attempt to reverse recessionary trends in its own economy. The impressive economic growth of China and India—two densely populated giants with large portions of their populations below the poverty line—had a tremendous impact on international commodities prices, which reached all-time lows. For a food-producing country like Argentina, this new international context offered an extraordinary opportunity for getting exports moving again.

The policies of President Néstor Kirchner were based essentially on sustaining the “twin” budget surplus: both domestic and foreign. This helped bring about an industrial rebirth and gave me sufficient flexibility once again to come forth as an industrialist, making use of our people's know-how and the installed capacity we still had at our disposal. I maintain that we must capitalize on leading-edge technologies coming out of developed nations. This is essential in order to be competitive in the global market; only in this way will our foreign trade and domestic industries grow. Food production, metallurgy and other manufacturing simply must rely on leading-edge technology.

With this in mind, we considered some projects. The first was investing in the purchase of Astilleros Tandanor (Tandanor Shipyards), formally a state company that was now in bankruptcy proceedings as a result of privatization. The idea was to offer a settlement and increase this firm's capacity by adding the equipment of Alianza Shipyards, which we had purchased some years earlier. In this way, we could create synergies between these two companies and the Domec García and Río Santiago Shipyards, thereby establishing a large, productive ship-building complex. This would be capable of naval ship-building and other heavy metallurgical projects and develop the high-tech capabilities so in demand internationally and so needed in Argentina. We figured that such a project would be more feasible if the state were the majority shareholder.

Everything happened in front of my eyes like in a movie, and it filled me with happiness.

I traveled to France in search of a strategic partner, and after lengthy negotiations, we formed the bases for a technology-sharing contract with the company Construcciones Industriales de la Méditerranée (CNIM), which belonged to the French government. CNIM develops all of France's state-of-the-art arms and naval technology, something that would allow us to take the lead in this area in our region.

Demand was definitely there, and we were in an ideal position to meet it. When the development of the project was well along, we presented it to the President, who took interest and instructed the appropriate minister and the Commander of the Argentine Navy to make it happen. The planned installation would be the most important of its kind in South America and would open up new possibilities, such as fulfilling agreements signed with Venezuela on the building of oil tankers, supplying ships that the Argentine Naval Prefecture was considering pur-

chasing, meeting the growing demand for double-hulled barges and ships and developing the technology for building large components such as wind-generators and bridge and transtainer-style cranes for ports.

Everything was in place, but at the last moment, after a change of ministers in the area, the government decided to leave the private sector out of the equation, and took back ownership of Tandanor Shipyards.

In 2009, the government of Brazil negotiated with the French government a part of what we had tried to work out for the Southern Cone. The Brazilians added nuclear submarine production to the mix, arranging to build a shipyard for that purpose. What is paradoxical here is that we, too, had considered as part of our project the re-opening of the Domec García Shipyards, which had been built specifically for the construction of nuclear subs and which remains idle to this day. It makes no sense for this installed capacity to remain unused, and I maintain hope that someday this situation might turn around.

Another project we attempted was to put Argentina's immense railroad network to efficient use. Our country's geography and topography make this means of transportation extremely viable. In business involving foreign trade, as an example, transportation costs from supply centers to ports are very high. Given the

We must absorb the edge technologies of developed countries as indispensable resources to become competitive in this global market.

current intense levels of competition and slim profit margins, the slightest difference in such costs can mean success or failure for a company. And obviously, success for a business involved in foreign trade means bringing in more foreign cash and creating synergies with foreign interests.

We had been working on plans in this area for many years, and we presented to the Kirchner government a project for reversing the privatizations of the country's freight rail lines. Our proposal followed the European model of leaving maintenance and management of the railway infrastructure to the state or concessionaires, allowing for unrestricted use of the system by qualified rail freight carriers who pay users' fees.

In Europe, this system works even for international rail freight, such as shipments of automobiles between France and Spain or refrigerated milk between Italy and Germany. Our proposal also synergized with the entire freight logistics system within Buenos Aires and would have freed rail lines in the city from freight hauling, allowing them to be dedicated exclusively to the transportation of passengers. We studied this situation carefully, offering to get freight trains out of the city by building transfer terminals in the urban periphery. Our system would include exclusive, hidden rail lines for passengers, improving efficiency. ***The idea was to run the rail lines through trenches with slurry walls in key areas of the city.*** This would greatly increase rail and automobile traffic fluidity and enable the creation of multimodal centers in which the two modes of transportation, rather than obstructing each other, would interact, as they do in other countries. I talked about this at length with Néstor Kirchner himself, who always showed a keen interest in the idea. However, as is understandable, government priorities don't always coincide with a commercial vision, and this project has been put off. I continue to work on it, and I haven't lost hope that someday such a system will become a reality.

Environmental and social action

Throughout my career, I have become ever more deeply involved in an issue of major personal and entrepreneurial importance: that of caring for the environment. My development projects in Patagonia, one of the naturally richest regions on the planet, as well as in other places that had been left extremely polluted before our arrival, have instilled in me an environmental consciousness that has driven me to investigate and invest in sustainable practices. Thinking of the present and future generations, for many years we in the Román group have come up with new solutions for environmental problems, in keeping with the optimal and sustainable use of natural resources.

I have likewise always been concerned with the issue of work for people: jobs that not only allow families to cover their basic needs, but provide children with equal opportunity in terms of education and health care. Often during the past few decades, I have been distressed to see the progressive deterioration of a portion of our society—people who have been left completely out of the loop. I have taken decisive action before and within institutions of the state and the private sector in an attempt to raise consciousness of the fact that sustainability is not only an ecological concern; it is even more importantly a composite of socio-economic, technical, industrial, institutional

and cultural processes—a composite that is directly related to the needs of the people.

A fifty-year career in business and in the community has convinced me that if we are to open the way to a more equal and just society, it is essential to build an economy oriented toward production, science, research and technology. This building process must be founded on long-term state policies whose main concern is the well-being of the community. Every national budget, every decision on the part of business leaders, every piece of legislation, every action on the part of all of us who make up the fabric of society—must be based on this fundamental concern.

My father was a pioneer in social responsibility. Always conscious of the needs of those around him, he gave his all to solve problems. He taught us to make the needs of others a priority and to skimp neither on energy nor resources when it comes to helping them. Following his precepts, we have always been aware that any new undertaking we begin is an opportunity to improve the quality of life of our neighbors.

When I decided to invest in the Exolgan container terminal, I understood perfectly well the critical social and environmental problems near South Dock, and I saw the investment as a chance to help. I was convinced that the terminal would have a positive impact on this urban area that had fallen by the way-

My father was a pioneer in social responsibility.

side. I made it clear to clients that a decision to use the port of Buenos Aires would ultimately hurt the city economically. That port's location right in the heart of the city squelches tourism, ties up traffic and causes more pollution. By using South Dock, clients would be helping clean up a polluted, run-down area, promote education and provide housing and jobs for the people nearby. Many clients not only came on board for these reasons, they took up these causes as their own and highly valued the opportunity to help out by using our port.

In order to get Exolgan up and running, we had to build land accesses and install the services of running water, electricity and sewerage. The project plans included such improvements extending to the Urquiza neighborhood south of the terminal and to the old Villa Anglo settlement to the north.

We also had to solve a very serious pollution problem. When we moved into the South Dock area, birds would die in their cages. We daily saw the effects of the terrible pollution; it

was so aggressive that it literally peeled the paint on machinery. I have a firsthand idea of the level of desperation that comes from having to live in such an area because some of my children went there every day to work.

I remember that in March 1995, when Exolgan was ready to begin operation, the neighbors threw a block party with empanadas, sausages and other foods to celebrate their new water, electric and sewer services. Deeply moved, one neighbor gave me a hug, saying, "I was born here and I've lived here for all my forty-five years. And in just six months you have given me, for the first time in my life, the possibility to turn on a faucet in my bathroom and have water come out. Until now, the first thing I had to do every morning was to carry buckets of water to my house from down on the corner."

Encouraged by these positive social repercussions, I wanted to become more involved in slowing down the ever rising tide of disenfranchised, jobless people who "squat" in abandoned areas. ***I realized that if I was going to expand on the idea of developing businesses in marginal areas, I would need to do so through a structure dedicated exclusively to such a cause. So I created the Foundation for Work and Human Development (TDH), a non-profit organization dedicated to helping the neediest, with a clear mission to contribute to sustainable progress through education and jobs.*** I stipulated that the

*When we moved to Dock Sud,
even the birds died in their
cages.*

Foundation should maintain a low profile, not be subject to or dependent upon some other organization and, if possible, not directly manage project funds. It should be a means of promoting sustainable solutions alongside other businesses, government, and political and social organisms. Also, it should clearly be a second-tier institution, providing concrete diagnoses for problems and fostering teamwork in order to resolve them.

Once the Foundation was set up, we initiated several programs with a focus on the most acute problems: pollution, urgent housing needs, provision of basic public services, health care, security, educational projects directly aimed at employability and support programs for women and children.

At the end of the 90s, I recall a documentary that was distributed called *South Dock (Dársena Sur)*—a co-production of the Goethe-Institut, the French-German channel ARTE and the producer Lita Stantic. It presented the life stories of three youths

from the South Dock ghettos, a mosaic of the violence of life at the edge in one of the most polluted places in the country, only three miles from the Pink House, the seat of the national government. So our actions focused on resolving the complex problems of pollution and severe urban blight in that area. We worked in tandem with those who used the petrochemical center there, as well as with local businesses, neighbors, municipal and port officials and the Naval Prefecture.

Meanwhile, we moved forward with the task of transforming the very precarious Villa Anglo settlement. In 1999, working with government officials within the framework of the Arraigo Plan, we built homes for the 170 families who lived there. It is worthwhile to visit the place and see how people who had appeared in the documentary as among the most socially outcast of South America, seized an opportunity that was presented to them, and now have educations and jobs and have formed strong families and a solid community.

We expanded the radius of our activities to deal with the critical situation along the Riachuelo. In 2005, we formed the Public-Private Interaction Committee for Environmental Management of the Matanza-Riachuelo Basin, with a focus on environmental cleanup. We conducted an investigation of problems along the waterway and created a comprehensive plan of action that included the removal of sunken and abandoned ves-

*Our actions were guided to
remedy complex degradation and
pollution situations in that area.*



*TDH.
Aguas Laprida event.*

sels. Also, together with other non-profits and the invaluable assistance of volunteers from the area, we put together control and maintenance programs for the waterway's course through the towns of Avellaneda and Esteban Echeverría. Our program Aguas Limpias (Clean Waters) provided two pelican-style boats imported from Europe and complementary equipment for the removal of flotsam waste and other substances and to keep the waterway clear at South Canal and South Dock.

