

## Interview

Thais Santi  
Contributor: Patrícia Capó

SERGIO BRITO

Marcelo Castelli: "it's not only important to reach a result, but rather have it as an interesting quality, especially without sacrificing people very much. As such, I seek results in a balanced manner and with the participation of everyone on the team"



# *Fibria's New CEO*

**W**ho is Marcelo Strufaldi Castelli? What goes through his mind? What are his plans for the global giant of bleached eucalyptus kraft pulp – Fibria? An ABTCP member since 2005, he just took over one of the job positions most coveted by executives in their careers – that of Chief Executive Officer (CEO).

Succeeding former leader Carlos Aguiar, who's an icon in the pulp and paper industry, Castelli, a mechanical engineer academically and former basketball player, intends to continue the work of his predecessor. But with one difference: instill his integrating leader trademark.

What exactly is this leadership characteristic; what has been his professional trajectory – from the basketball court to the top of corporate management –; and what are his plans for Fibria looking forward are some of the questions to be answered in this month's Interview.

“I learned a lot with collective sports; I understood how things functioned on a team and took this lesson into my professional career”

**O Papel** – *In a recent interview to Valor Econômico Newspaper, you mentioned having a talent for integrating people. What is the meaning of being an integrating leader?*

**Marcelo Castelli** – For me, a leader must be continuously adding and integrating in his/her work. I learned this in the days I used to play basketball (I started playing at age 11) and took this lesson into my professional career. I learned a lot with collective sports; I understood how things functioned on a team. In my first game, I lost. I lost because I played poorly, and so did the team. So I cried. In the next game, I lost and was disappointed, because I played well, but the team lost the game nonetheless. In the following game, I wasn't so disappointed: I played poorly, but the team won. And that's how things progressed. However, based on this reflection, it became clear to me that achievements can only be attained by integrating. This makes a difference in the end result. Therefore, I have empathy and try putting myself in other people's shoes. It is important to try and understand how to align people's expectations with that of the organization.

**O Papel** – *You are an engineer and generally perceived as a technician. How did you develop this integrating capability?*

**Castelli** – People really do ask me how I can be like this, considering my engineering background... (smiles) It's even a bit unfair towards the profession (smiles), but it's a bit of sensibility on my part. In the past, I wanted to learn everything, and in all cycles, but I noticed that everything was so in-depth that it would be impossible to pay attention to all details. The important thing was to have a thorough vision of things. I'm not going to be the specialist. This also helped me develop this integrating vision throughout process chains. And it is so much difficult to integrate people and communication among them! It is like promoting, sitting down and dialoguing a lot the entire time!

**O Papel** – *Do you believe that this trait of yours led you to be selected CEO among all other Fibria executives?*

**Castelli** – My answer is I don't know (smiles). I believe it's due to my 25 years in the sector. I have

worked in all areas and I know the business and the people. I have a huge track record of delivering results. Additionally, in a large-sized organization today we undergo moments of certain trends of promoting people. There was a time when the highest positions were only occupied by executives who developed their career in the company; then, came the antithesis (exact opposite), in which an organization looked for new people to bring new ideas into the corporate environment. Today, we see a mix of all this. You have transition. And, deep down, what matters are results. There is no recipe. In other words, I believe that I represent opportunities for knowing the people. The best bet, according to headhunters, is to create your internal successors, since you know what the associated potentials and risks are. But the right answer is not up to me, but rather the team's decision.

**O Papel** – *What lessons did you learn as Integration Director in the Aracruz and VCP merger process? What would you do and not do if you had to relive this experience?*

**Castelli** – Coordinating the integration process was a fantastic learning experience and a major responsibility. I had already worked at both Aracruz and VCP and knew people at both companies. I had to integrate two cultures, with very similar values. However, in the daily routine, they were put into practice in different ways by each group. In the end, the project was very gratifying, almost like a “Learn by Doing” process. Carlos Aguiar once made a comment that was very simple and on the dot about the difference between two types of knowing: He said, there's the knowledge you gain from learning, studying and there's the knowledge who gain from practicing and experience. And this is what I did in spearheading the integration process. With regards to what I would do again, I would work with these people and listen to them. We had four months to develop all the corporate governance, which involved corporate issues and designing the entire part of processes and gain synergy. And what I wouldn't do again? That's a difficult question... (smiles). Perhaps be a bit more effective in certain things. In certain moments and on purpose, I let people find themselves and work out their conflicts

independently. But I believe that for some of them this was quite stressful. In the end, we achieved some very good results, but with some wear and tear in some relationships. However, the most important thing about the balance of hits and misses is that we had a lot more hits in the end.

**O Papel** – *How was it for you to receive confirmation that you would be Fibria's new CEO and what was it like giving this piece of news to your family?*

**Castelli** – It was a grand moment of professional achievement and satisfaction. Even more so because I would be succeeding Carlos Aguiar, a man with 40 years of experience in the sector and a very emblematic man. He was one of the key icons of our industry, responsible for making the sector what it represents to the market today. Fibria is the largest producer of bleached eucalyptus kraft pulp. It is something special to work for a company that is present in six states and 252 municipalities in the country! The complexity is very interesting. At home, everybody was ecstatic and aware about the change in our living routine, particularly during this adaptation period to the new job position. I have always demanded a lot of myself and led to achieve things. This is a trait of mine. So, at home, everyone knows they will undergo a new life experience - and with a lot of happiness.

