

# HORSE POWER

*Luca di Montezemolo, 'The Man Who Saved Ferrari', turned the iconic marque's fate around by making his own luck. Will the closest thing you'll find to royalty in Italy ever answer his compatriots' prayers, and apply his Midas touch to political office? THE RAKE meets the most powerful man in motoring in his Maranello office.*  
by **nick scott**



If the contents of a man's office tell us anything about the mechanics of his psyche, then Luca Cordero di Montezemolo's curious bureau, a short dash away from the helipad at Ferrari's hallowed headquarters in Maranello, Emilia-Romagna, is a Jungian psychologist's picnic. Never the most quiescent of gents, the Ferrari Chairman is more animated than usual today as he talks *The Rake* through the assorted artworks, photos and paraphernalia on display on and around his desk. "This was made by Sydney Pollack before he died," he says, gesturing towards a chair clad with a mosaic of laminated magazines and record covers. "I like to mix very modern design with work by very old painters. You don't accept, nowadays, that your office is just a room decided by the company. We spend so long working, offices are becoming like a home expansion."

Other curios piled around his desk include a Vladimir Lenin Russian doll (presumably a gift from a customer with either a woeful sense of history or a keen sense of irony), a vast tropical fish tank — "Some friends gave it to me, as I need to be calmer, more relaxed," he says — and stacks of replica models of Ferrari's acclaimed four-seater, the FF. "This is made by Mattel, who did the Ferrari Barbie at the end of the '90s," he grins before insisting *The Rake* take one home, along with a baggage-fee-inducing number of weighty design tomes and more Ferrari trinkets and keepsakes. He's certainly one of life's givers.

Perhaps the most glaring sign of what makes the most successful (and indeed dapper) man in motoring tick, though, is draped on the wall opposite his desk: a giant *bandiera d'Italia*. "I've been very lucky in my life to work with two fantastic persons," explains the 65-year-old when we settle down on an oversized settee for our interview. "One was Enzo Ferrari, and another one was Gianni Agnelli. I learned a lot of things from both of them, and they were different, one from the other, but they had one main characteristic in common — they loved their country. These two Italians were the best promoters of Italy in the world." It was Agnelli, in particular, who inspired Di Montezemolo to become one of the most deserving regular fixtures on the global media's best-dressed lists, and a passionate exponent of the Made-in-Italy phenomenon.

#### THE MAN WITH THE GOLDEN TOUCH

The story of how Luca di Montezemolo came to work with these two giants of Italian automotive history is one which makes The Three Princes of Serendip look like The Three Stooges. Born into Piedmontese aristocracy, the latest limb of a family tree replete with military generals and cardinals, Luca Cordero di Montezemolo, *Nobile dei Marchesi di Montezemolo* (he refrains from using his full title) graduated in law from the University of Rome in 1971, and went on to study international commercial law