So using Exolgan's economic base, we moved forward with the cleanup of the entire nearby area and also saw to some of the other most urgent problems of the Urquiza and Anglo neighborhoods: we built a police outpost, a facility for the Prefecture, a health center and a beautiful chapel. That's not all. We created our first multi-purpose center at Renunciamento Square at South Dock. This is a community center where neighbors can

go for all kinds of activities and services including tutoring and remedial work for school, sports workshops, cultural and recreational events, training for trades, disease prevention campaigns and social and legal consulting. ***Every time I visit the center, I am filled with the same great feeling of satisfaction as when we cut the ribbon for it in 2006.*** When I look into the eager, anxious faces of the children there, whose lives are just beginning, yet who are already aware of how poor and marginalized they are, I can't help but try to encourage them. I often tell them my



TDH: CLEAN WATERS



own story, hoping to show them that with strength and determination, anyone can get to where they want to be. I love to tell them anecdotes about my beginnings as a mechanic, or when I worked loading and unloading the truck I drove myself and lugging heavy sacks on my shoulders at Warehouse 10 at that very dock, right over there, alongside their neighborhood. And I always try to drive home to them how important it is to behave and be brave, that if they keep their noses clean and work hard, they will each of them create their own path full of opportunities.

We capitalized on these experiences and took them to other neighborhoods. In Villa Tranquila, for example, we worked out an agreement with Unilever and the Township of Avellaneda to take action on the housing shortage and lack of basic public services in that sorely unsupported and excluded neighborhood. This urbanizing initiative later went before the national government and became included in the Federal Housing Plan and the Neighborhood Improvement Program. In 2005, the concerted efforts of these parties resulted in a true turnaround for the entire extensive area, with plans for 700 homes, 300 of which have so far been built and awarded to families. New streets have also been built and public services installed. The Mayor of Avellaneda also used some of the installations that Unilever had donated to initiate a support program for local teenagers.

Also in 2005, Programa Envi n (the Momentum Pro-

gram) was created. It aims to rescue young people with problems of addiction and criminal activity—kids trapped in a situation of dire social vulnerability. The program is based on an alliance between the public and private sectors, particularly the Township of Avellaneda and local businesses. Since the establishment of the first Momentum Center in Villa Tranquila, four more such centers have been set up in Avellaneda, in the neighborhoods of Villa Luj n, Isla Maciel, Villa Corina and South Dock. We have worked closely with this project, bringing together community stakeholders who can support these young people through tutoring and scholarships. Since its beginning, the program’s main concern has been to provide opportunities in education, health care, sports, cultural and recreational activities and job training—the basic tools needed to bring these young people into the social fold.

We have learned the value of awakening a sense of social responsibility in people and of working hand in hand so that our neighbors themselves become the authors of their own betterment. It is essential to accompany them on their journey and to provide them with the necessary means.

As an industrial center, the Exolgan terminal serves as an excellent example of how a business can contribute to the development and improvement of a community. It behooves national, provincial and municipal officials to take on the great challenge

of promoting this type of social investment in the nation's poorest quarters. Based on sound cost-benefit analyses and with an eye on long-term economic and social success for communities, proactive governmental policies must first provide the necessary jump start—financing, special tax allocations, infrastructure, and so on—for making improvement happen.

It is very gratifying to see how such activities can turn the lives of large numbers of people around, to witness how, with support and jobs, people become fierce defenders of their source of labor. There are no union disputes in our companies. Everything is discussed, and the workers themselves sit down with their managers and always find the solution to whatever problem may arise. These workers value the training opportunities they have had, and they value having a dignified job that allows them to look to the future with optimism.

Our concern for the marked increase in extremely poor settlements has caused us to explore new places for creating jobs in various corners of the greater Buenos Aires metropolitan area. The settlement—or ghetto or shanty town—problem in greater Buenos Aires is one that has been endemic for some time. Millions of Argentines live in poorly-built, dangerous shacks in highly overcrowded areas. These settlements have no basic infrastructure; there is no drinking water or power and there are no sewers. According to a study conducted by the Na-

*We have learned how valuable
is to awaken the sense of social
responsibility in people.*

tional University of General Sarmiento, the number of such settlements throughout the twenty-five districts of the Buenos Aires metro area (including the City of Buenos Aires) in 2006 reached 819, with a projection of over 1,000 such settlements existing by 2010. This means that in 2006, 1,051,519 people lived in these settlements and that by now this number has increased to over two million. To this, we must add 235,000 other people living in conditions of extreme poverty in the City of Buenos Aires. In just the last five years, the population of extremely poor settlements in the greater metro area has increased by 57%.

In light of this distressing statistic, in 2009 we began to do community work in a vulnerable community called the 8th of May Settlement along the avenue called Camino de Buen Ayre in the western outskirts of metropolitan Buenos Aires. Together with the people there, we decided to bolster their initiative called

the Community Center for Separation and Recovery of Recyclables by better integrating its value chain and thereby allowing for more jobs. We also accompanied them in the development of their plan for generating job-focused educational and vocational opportunities and in preventative health measures.

Our experience in the 8th of May settlement led us, along with other individuals and entities in the social work realm, to take similar work-strategies-based activities to other vulnerable communities in the towns of Moreno and Bajo Boulogne. In these places as well, we developed various types of alternative production centers and other kinds of jobs in the areas of training and health.

TDH has amassed a great deal of knowledge about the needs and problems of the most impoverished communities.

Its approach for making change happen is based on the comprehensive model of improving access to living quarters, providing basic services, protecting the environment, creating support and training centers, guaranteeing jobs-based education and vocational training, and generating jobs. The backing of such activity by neighbors, local businesses and various municipal, provincial and national government entities has been a key factor in making notable improvements in the quality of life for residents of all communities involved.

We are determined to expand this philosophy of small-en-



*TDH's
institutional video*

terprise development in marginal areas as one way to confront the extremely grave situation in which, according to official 2001 numbers, the basic needs of six million Argentines go unmet. According to private sources, this number climbed to ten million people by 2010, two million of whom are young people who neither study nor work.

Education for the new millennium

Yet any investment of either money or effort will be useless if we do not focus first on the fundamental antidote to Argentina's problems: education. This is the single most important value that we must recover for every Argentine—the most precious commodity there is for allowing every person to grow and thrive. Many of the failures seen in our society today could be turned around through the proliferation of schools with extension programs dedicated to vocational training.

As Domingo Faustino Sarmiento visualized in his day, if there is any one thing that points to the future of a nation, it is education. It is what once made Argentina great, and it is a primary concern of all developed nations. Nevertheless, specialists agree that at all levels, our current education system shows deficiencies that are holding our children and young people back. The quality of education is one of Argentina's primary social shortcomings. School is the last chance that parents and the state have to instruct our youth and instill universal values in them.

A society that cannot prepare an adequate number of technicians, scientists and professionals is doomed to lag farther and farther behind ones that can.

In my early days, the recurring question was, "Are you in school, or are you working?" So just a few decades back, com-

mon sense had it that if you dropped out of school—as I did—your alternative was the labor market. Leaving school meant taking on the responsibilities of work, and with these came clear social roles. Nowadays however, children and young people who drop out of school often do not enter the work force, but rather drift into a no-man's land of social exclusion where they become fodder for the forces of urban violence, abuse and addiction. According to provincial data from Argentina's last census, about 15% of the nation's young people between the ages of fifteen and twenty-four completely elude the old question. They don't study; they don't work; they don't look for work; they don't help out at home. They are what sociologists refer to as totally idle.

According to a study by the United Nations Children's Fund (UNICEF), the main reasons for quitting school are poverty, exclusion and lack of support at school. UNICEF maintains that in Argentina these factors leave one-half million children between twelve and seventeen out of the system. According the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), this situation is exacerbated by the weakness of educational policies adopted so far, which fail to adapt programs of study to real-world necessities.

"Many of these young people come from society's most impoverished corners and are condemned to perpetuating the cycle of poverty," warns UNICEF. Also outstanding from the

Any investment effort or job will be useless if there is no focus on the base of the large national problem, which is education.

study, which is based on the most recent indicators from Argentina's Federal Education Network, is the statement, "The dropout rate in middle school is particularly alarming. More than 900,000 students repeat a year of study once or twice, and according to the latest statistics, only one-third of children finish secondary school."

So the parallels between exclusion and quitting school become obvious. Schools, however, can't resolve the issue of exclusion; this is a multi-faceted problem beyond their reach. Besides, the more time and effort schools must spend on social assistance, the less efficient they become at their rightful tasks of transmitting knowledge and instilling values.

Argentina must put all of its effort into implementing an effective and sustainable educational policy. And the national

economy must be one that provides jobs for young people who complete school.

We live in a time rife with extremely grave social problems, which is why we must act with urgency to recover a working culture throughout all levels of society, but especially at the levels in which poverty and frustration have eroded this value.

The development tripod

I am convinced that Argentina has a chance to make up for lost time and find its way in an increasingly competitive world. Besides strengthening itself individually as a nation, it can capitalize on the benefits of being part of South America and on the agreements of cooperation and economic and social integration that have been reached internationally.

If we are to take this route, our country must strengthen the "development tripod" comprised of:

- a) human capital,*
- b) natural resources,*
- c) republican institutions.*

Human Capital

During my career, I have had the opportunity to work in various countries, either on infrastructural projects or providing any number of other services. I have been fortunate to work together with people from different cultures and from very diverse educational backgrounds. I can say quite objectively that the learning capacity and versatility of Argentines are well known throughout the world. A large number of my fellow citizens have won international recognition in the areas of science, the arts, sports, engineering, technical activities, design and medicine.

The ability of our population to adapt to new technological challenges leads me to believe that we can compete robustly in industry and in the development and application of leading-edge technology. Argentine growth seen in recent years in the areas of technology as well as agriculture and livestock has been due to market demand, but also precisely to this ability to adapt and work hard.

Referring to the extraordinary talent of our people for overcoming obstacles, José Ortega y Gasset said in 1929: “This is the fabulous treasure that Argentina possesses. I know of no other people on earth today whose decisive grit is more intense. With such a basic strength as this, this iron-willed determination to live and to live well, a race of people can make

of itself what it wishes. This is why, being a good observer and student of peoples, I have been deeply impressed at witnessing, albeit only as a visitor, the enormous potential that Argentina has for making its history truly grand and taking humanity to the highest level.”

This strength, which made Argentina great, has atrophied due to the absence of an economy that focuses on education and work.

Natural Resources

With 1,068,302 square miles of national territory, not including Antarctica, Argentina is the second-largest country in Latin America and the eighth-largest in the world. Throughout this vast area can be found incalculable natural wealth: fertile soils, forests and mineral deposits along the entire 2,800-mile length of the Andean sierra, energy reserves in the form of hydrocarbons and one of the largest fresh-water reserves on the planet. ***The country boasts a 2,900-mile Atlantic coastline, navigable rivers that unite its northern and central parts and natural deep-water ports that connect the national capital with the regions to the south.***

With just over forty million inhabitants, the population density is low: thirty-nine people per square mile. There are no troubles between races, ethnicities or religions, and no hostile



| Play audio:
The future of Argentina (1)

nation borders ours.

The country's various climates are not prone to producing disastrous events, and thanks to the fertility of its soils and the huge extension of its plains, Argentina is a large-scale food producer that ranks among the most competitive in the world.

There is great potential for development of the tourist industry, due to the country's many natural wonders and varying cultures. The synergies lying in wait here are many, and we must catalyze them.