**O Papel** – *What's it like to know you are responsible for managing roughly 17 thousand people?*

**Castelli** – It's a very big responsibility, but I don't do anything alone. It's impossible to lead 17 thousand people alone! So I rely on the help of qualified people in each area of knowledge. In reality, it is 17 thousand different connections with a huge level of complexity, be it due to cultural, regional and social diversity, be it due to the job positions and functions held by each employee. Therefore, the main challenge resides in pursuing the group's integration. This is the biggest responsibility!

**O Papel** – *Throughout your professional trajectory, what were your greatest challenges and goals?*

**Castelli** – I focus on results, but I try to distinguish the differences between what I do and how I do a

given task. From a major restructuring job to gain competitiveness, a negotiation or a project, it is important to reflect on how each thing is done. This is the big difference. That's because it's not only important to reach a result, but rather have it as an interesting quality, especially without sacrificing people very much. As such, I seek results in a balanced manner and with the participation of everyone on the team.

**O Papel** – *Who are your leadership references? What have they been in your management practices?*

**Castelli** – I have always sought to learn from the people I work with. People like Carlos Aguiar, José Luciano Penido and Francisco Valério are references to me as leaders. Besides them, my parents and even Fibria's trainees are examples to me, in terms of lessons learned. The youngsters join the company with a new dynamic. The young professional brings that into the company. He/she has this need and vision of wanting to grow quickly. And I learned from them to understand this. I also learned from the sector, from ABTCP and its many members. When I see people being recognized during the Congress and Exhibition, I think about what they've done for the sector. This provides me some very positive references, always!

**O Papel** – *What can you tell both personally and professionally to all those who dream of taking over a job position like yours?*

**Castelli** – Do what you like to do, because your professional life will always have an onus and bonus relationship. Many youngsters tend to dream, wanting to be a manager at all costs. Career as a career, but when we ask them what kind of manager they wish to be, the answer is 'any kind'. For them, what matters is the job position, and this is totally wrong. Therefore, I first tell them to choose what they like to do. This will bring about a big onus, and the bonus will be the consequence of this choice. Doing more with less (fewer resources) and more with more (more contribution). So, you want to achieve success in life? Do what you like to do and get close to good people who challenge you.

**The Sector and Fibria**

“Achievements can only be attained by integrating. Therefore, I have empathy and try putting myself in other people’s shoes, in order to understand how to align people’s expectations with that of the organization”

**O Papel** – *What was the pulp and paper sector like when you started your career in this segment and how do you perceive it today?*

**Castelli** – The pulp and paper sector did its homework and modernized itself. We were producers of eucalyptus, which was not very well known in the international market. Today, our pulp is envied; the sector is a center of reference in terms of performing technology, operations and results. With regards to ABTCP, our congresses today are at par with those held by the Technical Pulp and Paper Association (TAPPI). The international partnerships between ABTCP and its sister entities abroad prove that things are not done individually. If I were to analyze the last 40, 25 or 15 years, I would say that the sector grew as a whole. Every regression we conduct, it is clear that only growth took place. We are getting better and better every day and this is a characteristic of Brazilians, who propose to do things, seek and absorb knowledge. Let’s not forget to mention creativity and entrepreneurship, which are also very important, particularly for dealing with another shock of competitiveness. After all, we are in an emerging country, which has currency parity for those that export. Once again, we will be put to the test and let’s see if the sector will prepare for it and do its homework to overcome this moment.

**O Papel** – *How representative is Fibria in relation to the global market and its importance to Brazil’s economy?*

**Castelli** – Today, the pulp market is very fragmented. So, when competing globally it is natural that the consolidation process be accelerated. When you create a Brazilian company among giants – and it becomes a reference in the sector from a size and impact perspective -, it not only represents itself as Fibria, but also as a Brazilian company that follows and defines the trend for consolidation of this market. As such, other “Fibrias” shall appear in the future. This is not a forecast; just a fact that strengthening is being pursued. Iron ore, in this case, is an example. We are very far, but there’s space when looking at the value generated for the sector by the integration of our company.

**O Papel** – *In addition to the goals of generating business and reducing indebtedness in the company, what points does Fibria need to strengthen in order to achieve its goals by 2025?*

**Castelli** – My administration is one of continuity. The strategic plan is in progress. Fibria was born during the crisis, besides having lost derivatives. The indebtedness level was very high, which put the company in a cast. We had a good cost structure, but with a huge debt. In a very pragmatic manner, what was done repositioned all assets and soon reduced the challenges in order to be able to grow. Today our level of indebtedness is 2.9x. It is the lowest net debt versus EBTIDA (Earnings before interest, taxes, depreciation and amortization), since Fibria’s founding, when reached 8.9x! You can see how such level constituted a very strong deleveraging for Fibria’s development. Therefore, we continue to work our cash position, allowing for the company’s recovery and ability to resume investments in our forest base.

**O Papel** – *But what changes under your administration?*

**Castelli** – After two years, Fibria needs to continue maturing its management and structure, as well as seek synergies. We call it “the second wave of management optimization”, where we will work on controls in the way we manage our internal processes. We have worked considerably on external indicators and now we need to look at the company a bit inwards - continuously look at the alternative uses of forests. Fibria never stopped looking at this and would not say that we are going to begin investing in bioenergy. On the contrary. It has always been on the strategic radar of a company that possesses such a forest base. So, bioenergy and other sources of alternative use from forest assets are extremely complementary to the business. We haven’t made any decisions yet. Every dollar the company has is invested to grow the base. However, competitive intelligence must always be on the lookout, even for new forestry frontiers, even if only 30 years from now. As such, we must think pragmatically, but also look at new strategic paths in order to not lose out on opportunities! ■