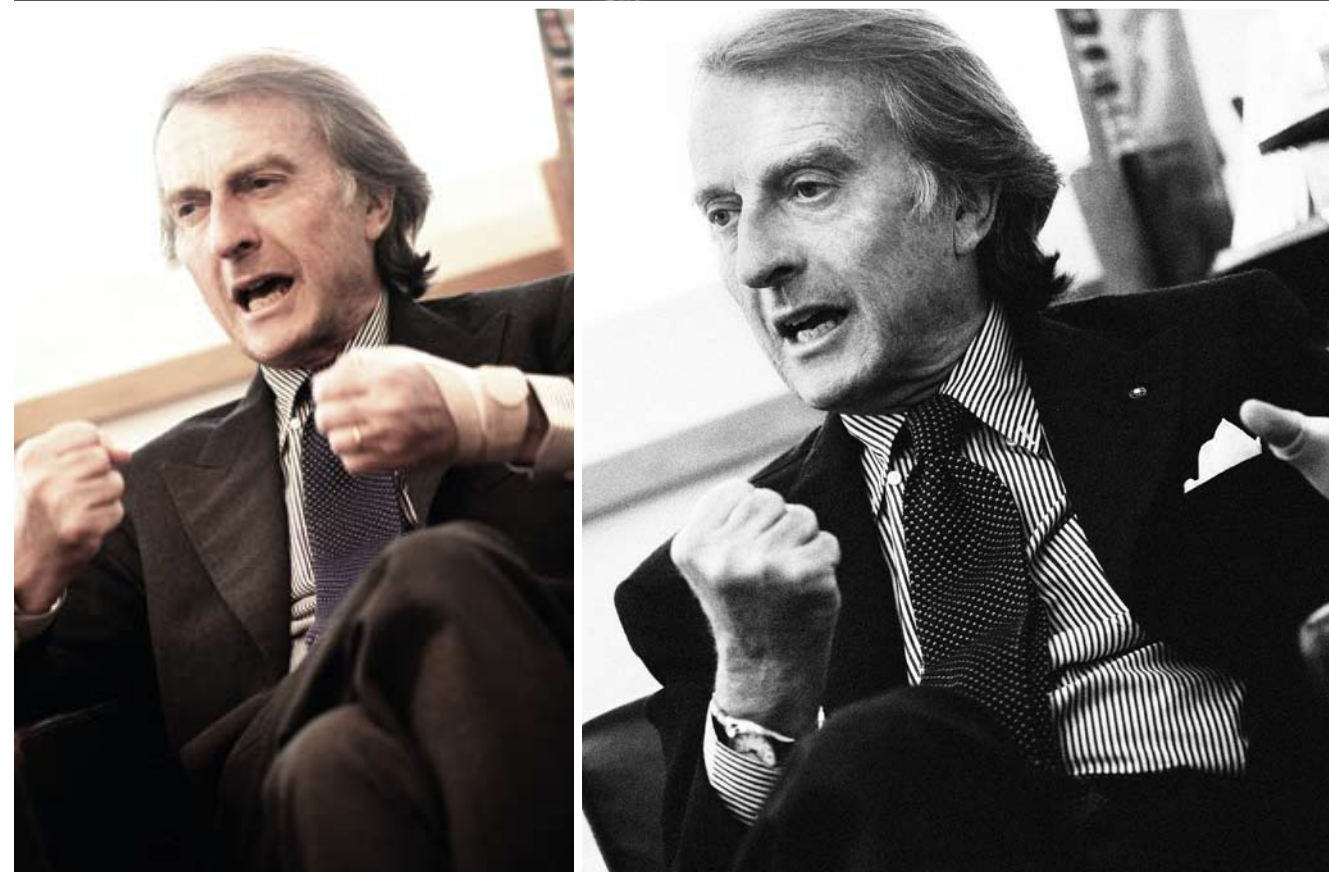


Luca di Montezemolo in jubilant mood at the 1996 Hungarian Grand Prix, when Michael Schumacher finished in the pole position during qualifying.





Luca di Montezemolo, pictured here in discussion with *The Rake*, exudes drive and passion — especially in conversation.



PHOTOGRAPHY: SAM TINSO



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at Columbia University in New York. He had returned to Italy and was enjoying life as a young member of the Lancia rally team when, one fateful day in December 1972, he appeared as a guest on *Chiamate Roma 3131*, a popular daytime radio talk show, and got into a fierce argument with a caller. “He said I never would have amounted to anything if I didn’t come from money, that car racing was a rich kid’s sport and too dangerous and *blah blah blah*,” Montezemolo later recalled. “I was very frank. I said, ‘You’re talking a lot of balls.’” Enzo Ferrari happened to be listening in, and decided that he wanted to take this 26-year-old upstart under his wing. It turned out to be one of life’s more perspicacious whims.

Less than a year later, di Montezemolo was promoted to manager of the racing division, Scuderia Ferrari. It was in this role that he talent-spotted Niki Lauda and stewarded the Austrian’s championship victories in 1975 — Ferrari’s first in over a decade — and 1977, a feat which saw Luca elevated to the Fiat throne (which has had a controlling stake in Ferrari since 1969). Thanks to the far reach of the Fiat empire’s tentacles, he was able to spread his wings throughout the ‘80s, taking the reins at drinks company Cinzano and publishing company Itedi. He also dabbled with non-motorised sports, managing Team Azzurra — the first Italian yacht club to enter the America’s Cup challenge — as well as the committee in charge of Italy’s hosting of the 1990 World Cup, before Fiat Chairman Gianni Agnelli brought him back to Maranello in December 1991 to head up an ailing Ferrari group that was still in mourning for its eponymous founder, Enzo, who had died three years previously.

The youthful di Montezemolo may have been laid a gilded path to the hallowed Maranello gates, but his almost superhuman success with the company over the last three decades is entirely to his own, eternal credit. Ferrari now plies its trade in 60 markets globally — compared to 18 years ago, when the number was just 29. Between 1993 and 2012, annual sales rose from 2,366 to over 7,000, with turnover climbing from €230 million to €2.4 billion. Ferrari has never, on his watch, experienced a loss-making quarter and, in February, swiped the honour

of being the world’s most powerful brand from Apple on the BrandFinance Global 500 list. And, his achievements are all the more remarkable when you consider the daunting task he faced on his return to the company. “To be very honest with you,” he tells *The Rake*, “my first two or three months at the beginning of ‘92 were, for me, very shocking. It was like being a doctor in front of a very sick person. Ferrari at that time was in really deep troubles in terms of selling cars — we were heavily dependent on the United States and Germany — and we were in deep problems with Formula 1 competition too. We hadn’t won a championship since 1979. My job was clear: identify priority goals, put people in the best condition to succeed and — most of all — reorganise the company.”