These resources must be cultivated, nurtured, developed and conserved in order to sustain them. Left to themselves, they do not represent wealth, especially when considering future generations.

Republican Institutions

Legal certainty is the "certainty of law" possessed by every individual that any changes to his or her economic or civil rights will be accomplished through formally established, reg-

Argentina must make the greatest effort to carry forward an effective and sustainable education policy.

ular and legal proceedings, made public with sufficient notice. ***Unfortunately, Argentina is one of the nations with the least legal certainty in its part of the world. Some of our neighbors are experimenting with processes of institutional consolidation that are worthy of imitation.***

This is without a doubt the Achilles heel of this tripod, the element that is most lacking. We sorely need to raise consciousness with respect to this void, so that all Argentines make a commitment to work seriously toward filling it.

Brazil is in the midst of solidifying its executive and legislative branches, and work there goes on daily to strengthen an independent judiciary and a professional state bureaucracy. Political parties are also growing more stable. This state of things, added to a general consensus among various social sectors with regards to diagnosing national problems, as well as the alliance

that has been established between the public and private sectors, have brought about a measure of predictability and therefore confidence in the future.

This confidence can be seen in the amount of direct foreign investment in Brazil, with the help of which the country attained an estimated 2010 GDP of \$1.7 billion. For the same period, Argentina reached a GDP of only \$333 million, a number 80% less than that of our neighbor, when just sixty years ago, the GDPs of the two countries were the same.

The Chileans as well have managed to get their republican institutions functioning seriously and efficiently. The Heritage Foundation's Index of Economic Freedom for 2010 ranks Argentina 135th out of 179 countries, while Chile is ranked 10th. The World Economic Forum's Index of Global Competitiveness places Chile in 30th place, making it the most competitive country in the region, while Argentina is in 85th place. One consequence of these statistics can be seen in the difference in growth of GDP per capita between the two countries. From 1980 to 2008, Argentina's GDP per capita—measured using the PPP method—grew by 196% according to the World Bank, while during the same period that of Chile grew by 462%.

Save for a handful of exceptions, Argentina has not been able to achieve a level playing field; each new administration changes the rules according to its particular views on the econ-

omy and managing a stable bureaucracy. The Constitution provides the Executive branch with attributes that have allowed it to control, in one way or another, the Legislative and Judicial branches. This limits the free functioning of these latter two branches, and robs them of the independence that is their due. This situation is also federally detrimental, since it restricts the activities of provincial governments.

Everything points in the same direction: change is possible, but it will require a conscious decision on the part of both the public and private sectors. Argentina must once again become a nation worthy of confidence in order to reinsert itself into the developed world. This was what happened at the end of the nineteenth century, when the nation had only relatively recently become consolidated. Then, in a period of a bit more than thirty years, Argentina's GDP grew by 80%, while that of the United States grew by only 35%. In those days, Argentina could most assuredly consider herself a truly competitive presence among the world's nations.

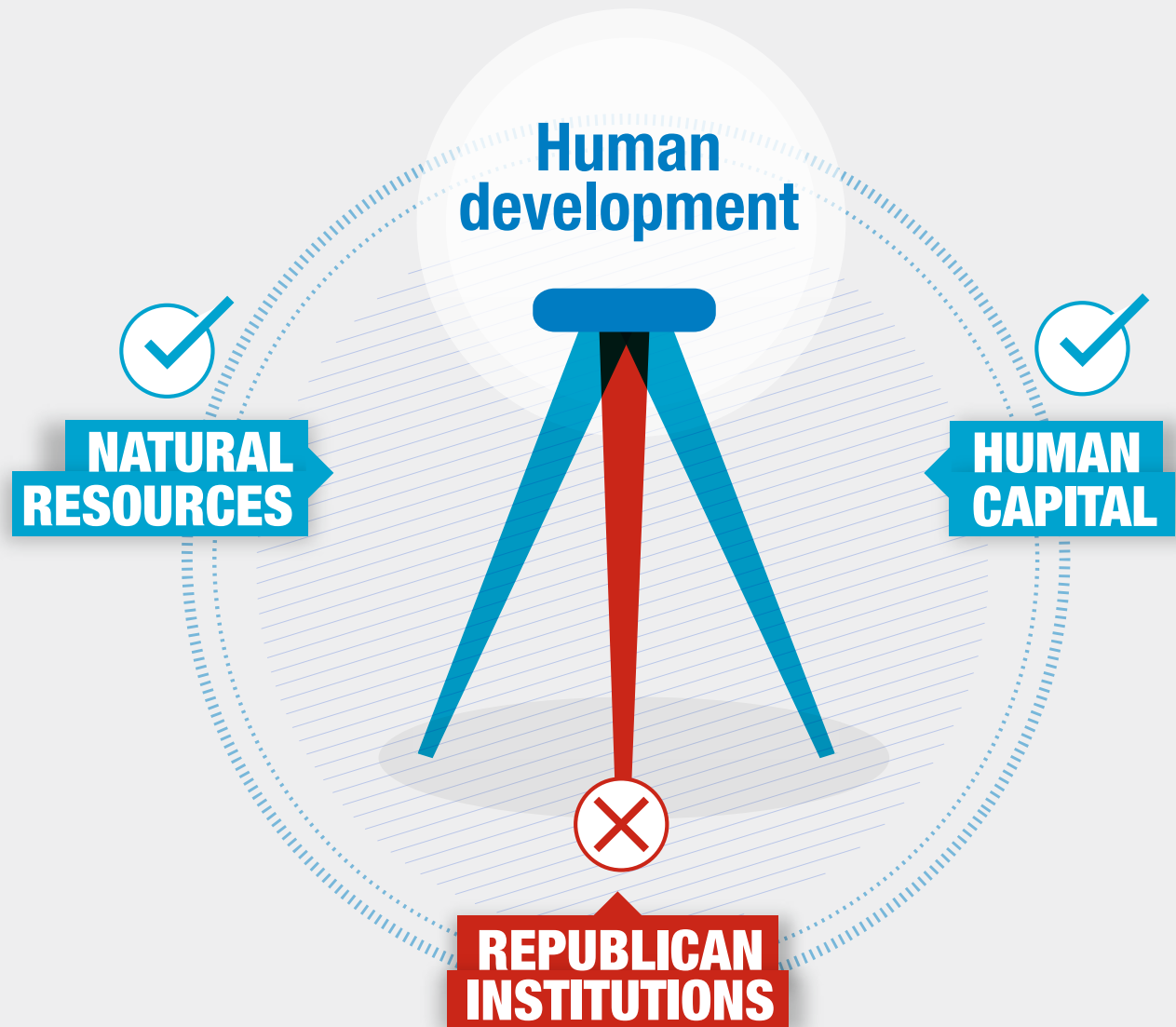
I believe that if our recent ancestors were adaptable enough to create conditions that placed Argentina among the top ten economies of the world, then the generations of today must work to achieve an even higher position for our nation.

Recent history provides good examples of such restructuring. New Zealand, for example, has managed to turn around

The tripod of development

DEVELOPED NATIONS SUSTAIN THEIR GROWTH ON THREE PILLARS: HUMAN CAPITAL, NATURAL RESOURCES AND REPUBLICAN INSTITUTIONS

BUILDING THE FUTURE REQUIRES CONSOLIDATED INSTITUTIONS





Play audio:
The future of Argentina (2)

its near total dependence on England in terms of exports and direct investments and take a respectable position among nations. The similarities between New Zealand and Argentina during the twentieth century are notable; yet from 1986 onward the histories of the two countries diverge dramatically.

In 1986, New Zealand was isolated and had an annual inflation rate of 18%. Through the implementation of policies that encouraged both domestic and foreign private investment, however, successive administrations there generated an environment that was friendly to business, and today New Zealand's currency is strongly rated internationally.

If we use as a means of comparison the World Bank's rankings of the business climates of the countries of the world in 2010, we see that New Zealand ranks third out of 183 nations, while Argentina ranks 115th. In terms of the ease of starting up a new business, New Zealand comes in first, while Argentina finishes 142nd. In terms of the amount of time necessary to obtain a building permit, New Zealand is fifth, and Argentina is 168th.

Argentina, except in few exceptions, has not shown stable set rules.

In order to find solutions to this problem of retarded development, we must look to the social structure of classes or groups and to influences coming out of the developed world.

A republic's institutions are influenced by various sources of power: political parties, business, the media, unions, religious organizations, the armed forces, ONGS, and so on. Each of these sources has its own idiosyncrasies, and each often capitalizes on temporary factors and, acting either alone or in concert with other bodies, abuses its power, dominating the rest of society and imposing its own interests. This lack of consolidated power within the republic as well as misguided and shifting relationships with the economic centers of the developed world are the main reasons for developing nations' long error-prone histories.

In my view, if based solidly on this tripod of strengths, Argentina will be able to begin a process of sustained economic

development, putting its relative strengths to use and increasing the value of its commodities. This economic development will include that of domestic industries and result in new technology, and these things in turn will bring about more freedom of activity and create more jobs for people.

The effective unification of South America will be a great advantage. It has a population estimated at 400 million in 2010, and its potential for economic growth and competitive positioning on a global scale make it a region of great promise. We have seen many valid attempts at unification and collaboration, including Mercosur, the Andean Community (CAN) and, more recently, the Union of South American Nations (Unasur), but there is still a long way to go before desired goals are reached.

Nevertheless, it is worth pointing out that Chile, working on her own, managed to sign free trade and political and cultural collaboration agreements with the European Union in 2002. Chile also signed a broad free-commerce treaty with the United States in 2003 and became the first Latin American country to sign one with China in 2006, as well as reaching similar agreements with Mexico, Canada, South Korea and other nations in Asia and the South Pacific.

Peru and Colombia have also been outstanding in quickly bringing about profound changes and achieving sustained economic growth and improved social policies. Paraguay has

*Integration is very positive,
but the individual strength of
every country is a inescapable
condition.*

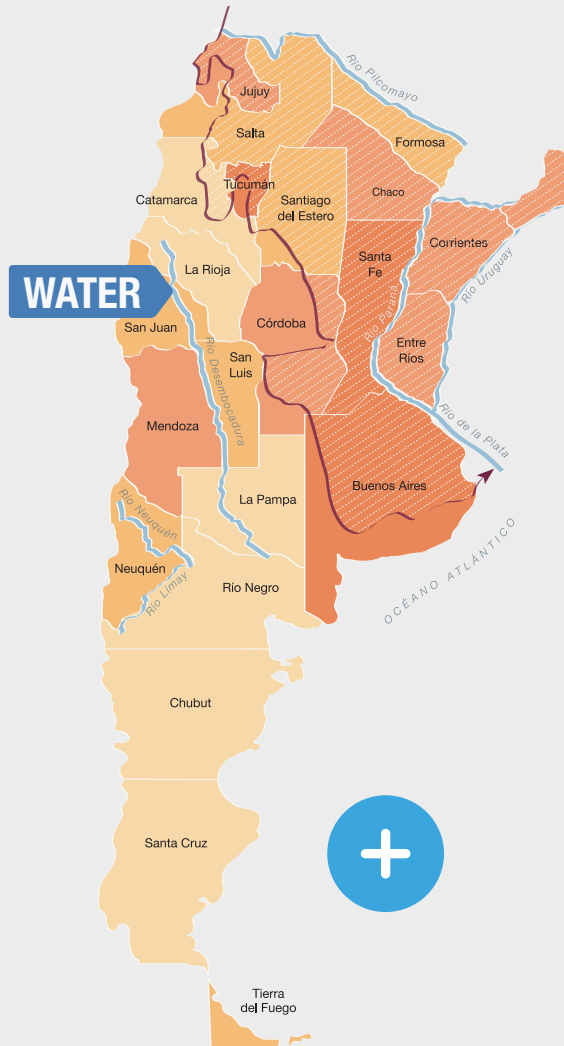
increased its food-producing capacity. Uruguay has undertaken a rapid industrial transformation and is moving forward with the consolidation of institutions there. This reality has made our region more attractive to those with the means to make productive investments and who wish to do business. As positive as international integration is, then, the individual strengthening of each country is an indispensable part of it.

