

MARKETING

## You cannot survive unless you take some risks: Este Lauder exec

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*Executives say growing up in Italy has impacted their management style. Image credit: Diesel*

By SARAH JONES

NEW YORK Companies that want to succeed over the long-term should be open to breaking out of their comfort zone, risk taking and failing.

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During a panel at the Italy-America Chamber of Commerce Luxury Summit 2019 on Nov. 19, executives who made the move from Italy to the United States discussed their experiences crossing the Atlantic and how they are bringing an Italian touch to management. Looking at Italians' ability to foster community and warmth as well as their tendency to dive below the surface to talk strategy, the panel moderated by The Promotion Factory founder Venanzio Ciampa sought to answer the question, "Do Italians do it better?"

"When I look at [Italian leaders] compared to European or American managers, one thing for me that is a common trait is they are passionate leaders," said Giovanni Carra, senior vice president for finance and strategy, global brands and Global Value Creation Program, at [Este Lauder Companies](#).

"It's not just a matter of being smart or great communication, they love ... So they have a passion, they work hard, they want to engage with empathy with all the stakeholders," he said.

### Making a move

According to the panelists, there are key differences in corporate culture in the United States and Italy.

Este Lauder's Mr. Carra said that Italians excel at thinking outside of the box and going beyond the surface. However, the trade off is they tend to be less adept at operations.

This managing style of wanting to talk things out is positioned well in today's corporate environment. Twenty years ago, strategy was about 20 percent of processes, with 80 percent tied to execution, but today strategy is more than half of the business.

Another aspect of Italian culture is a sense of warmth and community, whether at home or at work. Whereas the United States' business world tends to be more transactional and matter of fact, Italy is more convivial and connected.



*There are differences between working in the U.S. and Italy. Image credit: Este Lauder Companies*

Stefano Rosso, CEO of **Diesel North America**, who works at his family's company OTB, noted that this familiar approach means that everyone comes together to solve problems, since they are motivated by common values.

At Diesel, Mr. Rosso has built more of a community by knocking down the walls in his office and taking his employees out of cubicles. With no separate offices, he sits at the center of the open space.

In Italy, this community approach also translates to customer service, with small businesses that get to know their clientele quickly, spurring loyalty.

Moving abroad to work means having to accept being different.

Monica Mandelli, managing director in the client and partner group at **KKR**, said that when she first began working in the United States, she was self-conscious of her accent. After taking classes with an outside acting coach to try to tone it down, a public speaking trainer at her office told her that her accent was wonderful, partly because foreign accents extend Americans' attention spans.

Rather than being worried about being different, Ms. Mandelli used her uniqueness to her advantage. By embracing her Italian background, she says she has been able to take on a warmer approach towards clients, and she has been able to more easily stand out and be remembered in meetings.

There is also a difference between Italy and the United States when it comes to giving. The panelists noted that there is more support for companies when they want to contribute in the U.S.



*Diesel sponsored the refurbishment of the Rialto Bridge in Venice. Image credit: Diesel*

For instance, when Diesel backed the restoration of the Rialto Bridge in Venice, Mr. Rosso said some people protested the move.

Along with adjusting to cultural differences, the executives noted the changes happening as millennials and Gen Zers become a greater part of the workforce.

At Este Lauder, senior executives are paired with millennial mentors. In monthly meetings, the younger employees walk the senior executives through everything from new technology to how the shopping experience is changing.

Mr. Rosso said that it can be hard to keep up with the digitally native generations.

According to Ms. Mandelli, millennials are motivated by meaning, whether they are looking for an employer or a brand to purchase from.

#### Global growth

While technology has moved from a rarity to a widely available tool, it remains a luxury because it is a conduit for ease and time saving services, according to Ms. Mandelli.

Technology is also enabling companies to get off the ground faster, removing some of the barriers to entry for indie brands.

Since Italy is a smaller market than the U.S., the panelists noted that it is harder for Italian firms to scale their business without going international.

Italy's fashion sector is booming, but almost one-third of the country's fashion sales are generated by brands owned by foreign shareholders.

Perhaps counterintuitively, a report from Mediobanca found that as fashion companies become more valuable for the Italian economy, non-domestic sales are of increasing importance. Europe's largest fashion groups generated more than 85 percent of their 2017 sales outside of their respective countries of origin ([see story](#)).

There is also a challenge for family-owned companies. While not Italian, Mr. Carra said that Este Lauder is an example of striking a balance, where the family remains involved but brought in outside leadership and sought capital.

While Italian brands have a strong heritage and tradition, they should also focus on innovation and creativity to drive growth, according to a new report from WPP and Kantar Millward Brown.

Luxury brands dominate the Italian-focused BrandZ rankings, with seven of the country's top 30 most valuable brands, led by Gucci. Italy has a reputation for producing fine foods, fashion and cars, leading to a heavier concentration of premium producers among the nation's top brands than is seen in most other countries ([see story](#)).

"A successful company, a company that wants to last for many years, needs to have an amazing strategy and keep changing every year and very good execution," Mr. Carra said.

"You cannot survive unless you take some risks changing the paradigm, going out of the box," he said. "But also you have to do it in a way that doesn't bring the whole company to risk. So find a way with maybe a venture capital company or a different brand or a different organization."