And so, he spent €200 million updating the manufacturing facilities, summoning the best architects in the world such as Renzo Piano to Jean Nouvel to reshape the factory. He also cut production back to get rid of unsold cars and — in a remarkable stroke of derring-do — replaced the two existing, woefully out-of-date models with new ones including the legendary Testarossa. (Di Montezemolo’s healthy fixation with rejuvenating the Ferrari product range is purring along as strongly as ever today, with the development of hybrid Ferraris and the Tailor-Made programme, which allows customers to create a bespoke car using denim, pinstripes or pretty much any materials that take their fancy, currently his main priority.)

As di Montezemolo set about his revolution, his priority was to capitalise on the company’s illustrious history and iconic status without using it as a crutch: “We are not archaeological,” as he puts it with that typically Italian knack for broken yet apposite idioms. “When I arrived [for the second time, in 1991], I wanted to reintroduce some models with engine in the front. Some models were very difficult to get into and out of — very uncomfortable and a bit old-fashioned. We needed to make different Ferraris for different Ferraristi, and so, now, the FF is completely different to the F12berlinetta, or the 458 [Italia] — which is the one that makes my wife a little bit nervous if I go out alone in it. I love the California,





With close friend, the Tod's CEO Diego Della Valle, at the funeral of Pininfarina CEO Andrea Pininfarina, held in Turin, Italy, in August 2008.



Di Montezemolo's wife Ludovica Andreoni, during the Formula 1 Hungarian Grand Prix in 2000.



A young di Montezemolo with driver Clay Regazzoni at the Italian Grand Prix in Monza, Italy, in September 1974.



Presenting then-Pope Benedict XVI with a Formula 1 steering wheel, along with a €950,000 cheque — the proceeds from an auction of the 400th and final Ferrari Enzo — during their meeting at the Vatican, in December 2005.



Luca di Montezemolo at the French Embassy in Rome to receive his *Légion d'Honneur* award in July 2005.



Luca di Montezemolo throws caution — and safety measures — to the wind, as Niki Lauda cruises to his first victory as a Ferrari driver on the Circuito del Jarama, Spain, in April 1974.

too, because I can enjoy the emotion of driving a beautiful, powerful car, but with room for my children."

While the marque's passé production methods had to be expunged, and controversial measures taken, such as engines being moved from the rear to the front ("My technicians said I was crazy"), di Montezemolo has always been borderline-obsessive about preserving Ferrari's heritage and mystique. "Maintaining our core characteristics is a constant priority," he says, "because when we sell a Ferrari, we sell a dream. To do that, you need to push your people in many different directions, maintain exclusivity. That's why we build less cars than the demand. That's why, every time I do a new car, I want people — whether in Singapore, or Stockholm or New York or London — to know this is a Ferrari, even if there were no *cavallino rampante* [prancing horse] on the front. And when they drive it, I want them to feel that special, unique something inwards, something that is difficult to translate."

Tellingly, this empathetic approach to consumer experience comes across just as forcefully on the subject of his high-speed rail service, developed in collaboration with Tod's CEO Diego Della Valle, that has been dashing between

Milan, Rome and other major Italian cities since April last year: "Our train has 30-percent larger windows than our competitors," he says, which sounds like a rather unusual source of pride until you realise how long and hard he's thought about the glorious aesthetic of soaring through the Italian countryside, unencumbered by the need to control the mode of transport, between the country's major cities.

Key to achieving his goals at Ferrari, for di Montezemolo, was creating a company culture which might be described as anti-complacent: to instil a collective understanding that 110 percent is only 90 percent of how productive, how innovative, Ferrari could and should be in its operations. Which kind of sounds tyrannical, but try telling that to the 2,800 or so employees at Maranello — "as much a university campus as it is a factory," as he describes it, gleefully. As reflected in numerous 'best workplace' awards, the company's employees are extremely well-treated, especially since the introduction of 'Formula Uomo'. Conceived to make employees feel empowered and appreciated, this programme introduced measures such as carefully designed lighting systems, green areas, climate control and noise damping,



as well as education, fitness and well-being programmes. “My factory’s biggest asset is the people that work inside it,” he says. Indeed, when Silvio Berlusconi mentioned on a national TV show that he would readily offer di Montezemolo a ministerial seat, a few years back, he arrived at work the next day to find on his desk a petition, signed by over 1,000 employers, begging him to stay at Ferrari.