Being a bread basket of enormous capacity is just one notable example of what the South American territory could mean to the future of an increasingly urbanized world and to the constant improvement of people's quality of life. It is estimated that in the near future 70% of the world's population will live in urban centers, as opposed to today's 49%. This increase will mean a dramatic jump in the world's demand for foodstuffs,

Argentina, a country of great natural resources



TAP OVER
THE CROSSES



Bibliography

INDEC – 2010 Census Data. Education – Presidency of the Nation.

Geografía. La Argentina y el Mercosur (Geography. Argentina and the Mercosur) – María Julia Echeverría, Silvia María Capuz – AZ publishing house

Geografía social y económica de la Argentina (Argentina's social and economic geography) - María Julia Echeverría, Silvia María Capuz – AZ publishing house

Geografía Argentina en la Globalización (Argentina's geography in the globalized world) – Santillana publishing house

Stocking shelves of world markets with differentiated products made in our countries should be the goal of our economies.

both in quantitative and qualitative terms. In this regard, Argentina, Brazil and others among their South American partners are important global players due to their food-producing potential. But success here will depend on their implementing appropriate state policies to complement the business know-how accumulated during the past few decades and the continued use of new technology in agriculture and livestock raising. The technology applied so far has permitted the opening up of new areas of fertile lands and vast new reserves of water, the Guaraní Aquifer being one notable example.

The goal of our economies should be filling the shelves of supermarkets with diverse products from our countries. And the focus of this goal should be on bettering the quality of life of the populace

while protecting and sustaining the environment. For this, in turn, it is essential that our culture be one based on ethical principles that provide a decent education and a job for each member of society. ·

The Legacy

Chapter IX



MORE INFO

The Legacy

Chapter IX

*Looking back on all this,
I can't help but marvel at all the
opportunities I have had to grow
and learn as a person and a
professional due to the roles
I have had to assume in life.*

Looking back on all this, I can't help but marvel at all the opportunities I have had to grow and learn as a person and a professional due to the roles I have had to assume in life. The changes in me have been so deep that at times it seems I have lived several lives. Yet during the last three decades, I have pursued one ideal: to leave a legacy. And in 2006, after many setbacks but with the businesses now doing well, I could at last begin to finalize it. This meant embarking on a challenging and at times difficult voyage that continues to connect me daily to the most important things in life.

I have always suspected that any legacy I ended up leaving would be somewhat unique—not only a means of keeping the family together, but also of continuing to instill in my descendants the culture of work grounded in knowledge and high moral principles. To be at the helm in this voyage—which continues as I write—is an enormous responsibility for me. I am making decisions that will outlive me.

This journey has caused me to reread some of the thoughts and concerns I noted down in the past and to re-examine that experience in the 1980's when I made my first attempt to transfer leadership to a family organization. This time around, there are two important differences. The first is that my children are now mature, well-along in their respective careers and with their various specialties and strengths established. The second is that I, too, am better prepared for the task.

Since the beginning, I was sure that my legacy would be characteristic.

Throughout this voyage, the search for answers and solutions has always led me to delve deeply into human behavior and look to philosophy. Such studies—sometimes disorderly but always interesting—often lead me to share with my children writings in which I express my thoughts on society and the family, and this has encouraged them to deepen their own knowledge of such themes through reading.

An ideas exchange has become established between us, an ongoing healthy debate that accompanies our reflections on what truly matters in life. We take advantage of times spent around the table after dinner to talk about these topics and compare our views of familial organization. And I can now say with joy that this period of introspection with my children has been one of the most valuable of my life. We debate historical, economic and sociological topics, as well as ethical and philosophical concepts. Little by little, these sessions have led us to a better understand-

ing of our own households as well as of the world in which we live. We exchange ideas on the transformation of society over the past fifty years, on the effects of globalization and rampant consumerism and the profound crisis in values that these things have unleashed. *I find it most gratifying when my children agree with me on how worthwhile it is to remain faithful to one's principles. This has been my lifelong obsession and—as my children see it—the key to my achieving all I have achieved.*

These discussions served as one way to sketch outlines for the legacy that we would work together to fill in. The main idea is to preserve harmony and togetherness for the family, and the purpose of our family heritage is to continue developing a work ethic based on building knowledge in order to achieve broader freedom of action.

We have worked together to arrive at a balance among my own thoughts, those of my immediate family and those of my closest co-workers. The process began more than five years ago, and although I believe we have completed the majority of the steps involved, I have learned that this is a work in progress. Sometimes in the debate, points of disagreement have come up between my children and me, at least at first. Yet, much to my surprise, when the moment comes to set them down on paper, my children will often have changed their tack, and they end up taking positions that are more radical than mine.

Through reading and exchanging ideas, we decided that three fundamental elements were necessary for drafting this legacy:

- *the social context,*
- *the institution of the family, and*
- *human behavior.*

We have made a lot of progress in this process and learned much along the way. It has made better people of all of us—more open and tolerant in terms of understanding different realities. We realize that we have undertaken an arduous process of cognitive development. After all, we will have only one chance, as parents and children, *to weave our individual expectations together into a fabric that transcends us as individuals, becomes the very substance of our family organization and attempts to have a positive influence on the community.* We have tackled this with determination and optimism.

The social context

Over the past sixty years, the world has witnessed tremendous technological development that has led to profound social changes. I have lived through these changes and been a protagonist in

We have become better, more open and tolerant when it comes to understanding different realities.

some of them. They have revolutionized the world of work and consumption and transformed our lives, including the roles of men and women. This has been a time of surprising innovation, with technological advances materializing at lightning speed and interacting with each other to generate more change. Assembly-line production of automobiles has reached unimagined levels of speed, accuracy and complexity; new materials such as reinforced concrete and Plexiglas have profoundly changed construction; synthetic fibers and plastics have greatly expanded commerce.

The final days of World War II launched the uranium- and plutonium-based atomic age, and this immediately became an arms race dominated by the United States and the Soviet Union. This race threatened the planet with destruction, yet at the same

time spawned scientific research and engendered truly large-scale technological projects. The resulting Cold War filled the skies with spy satellites whose military uses would later open up a total transformation of telecommunications.

In the 1950s, a host of new electronic household appliances made daily life easier. Radio gave way to television, which rapidly became the center of attention in all living rooms. And one day on the screens of those TV sets, we witnessed humankind's first steps on the moon, the symbol of the investment of huge resources by the world powers in a space race. It was as though their intent were to conquer that, too, but what happened turned out to be very different: the conquering took place here on Earth, in a few fields in particular, such as communications, transportation, medicine and computer science.

Flying in a matter of hours to anywhere on the planet, communicating in seconds with people in far-off countries, knowing what is happening in China before we know what is happening across the street—to someone with a 1950s and 60s perspective, all of this would seem like some adventure tale. *And now cloning, the Internet, social networks, globalization, in vitro fertilization and nanotechnology—things that were very recently the stuff of science fiction*—suddenly form part of our daily household vocabularies.

These innovations have opened up new ways to better

global understanding. *Developments in navigation and aeronautics provided a huge boost to intercontinental travel*, which in turn catalyzed commerce between regions and nations, allowing each to take better advantage of its competitive, economic and productive advantages. This resulted in the rapid change of local economies.

For consumers, this meant access to all the new products flooding the market. These undoubtedly brought undeniable benefits to certain aspects of daily life, but they also caused a structural transformation in the methods of work, since imported products did away with local industry and automated processes replaced traditional manufacturing.

Other questions arise which require our urgent attention and action: the widening breach between the haves and the have-nots, the weakening of links that unite us as human beings and the irresponsible use of non-renewable resources. The fact is that developments over the years have had a negative effect on life for vast portions of society, and the more such changes come about, the more poverty there is and the wider the gap between rich and poor.

According to the 2009 World Bank report “World Development Indicators,” more than a billion people live on less than one dollar a day. This is one of the most lamentable consequences of all this change, this enormous abyss that has



| *Play audio:
The road to happiness (1)*

opened up in society.

Meanwhile, the reality of today's most developed societies is one of compulsive consumerism, in which the thing possessed matters ever less than the thing still not possessed. ***Through marketing and advertising, big corporations ratchet up superfluous “needs,” their business being to create, stimulate and target demand.*** End-users cease to be important as individuals and become mere statistics among the masses, easy prey for market manipulation.

The other victim in this unbalanced society of unchecked consumerism is the environment. The constant exploitation of natural resources, ever increasing pollution and careless disposal of contaminating waste that accompany today's production mechanisms and accepted modes of behavior endanger the stability of the ecosystem and therefore the future of humankind.

Other casualties of these new times in which everything is disposable and replaceable are human bonds, the family: our affective envelope. The philosopher Zygmunt Bauman defines this phenomenon as “liquid modernity,” in which relationships

In this less balanced society and of exacerbated consumerism, another victim is the environment.

are volatile and love is rootless, adrift in technological virtualities such as the Web. Bauman, one of the most brilliant thinkers of our times, uses a physical metaphor to explain the nature of our post-modern society. He says that solids keep their shape and persist in time: they last; while liquids are formless and constantly changing: they flow. Liquid modernity, a post-modern phenomenon, changes at a new tempo that does away with permanence. Nothing lasts beyond our growing tired of it; frames of reference have been exhausted in this world, yet there is no other to which we can turn.

This tendency led to the idea of economy's gradual separation from its traditional political, ethical and cultural entanglements. Bauman points out: “The prime technique of power is now escape, slippage, elision and avoidance, the ef-

fective rejection of any territorial confinement with its cumbersome corollaries of order-building, order-maintenance and the responsibility for the consequences of it all as well as of the necessity to bear their costs.”

In order for this power to flow, then, the world must be free of hindrances, barriers, borders and controls. This, no more and no less, is what gave rise to and drives globalization.

The fluid world is a world of structured unemployment, in which no one can feel sure or safe. There are no skills or experience that, once gained, ensure finding a job or holding onto it once it has been found. This state of precariousness—in terms of both work and quality of life—results in the decay and fading of human bonds, of communities, of relationships.

More and more people opt for a misunderstood kind of freedom, a freedom with a strong component of individualism and a craving for unlimited power. Far from producing true freedom, this tendency rather enslaves people to the whims and strategies of the consumerist markets and a life that is ever more superficial, fluid, liquid.

Despite the dimness of this perspective, however, I have not lost my optimism. Passionate advocate of the development of leading-edge technology that I am, I have no doubt that the advances of post-modern society will serve to make daily life better. Change continues; we are witness to unstoppable pro-

gress based on globalization, logistics and communications. The technological base, which allows for the democratization of information and knowledge, is more powerful than ever. All of these changes will eventually guide us to a safe port if and only if we act decisively to strike a balance that gives due priority to human dignity.

In order to counteract the undesirable effects of development, we families who find ourselves in a strong economic position must instill in our descendants the responsibility of working to find the resources necessary for eradicating poverty. ***We must also struggle to raise awareness on responsible consumption and the protection of the environment.***

This is why we consider in our legacy the need to prepare ourselves to act within the institutional and political spheres, with the aim of fostering state policies that promote access to equal-opportunity education and an economy designed in such a way that every member of society has a decent job. I see that many important Latin American families are preparing themselves for this mission.

Based on this diagnosis, we have created a system for our legacy that calls upon all of our descendants to assume responsibility for action that will help build a better society.

*Despite this harsh landscape,
I never cease to be optimistic.*



*Address by Alfredo Román
50 years in New Year's Eve
party of one of his companies*

The institution of the family

A man is shaped by his family. No other organization can fulfill human and social functions as efficiently as a solid family. Without a doubt, the family continues to be the best environment in which to understand the totality of a human being through birth, growth, maturity, old-age and death with love and dignity. The family is the center of support during the most delicate and demanding of times: infancy and old age. There are no conditions to the selfless attention bestowed by one family member on another at times when infirmity or calamity demand it. And for doing the “custom work” required to mold the character of a young person, there is no one better than the parents, since—except in cases of pronounced pathology—no one knows and loves a human being more than a parent does. In the world of work, a person is judged in terms of professional aptitude; in sports, in terms of physical skill; in social relationships, for greater or

lesser degrees of warmth. Only in the family is a person valued solely for who he or she truly is, independent of capacities and potential. This is a consequence of the unconditional love a parent feels for his or her child.

I believe we must reaffirm that the family is the most ideal institution for dealing with the dilemmas that accom-

There is no organization that fulfills humanists and social functions with the efficiency with which it does it a well-established family.

pany the social changes of a post-modern world. We must once again place the family at the center of society as the first and foremost “school of values” and work to make it once again the principal sphere of support and love. Good families are without a doubt our guarantee for producing good people.

For me personally, my family was my first source of values. Thanks to my parents, grandparents, aunts and uncles, I was able to forge at a very young age a number of precepts that gave rise to my principles. These are ironclad principles on which today I continue to stand firm, surrounded by a family that gives me pride.

I know that many young people today consider it old-fashioned to defend the institution of the family. But I believe that if we have patience and communicate to them the value of this institution—indeed, the very source of happiness and human

survival—we will be able to make them see their mistake and realize that the home is essential to human life.

The loss of credibility in the institution of the family, increasingly apparent during the past forty years, has caused new types of relationships to arise, ones that seek to avoid lasting commitments. Many young couples decide to live together before they know each other well enough or before they are ready. They see cohabitation as a kind of litmus test, abandoning the relationship as soon as problems or disagreements arise.

According to Argentina’s National Institute of Statistics and the Census (INDEC), consensual (that is, not legally recognized) unions grew from 7% of households in 1960 to 27% in 2001, to 33% today—a surprisingly high number. The 2007 census in France shows that 50% of all parents are single parents. The last census in the United States shows that the number of households in which the couple are not legally married rose by 72% in the previous decade. For the first time in history, only 25% of households there are comprised of legally married couples. This trend can be seen in almost all societies, indicating that marriage as a civil, legal and spiritual act of commitment has been replaced by customs of cohabitation or common-law marriage.

We can analyze these changes or transformations in the family and the roles of a couple in light of the various factors

that produced them. Knowing their causes helps us better understand and perhaps modify them.

The beginning of the twentieth century saw the first movements towards women's liberation, to which was added the trend that is sometimes referred to as the second feminist movement during the 50's and 60's. Thanks to these struggles, women won their sexual rights, sexual liberty, procreative rights and responsibilities and equal opportunity. Women's suffrage was adopted gradually in various places around the world. In Argentina, this happened in September of 1947 under a law promulgated by Evita Perón. In those days, only one in ten women worked outside of the home, and very few attended college; the role of women then was basically one of keeping the house. Divorce or single motherhood were social stigmas very difficult to overcome.

This process of emancipation marched firmly forward. Today, statistics show that more and more women are performing successfully in positions of great responsibility in the world of work, with many occupying important public posts that were once the exclusive domain of men. In 2011, there were seventeen female heads of state throughout the world.

Nevertheless, the traditional role of the woman within the family (that of supporter, care-giver and educator of the children and the household administrator) has recently been re-eval-

uated by many specialists and sociologists. There are statistics that show a rising percentage of women who are dissatisfied with their lives on account of the guilt that comes with having various roles and the difficulty of striking a healthy balance between them.

This branching out into new roles gave women enormous social and economic independence, but it also obliged them to change their priorities at various stages in life. Also, men are assuming more household responsibilities and couples rely on more hired household help. The challenge that comes with this new reality is for men and women alike to find a way to nurture the wellbeing of the family, in the broadest sense of the term, without sacrificing their expectations for personal fulfillment.

Young people today give priority to their graduate and post-graduate studies, putting off marriage and the raising of a family. Relying on new medical advancements, women opt to wait longer before becoming mothers.

The difficulty of building strong relationships is due at least in part to modern society's characteristic desire for immediate and circumstantial gratification, in which people become little more than consumers. Bauman's idea of liquidity comes to mind again: the modern lifestyle obscures the importance of basic human bonds. Psychologists maintain that it is difficult for those in new generations to build stable relationships because they resist

commitment and fear the loss of freedom. It is easy to see that this difficulty has to do with the limitless economic needs that consumerism generates and a lack of maturity that prolongs adolescence: young people only think of marriage when they feel fulfilled and are confident that they will achieve their life goals.

The legalization of divorce and society's increasing moral flexibility also contribute to this tendency towards dissolution of the family institution. Twenty years ago in Buenos Aires, one out of every three marriages ended in separation; today it is one out of every two—in other words, a 50% increase. Even Italian society, despite its deeply rooted Christian and family traditions, is no stranger to this general crisis with respect to the institution of marriage. According to Italy's National Statistics Institute, separations and divorces increased by 57% from 1995 to 2005.

A broken marriage has an impact on all members of the family. In general, the couple is faced with economic, housing, psychological and emotional problems, but without a doubt, those most affected are the children. In most cases, children's lives are forced into complicated webs of relationships: households in which one parent is not biological, where there are other children who are not their brothers and sisters or who are half-brothers or half-sisters.

In the new model of relationships between men and women, couples make little effort to sustain the link between

The format of modern life banishes the basic human bonds.

them. Since neither legal documents nor religious commitments bind them, ending the relationship seems the easiest solution once problems arise. The woman's economic independence also comes to bear here. Of course, if love and the values that upheld the relationship have been lost and the marital bond is deteriorated, then it is better to end it. Sometimes separation is necessary for personal and even family wellbeing. This is particularly true for those couples who fail to create a loving, respectful, supporting home.

Another source of conflict in couples is the relentless and excessive search for professional success as a means to achieve better economic status. Overzealous dedication to work can be counterproductive. For me personally, professional challenges many times made me lose sight of what is most important: dedicating time and care to the relationship. Experience has taught me that a loving bond requires a total commitment and that love

must be expressed in many ways in order to keep romance alive. Relationships demand constant dedication and the necessary sensitivity to build daily an environment of honesty and trust.

Just as the immediate family is essential for the support of the child, the extended family must act as the protective wing of the immediate family. The negative effects of a broken marriage, the inability of young people to establish clear goals for their lives, addictions, economic or existential crises—all these things and more can be mitigated in the presence of an extended family that supports the members of the nuclear family. Today more than ever, links must be forged and visions and actions agreed upon within the extended family, in order to create a circle of trust from which all of its members can benefit. Trust is the path that must be walked daily through dialogue and shared projects and in an environment of honesty and transparency. A grandfather, a mother-in-law, a son-in-law or a friend—any one of them can become an essential anchor in the life of a person.

To be sure, there will always be problems; each of us carries his or her own particular stamp, and we must all struggle with personal characteristics of which we are not proud, and some interest is bound to conflict with that of another family member. This is why, in the organization of any extended family, it is fundamental to come up with a strategy that can adapt to the



Presentation The Legacy Book

circumstances. In order to establish a strategy in business, one works with the strengths, opportunities, weaknesses and threats that one perceives. In a family, we must know what is happening or what we hope will happen and be prepared to make necessary and effective decisions. ***Reacting late or not acting at all can be damaging to a family member or prevent a goal from being***

reached. “The perfect is the enemy of the good.” Acting with determination at the right moment is always best.

Leadership is a fundamental component in any family whose members interact effectively. The leadership role is difficult and heavy. It can, in fact, be taken up by several people simultaneously, but one person having the final say is more efficient. Those with leadership in them will sooner or later have it validated by those around them. This is what happens in anxious moments on a ship; someone, due to his or her action or some quality possessed, always comes out as the natural leader. A family must be aware of this and prepare its members to be leaders or to determine who will be leaders.

The immediate family first, followed by the extended family, undoubtedly make up the environment in which all key moments of human existence transpire. It is urgent that we return to them their valuable roles. These institutions constitute the space in which are consolidated the fundamental traditions that will allow us to achieve a more inclusive and just society.

Friends are another pillar of strength for achieving a good life. Along with the family, good friendships enrich, strengthen and make us grow. Knowing that a friend will always be there in time of need engenders confidence, and likewise, it is enormously gratifying to be the one to help a friend in trouble.

We must, nevertheless, pay a lot of attention to our choices of friends. As Cicero said, only those are worthy of friendship who have within them cause to be loved. This is what makes perseverance such a vital characteristic of friendship. A successful person is surrounded by friends, but when things go badly, only the true friends remain. The person who perseveres and commits in good times as well as bad is indeed a fast friend. A friendship is consolidated when the friends can take pleasure in impartiality and justice and when they are ready to put everything on the line for each other. One sure thing: friendship accompanies virtue and not vice. Virtue forms and conserves friendships because it is a source of harmony, stability and constancy.

Given the demands and the disconnectedness of today’s world, a real friendship is vital. The family plays a central role in opening up the capacity for friendship in each of its members, but friendships can often be more straightforward and free of ties than can family relationships. Within the family, we might feel more conditioned or required to fulfill certain roles, even if they “cramp our style,” so to speak. Good friends are a safety net in difficult times and a source of strength for overcoming life’s hurdles.

In defining the legacy and when observing the realities of the contemporary family, all of us involved understood how im-

Leadership becomes a substantial element for making the members of a family to interrelate effectively.

portant it is to revitalize the role of the extended family. Based on the notion that family love is sustained and nurtured through close relationships between its members, we decided to create a sphere of trust and support: the Román Club. This is our family's way of being together, living together, sharing projects and having fun, and in which we exercise and develop our family values.

Human behavior

One of the greatest challenges I have encountered while formalizing the legacy is the investigation it has required into human behavior and the basics of what motivates us. Guided by the writings of humanity's greatest thinkers, I reviewed my own actions and reflected on the deepest meaning of existence. My

children embarked on a similar journey: together we focused on some themes related to our mission of the legacy, and we were able to draw many helpful conclusions.

One of them, perhaps the most important, has to do with grasping the notion that people always, without fail, in whatever circumstance we may find ourselves, have at hand the option of acting properly. This is essential. In life, we can choose either to be prudent and act with moderation, considering all angles, all consequences and the common good, or we can go the other way and be drawn along by selfish interests and act without thinking of results. ***It is simply a matter of choice; it is up to us. Honesty and prudence are indispensable for making just decisions and gaining the strength necessary to overcome difficulty, no matter what our life situation is.***

Philosophers and thinkers throughout history have analyzed universal values such as dignity, solidarity, responsibility, generosity, freedom and working for the common good. We find these present in all the religions of the world. The three monotheistic religions agree that all human relations on God's good earth must be characterized by justice and mutual respect, which implies love and consideration for oneself as well as for others. They also establish as a principle the spirit of service towards all of God's creation. And they stress honesty, telling the truth and being trustworthy in all aspects of life.

Good friends are a safety net in difficult times.

These principles are universal because they are of value in all times and everywhere. We might live by them because of our religion, because we believe that by so doing we will attain our place in heaven or because we feel that they will make us better people. What motivates us to act on these principles is not important; what is important is that we do so, in all circumstances, without letting a chance slip by. Of course, this requires great strength and will. But it is simpler than it looks; it is enough to begin to live by a basic, elemental law that always reads the same: “Do unto others as you would have them do unto you.”

At the end of the eighteenth century, Immanuel Kant formulated a more complex version of this law, calling it the Categorical Imperative. It says: “Act only according to that maxim whereby you can, at the same time, will that it should become a universal law.” For Kant, we act freely only if we act according to this law. In life, we frequently come up against situations in which we must make important decisions. We re-

flect, we study the advantages and disadvantages of each possible scenario, we make an assessment and finally we choose our path, the one we think will be best for us and for our environment. Throughout my business career, I have had to say “no” many times to proposals that went against my value system. On many such occasions, advisors and co-workers asked me to reconsider and be more flexible. But I demonstrated to them in a disciplined way—sometimes even stubbornly—that we must choose only the path by which we can maintain our moral integrity. I have greatly benefited from this, and I have been able to live with dignity.

True, external factors exist that can determine our actions, but we must not use them to justify inappropriate conduct. And if we are going to prevent the negative influences that surround us from endangering our life plan, then we must work on the context in which they are found and strengthen our resolve while respecting our principles as we act. This is directly related to practicing the virtues. By doing so, not only do we enrich ourselves as people, we also strengthen the bonds between us, and we grow as a society.

In order to overcome the general moral laxity and social uncertainty in which we live, we have no choice but to work on our behavior and maintain our principles. It is essential to opt each time for the choice that is moderate and proper, the one that

our conscience, social norms and universal principles demand. If we make this a habit, we will live in peace.

Virtues are qualities or firm, stable attitudes that guide us to comport ourselves well, control our passions and act correctly. The greatest philosopher of all times, Aristotle, says that it is through the virtues that we transform into acts of will the morally good ends that reason presents to us. With practice, living by the virtues will perfect the way we think and act. According to Aristotle, we are not born with the virtues developed in us; we must incorporate them and dedicate ourselves to practicing them.

My life has been a lesson—sometimes natural and sometimes harsh—in the value of the virtue of prudence. Prudence is about proper and objective deliberation before action. Aristotle described it as the ability of our reason to point out the middle way in every situation, the “golden mean” for practicing the other virtues. A prudent person knows how to ask others for advice when necessary, to listen, to assess all the circumstances; a prudent person then shrewdly and quickly resolves for himself any given situation. Thomas Aquinas says that prudence requires sound reasoning.

These thinkers delved into other virtues that also require practice: justice, courage and temperance. Justice entails considering others and working toward their wellbeing. It guides us to respect the rights of all and of the one, to demand the ful-

fillment of obligations, and especially to promote the common good and equality. Courage is the virtue by which we confront and counteract the passions that make us stray from a just cause. When one attempts to act well, there are always difficulties and desires that one must overcome, and for this, courage is indispensable. Finally, temperance is the virtue of balance between total excess and insensitivity, through which we can control yet appreciate our passions and moderate our pleasures.

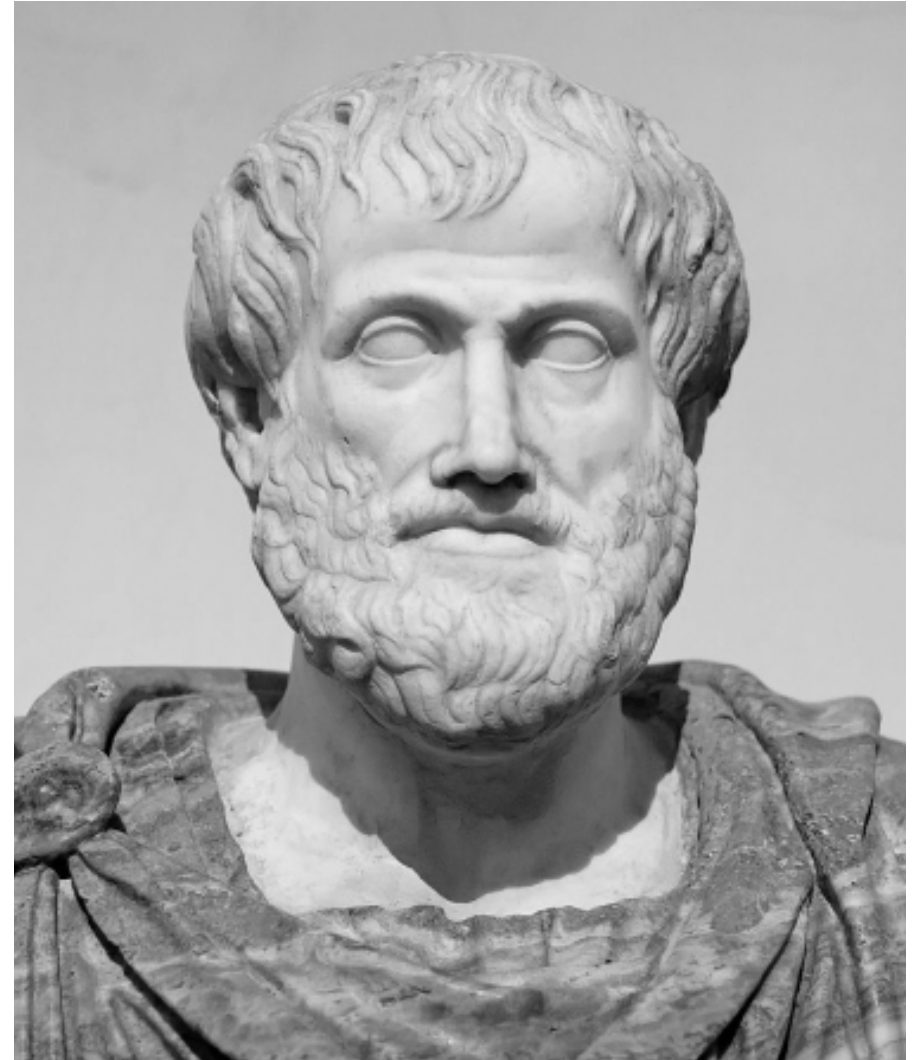
Our existence must not be one of pursuing ephemeral pleasures, but rather seeking the fundamentals of lasting happiness. I never tire of saying that we can only define our identity and influence the world in which it exists when we become conscious that we alone determine our destiny, when we understand that we can act freely, say “yes” or “no,” act or not act, be happy or not be happy.

Humankind’s capacity for adaptation is infinite; we are capable of tolerating the most adverse conditions and transcending them. The attitude we assume at key moments determines our ability to resolve conflicts. We can choose to live with a counterproductive situation and let it grow worse—in other words, ignore it—or address it, revealing and capitalizing upon its positive parts in order to resolve it. Very painful circumstances often appear irreparable and can change our views of life. The loss of a loved one, the end of a relationship, material loss,

a defeat at work, retaliation or discredit resulting from our own action, and serious illness are a few examples. My experience has been that each time I have avoided taking a stance before such things, I have only ended up prolonging the pain. Failure to resolve ourselves to these situations prevents us from living fully and from being truly ourselves. The pain of tragedy might live on within us as a sort of weak place in the soul, but we cannot allow it to make us stray from the road we have chosen or sap the strength we need to fulfill our mission.

Nor can we lose our love of self. We can only feel love for others if we know how to love ourselves. Truly valuable relationships depend on our capacity for recognizing and desiring for ourselves the same good that we wish to give to others. So we must keep up our self esteem and take care of ourselves, despite our erring along the way. After all, we learn from our mistakes.

Knowledge of self, confidence, self-esteem, loyalty to our convictions and action through virtue are the building blocks of a positive personality. Though living by these principles may bring us up against many rocky shoals, in the long run, only by so doing are we sure to feel at peace with ourselves and closer to happiness. *Statistics show that happy people reap more positive benefits from life due to their sociability, energy and general state of satisfaction.* They themselves actively seek out



ARISTOTLE, THE GREATEST
PHILOSOPHER OF ALL TIME



Justice leads us to respect the rights of each and every one, to enforce the duty of obligations and, crucially, to promote the common good and equity.

more satisfying experiences and conditions for a better life. It's simple: positive thinking is half of the battle. In my own case, I must admit, I am overly critical, replaying yesterday again and again and focusing too much on what is wrong. To a certain extent, this inhibits me from enjoying my achievements. Life has taught me that, like a great wheel that never stops turning, it will always present me with more to learn and more to do.

These days, I am content in the knowledge that this family organization we are establishing will live beyond us. This has given me great new energy, and I am working alongside my children, now from a new perspective. Though

I might enjoy creative leisure, I know that my mind has been trained in such a way that I can't stop for a second. Sometimes I wonder: if I just stopped and enjoyed everything I have done, would I be able to relax? Would my spirit be at peace? Would I be able to do the things that I've never had the time to do? And if I did, would I feel that I was betraying my convictions?

The pursuit of happiness is a common denominator throughout humanity, and happiness is our ultimate objective. Aristotle said that happiness is the solid and permanent achievement of totally perfect good, the essential worthiness of love that fulfills all our needs and desires. So for him, attaining happiness means reaching the ultimate, the perfect, the end of desire.

For many, wealth and material goods, fame and honors are the goals of life. But this is mistaken appreciation; having these things by no means leads to happiness. Material wealth must always take second place to a person's dignity. Nor does experience show us that the wish for power that drives many people in their professions or political activities leads to happiness. This is true, in part, because once power is attained, it becomes insufficient in itself.

Nor does the mere fulfillment of our physical needs make us happy. Saint Thomas explains that the wish for happiness must be one that transcends the desire for satisfying our

bodily necessities. Time and time again, we see that people who manage to surround themselves with pleasures do not feel fulfilled as human beings.

I remember the great satisfaction that acquiring my first trucks and trailers gave me. At times, I also enjoyed a feeling of power and the admiration of others. But this was short-lived. I immediately began seeking new challenges.

When I was young, my main reasons for happiness came from family affairs and business achievements. Sports also were and continue to be a source of happiness; winning a competition with my beloved horses or finishing a marathon makes me happy. I get a lot of happiness as well from sailing the seven seas.

Not long ago, as part of Argentina's Bicentennial, I participated in a national adventure: for the first time in history, the frigate *Libertad* was to sail around the mythical Cape Horn and, this being one voyage still remaining for me to accomplish after the Atlantic crossing, I didn't want to miss it. I need such challenges; I live by them. They have provided me with moments that have filled me with happiness. The experience of living with cadets from the armed forces, working side by side with more than 300 sailors and officers, getting close to them, learning about their career expectations and catching their contagious patriotic spirit filled me with hope. I had extended conversations with many of them during long nights on the high seas, and the

light of dreams and aspirations in their faces was truly moving. They had a vocation and were giving their all to fulfill it, and the happiness of this shone in them as well. This was a truly marvelous experience for me, full of learning and shared emotion.

At this stage in my life, I feel I have reached my economic goals. I have also done and learned things that make my soul replete. Now I feel it is time to realize my dream of giving back to my family and to the community as much as I can of my experience in order to achieve a better society.

Happiness is found in the balance that each of us achieves between successfully playing the role that life has assigned us and the daily practice of good. Attaining happiness means acting in moderation, making the right choices and practicing the virtues of justice, courage and temperance. It means living from reason as well as from the heart in order to cultivate love in all of its forms.

One is closer to happiness when one is at peace with his conscience and acting out of the desire to *be* more rather than to *have* more. In short, happiness is fulfilling one's mission in life, as difficult as it may be. It is overcoming fear in the face of obstacles; it is living without remorse or self-pity and never giving up. ***To be happy is to be comfortable with oneself, to feel complete, to be true to one's values and principles, placing family first and rising above mediocrity.*** In the Aris-

totelian sense, happiness is being a better person; father, son, spouse, student, citizen.

If we make the practice of the virtues our style of life, we will have more autonomy and self-determination, and we will definitely be fuller and happier. Nothing, either from the outside or the inside will make us give in. And we will leave an indelible mark behind us. We will be an example and a guide.

Establishing our legacy

So, having analyzed the social context, the institution of the family and human behavior, I and my family began to prepare ourselves for laying the foundations of a legacy of love that will serve to instruct people in the ways of good and keep the family together for generations to come, so that all can contribute to the building of a more just society.

Today, it gives me great peace to see my children and their children unfolding in ways similar to those in which I once did, and know that no one can reproach them for anything. And I feel confident knowing that the family organization has begun to function on a solid base.

It is a great satisfaction to see that the education and the example that my wife and I provided for our children have born good fruit. When analyzing alternatives for the future, with the

option of a life of ease before them, our children said, “We want to maintain for ourselves and for future generations the culture of work that you instilled in us. *We don’t want to lose our hunger for doing, learning and reaching out to the community. We’re not interested in the easy life; we want to take advantage of the opportunity we have for passing on to our own families this ethic of knowledge and commitment.*” *The immense satisfaction and pride that I felt as a father upon hearing these words are incomparable.*

So we decided to establish a basic premise: to bequeath to our descendants a family organization dedicated to molding better people. In order to achieve this goal, we agreed that the organization be established by and comprised of family members. So we formed an organization which, besides seeing to the collective interests of the family, would be capable of training descendants, of passing on the merits of knowledge, so that our descendants are ready when the time comes for them, in turn, to pass on leadership. Each person exercises leadership from within his or her respective role, commits to working towards the fulfillment of the organization’s mission and considers the long-term good of the entire family, without letting this compromise impinge upon his or her particular vocation.

Once these basics were laid out, the next step that my children, my wife and I took was to form the Family Fellowship,

If we can put in practice these virtues become as a lifestyle, we will have more autonomy and determination and, definitely, we will truly honest and happy.

comprised only of my direct descendants. Then we called upon the extended Román family—which includes my mother, my four brothers and their children and in-laws—to establish the Family Constitution and form together the “Román Club.”

We set up our rules with the long term in mind, organizing a chain of responsibility within the legacy that, as well as safeguarding the estate, also fortifies the organization itself. As for business concerns, it provides external partners, co-workers, providers, banks, clients, institutions and officials with predictability and confidence. *It is very meaningful to them to know that such an organization exists, with an established culture*

and a mechanism that guarantees the continued functioning of an economic dimension, one with specific policies and efficient decision making in terms of investments.

The interesting thing about this system is that surrounding anyone in it who bequeaths are various generations in training, making decisions together and relying on the support of the estate in order to engage in the system’s tenets of learning and commitment. This they do from within the particular role in life that each one has chosen.

My wishes

I would like to end this book by sharing with readers this text, which expresses my wishes and also serves as the preamble to our Family Fellowship charter.

I would like to express my views, that they may serve as a beacon for my family, lighting the way along the path of good.

With this system, my children, my wife and I have provided a guide for making decisions and resolving conflicts, and we have set forth some general criteria for the administration of our estate. By so doing, we hope to aid in the passing down of our family values to generations to come.

May God give me the wisdom to be able to bequeath

through this legacy the knowledge and experience I have gained in life.

I believe that what is fine today can be even better tomorrow. The passage of time changes laws and the ways of people. For this reason, the system established here is flexible, yet not so much so that the essence of the legacy is lost.

I do not wish economic support to become a boomerang that saps the initiative and the fighting spirit of those who are hungry. By “hungry,” I refer to the figurative kind of hunger necessary in people who must rely on their own means and perhaps scanty resources to make their way in life.

Such hunger was important in the story of our own family. We come from very humble beginnings, yet we have always given our utmost and had our values and convictions at the ready, in order to be leaders in the quest for knowledge. And so I hope that our estate is not considered a means of financing the easy life, a life of idleness and dependence. Rather, I hope that it is used to inspire a thirst for knowledge in every member of the family, along with a notable and effective sense of social responsibility with regards to the community.

I deeply desire that my descendents practice the virtues, tempering their character and remaining ever tenacious, decisive and inflexible when it comes to defending their principles and fulfilling their mission. I wish them to develop a strong

*Today I experiment a great
comfort seeing my sons and
nephews going to places where
I never dabbled.*

work ethic, to train and prepare themselves to do their best and face life with the firm conviction that nothing comes easily. I encourage them to capitalize on adversity, and I hope that when they come up against it, they find strength in the knowledge that there is no wrong out of which some right does not come. When faced with challenge, I wish them the ability to work as hard as they can, to grit their teeth and be leaders, motivating others to achieve their highest goals.

Experience has taught me that a man who works systematically at attaining knowledge and who has principles to which he remains faithful, rarely feels frustrated or remorseful when looking back on what he has done. This is precisely what life is about: being able to use well the irreplaceable commodity of



Play audio: The road to happiness (2)

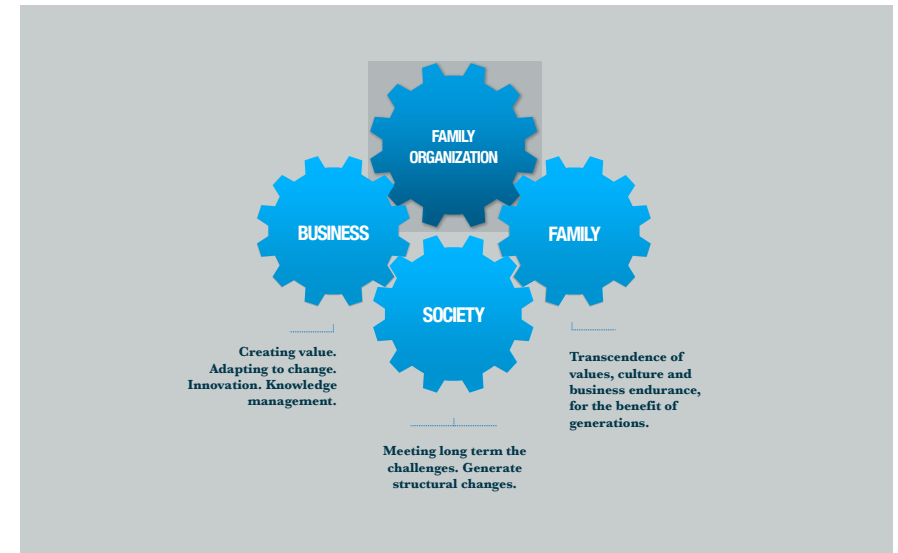
time to make the proper choices. I hope my children, my grandchildren and the children of my grandchildren attain the knowledge by which they can instinctively choose between right and wrong, and that they are ever ready to take action at the right moment, without making concessions.

One who has convictions knows what he wants. And if he sets himself to achieving his goals without betraying his convictions, then he is sure not to waste time on mistaken paths. By internalizing good habits and a strong capacity for commitment, it is possible to act well and live with confidence. I hope that my descendants, with all their individual idiosyncrasies, can base their lives on a value system that reaches out to the community. I am convinced that this will lead them to virtue and to a great love of life, that they will learn to love and respect themselves and be persons of integrity. Being at peace with oneself permits one to serve his fellow man and provides the temperance needed to address life's difficulties.

High self-esteem and a winning attitude are the salt we need to achieve success, and these are strengthened by perse-



Román Organization



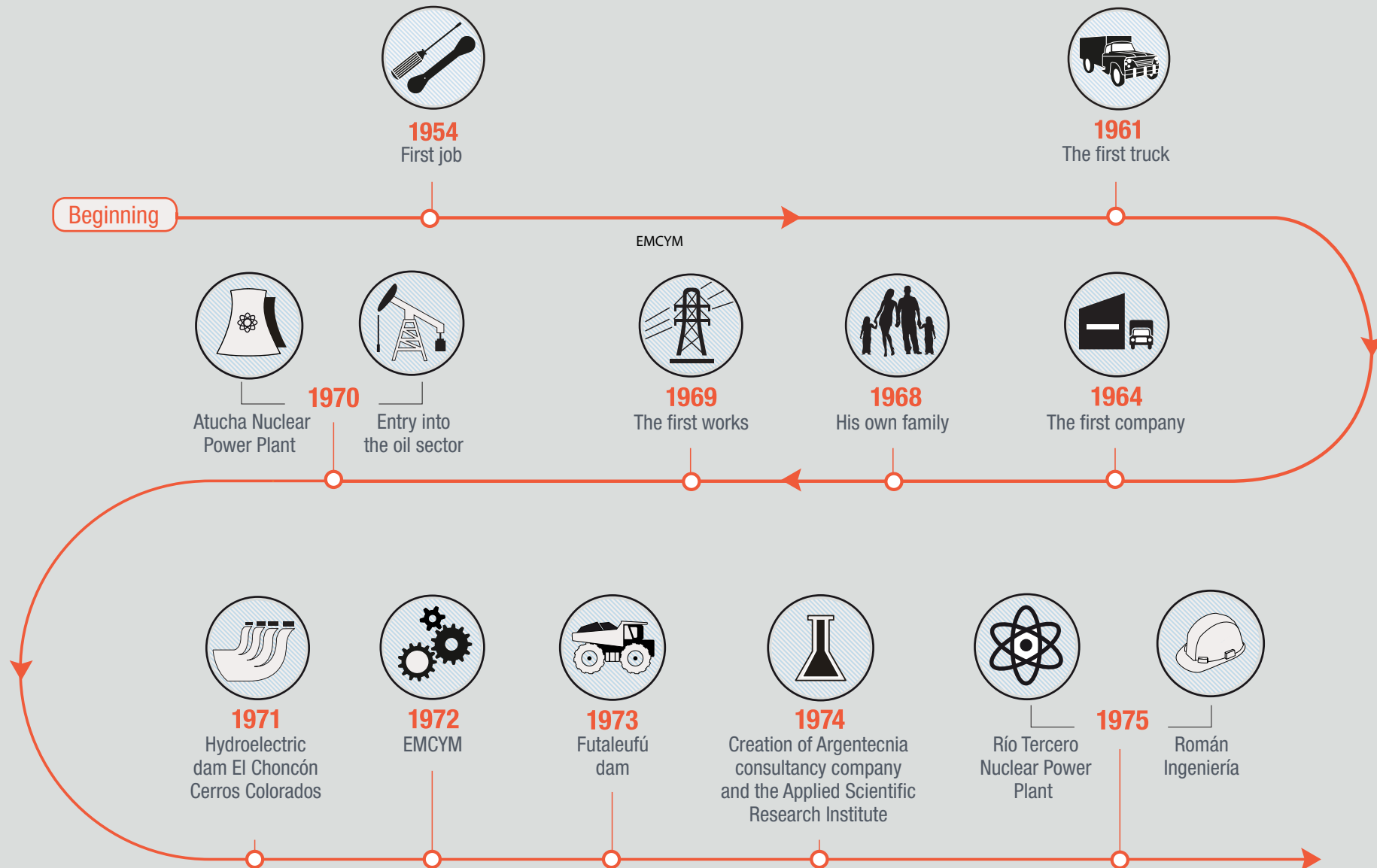
vering in the pursuit of our dreams. There is nothing worse than not attempting to reach a goal. Self-esteem and a winning attitude give us the spiritual strength to face up to anything. With them, we become like the prow of a ship that no storm can stop as it pierces the great swells of the sea.

I invite all to accept the challenge of being truly concerned for every member of the family, of being ever ready to do right, to forgive and to teach by example.

FIRST STAGE

1954/1975 ▶ 21 years of growth

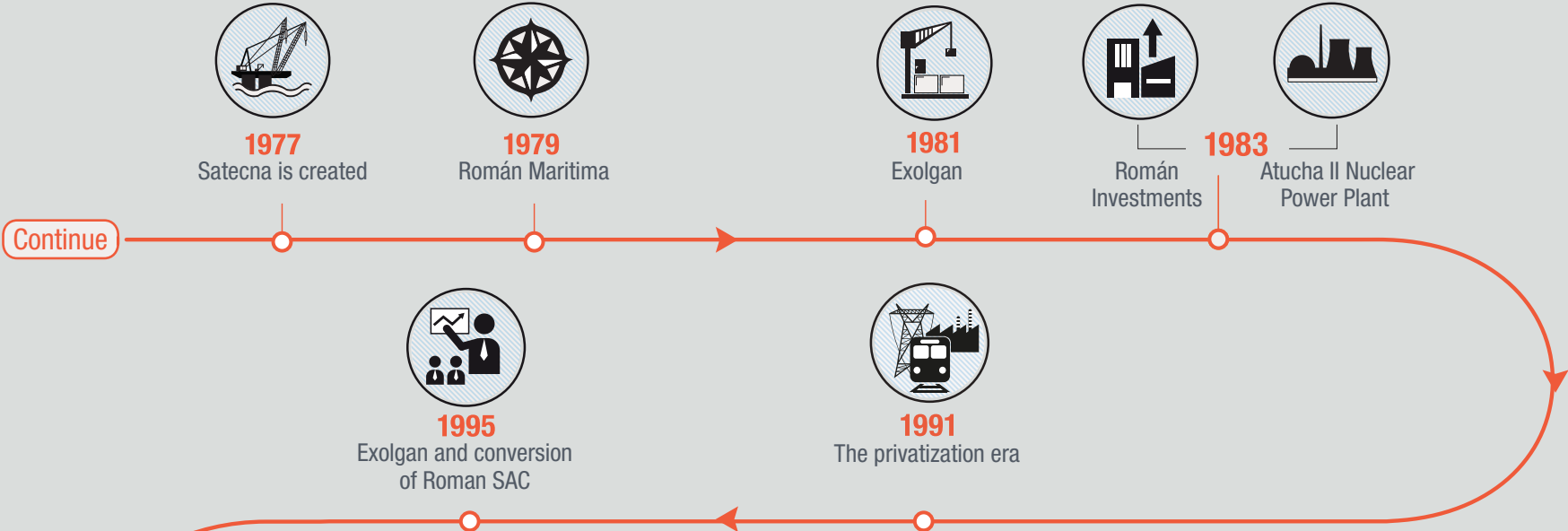
Click the icon to view
information on the year



SECOND STAGE

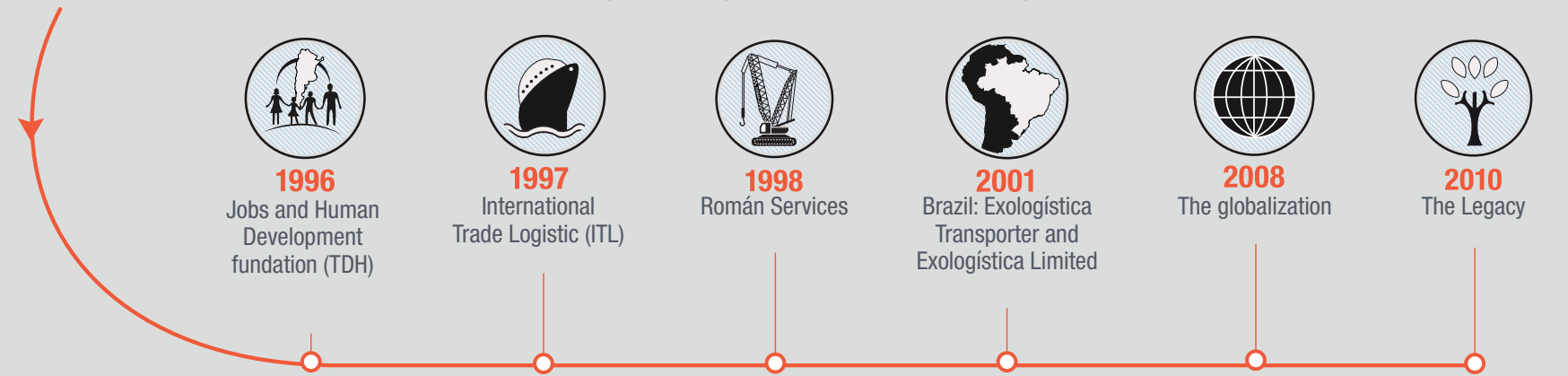
1976/1995 ▶ 19 years of evolution

Click the icon to view information on the year



THIRD STAGE

1996/2010 ▶ 14 years for keep on growing and build the legacy



High self-esteem and a winning mentality are essential seasonings for success. This is constructed by taking forward all the plans that we have set for ourselves.

I hope that our actions are worthy of our family name—the symbol of our identity—and work towards maintaining it as our most precious possession, so that each time it is uttered, no matter when or where, it is heard as a synonym for strength and good.

The letter and spirit of the system instituted here must serve as a living inspiration when you confront difficulty. I wish it to serve in the resolution of conflicts and to awaken in you the sincere sense of caring and peace that comes from respecting and helping others. Rather than being an obligation, something im-

posed upon you, I want this sense to take root in your own hearts, so that each of you might choose to do what is right based on your own free will. May this be of what we are made, the substance that moves us, the fuel for our efforts to keep the family together and remember our roots generation after generation.

Most importantly, I wish you to be happy, and for me, this means living in freedom and with the responsibility that comes with freedom. Happiness is action without fear, regret or remorse. It is never giving up; it is having a quiet conscience, the ability to forgive and to maintain a view to the future. It is being moved by the desire to be more, not to have more.

In order to make the decisions involved here, I have studied examples of other successful families as well as of those who have failed. I have also sought the help of specialists, and I feel confident about this legacy I am leaving you. It is a decision I took upon myself as founder and leader of this family.

My wish, then, is that the estate hold together and not become fragmented; that the family organization have as its basic aim the maintenance for generations to come of a culture of knowledge, commitment and work imbued with values that reach out to the community.

As for ethics, the system establishes measures for dealing with those who transgress the code of ethics set forth in the Family Constitution.

A family functions when its values and principles of unity are respected above all else. If a family member surrenders to some circumstance, the others must be ready with help and support. We must be ready to confront whatever difficulty arises, and for this it is important not to lose contact, confidence or openness. Yet it is also important at such times to rely on our values. They will be like a pyramid on which we can firmly and unerringly base ourselves. In the face of doubt and weakness, if we remember the precepts that guide us toward virtue, we will hold to the right path. We can be flexible with regards to how we stay on that path, but firm in our resolve never to stray from it. Achieving and maintaining family unity means accepting the consequences of our actions and foreseeing how they will affect others as well as ourselves.

It will be seen that with the truth as a shield, the practice of the virtues and the pursuit of knowledge, all will be able to live in responsible freedom, in control of your lives and destinies. This undoubtedly leads to being persons of dignity, and it reverberates throughout society. This is the core value: it is my wish that all members of the Román family embody that responsibility and live by it in order to perfect themselves and find their own happiness as well as that of the entire family and society.

I thus set forth as founder my wish that these precepts for

living take root and endure in my family for as long as I live and after my death.

*Whoever is interested in learning more
about my vision for establishing
a family organization can visit*

www.ellegado.com

Acknowledgements

I wish to thank the members of my beloved family, from those in my immediate household to all members of the extended Román clan, for having helped me to be a good person and for having been the engine that has driven my life and an endless source of love.

Thanks to my friends for their unconditional company and invaluable advice.

My eternal recognition goes out to my co-workers, without whom I would not have been able to fulfill my mission.

I express my gratitude to my partners, with whom I have shared economic interests and friendship; to my contractors and suppliers, whom I consider partners as well and the bedrock of each project; and to my clients, without whose confidence nothing would have been possible.

Finally, I wish to extend my gratitude to my beloved country and to all of society for making me feel ever respected, supported and accompanied in all of my activity, both entrepreneurial as well as social.