Ferrari is not the only ailing brand on which di Montezemolo has laid his healing hands during his tenure. In 1997, Ferrari acquired a large percentage of Maserati, which had been losing money for 15 years. Drawing on a methodology that had already proved a winner with Ferrari, di Montezemolo overhauled the product range (we have him to thank for the Quattroporte), invested millions in renovating and enlarging the quaint red-brick Maserati factory in Modena, and set about turning the brand into a more affordable equivalent of Ferrari. He had completely transformed it into a profitable, much-admired brand by the time he sold it back to Fiat in 2005.

Everything he touches, in fact, seems to turn to profit. Following the deaths of Giovanni and Umberto Agnelli in 2003 and 2004 respectively, he was appointed Chairman of Fiat and set about justifying his selection as Chairman of Confindustria, the Italian association of industrial companies, only the day before by steering the country’s national carmaker from certain bankruptcy to healthy solvency, starting with the savvy appointment of Sergio



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Marchionne as CEO. Beyond the world of motoring, his family investment vehicle, Montezemolo & Partners — which is headed by his 36-year-old son from his first marriage, Matteo — has profitable controlling interests in thriving ventures including Poltrona Frau, the Turin-based furniture company founded in 1912 by the Italian craftsman and designer Renzo Frau. Back in 1992, he and a long-standing friend, Paolo Borgomanero, got fed up with their favourite cologne, Acqua di Parma, being so scarce on the shelves and decided to purchase it — for “a few million lire”, as Borgomanero later recalled. The pair sold it to LVMH nine years later for €20 million.

But while his razor-sharp commercial aptitude has had business commentators marvelling for decades, it is perhaps di Montezemolo’s salvaging of Ferrari’s performance on the circuits that has restored the marque’s iconic sheen, and made it enough of a celebrated enterprise to justify the existence of Ferrari World, a gargantuan theme park in Abu Dhabi which attracts an

estimated three million visitors per year. When di Montezemolo arrived for his second stint at Ferrari, the team hadn’t won a championship for 12 years; the record-shattering F1 team he built around Jean Todt and Michael Schumacher won five World Drivers’ Championships from 2000–2004, and another with Kimi Räikkönen in 2007. More importantly financially, Ferrari landed the lucrative Constructors’ Championship from 1999–2004 and 2007–2008.

If there is a single factor behind his success on the track, it is unadulterated ardour for the sport. Outside di Montezemolo’s office hangs a photograph (see page 139) of Niki Lauda cruising to his first victory as a Ferrari driver on the Circuito del Jarama, Spain, in April 1974. It was also the first-ever triumph of a young, ecstatic di Montezemolo, who can be seen sprinting onto the tarmac, arms aloft, in flagrant disregard to not only the rules, but the basic tenets of self-preservation. Talking to him about the incident now, you get the impression it was a reflex action. He had no choice. And, reportedly, he’s just as passionate in defeat: rumour has it that he once destroyed a television set in his home when a world championship was lost on the final corner. “He’s got a passion that his competitors can feel, and sometimes it can even be uncomfortable to be around,” according to Martin Whitmarsh, who runs the McLaren racing team, one of Ferrari’s bitterest rivals.

Even relative lack of success — Ferrari hasn’t won a world title in the last four seasons — is met with grit and determination, with di Montezemolo insisting his design team throw caution to the wind in pursuit of greater performance: “Our technicians need to interpret the rules in a more aggressive and ‘extremist’ way,” he told attendees of a Ferrari pre-Christmas dinner last December. “Less conservative.”

#### A WORLD LEADER IN WAITING?

Observers with an ear for Freudian slips may seize upon the words “less conservative” here, as the Ferrari President’s name — eternally catchy with its trio of metrical beats (*Luca di Montezemolo*) — has long been linked with a run at political office. Already just about the closest thing you’ll find to royalty in Italy, di Montezemolo enhanced his political credentials in 2009 by founding Italia Futura — a think tank dedicated to revamping Italy’s political architecture and rejuvenating its entrepreneurial yen. In 2011, during the run-up to Silvio Berlusconi’s ignoble fall from grace, a poll found that 60 percent of Italians believed it would be beneficial for Italy if di Montezemolo were to go into politics.

So how often, on a daily basis, is he asked whether he has one eye on Italy’s seat of power? After all, especially since February’s stalemate election, these are times of political turmoil for Italy.



Luca di Montezemolo: a man of poise, scope and reflection.






Talking tactics with Niki Lauda at the French Grand Prix in July 1975; opposite with Ferrari's first four-wheel drive vehicle, the Ferrari F40, at the Italian embassy in Tokyo on 4 July 2011.

“Three or four times per day,” he smiles. “But listen, I have a lot of things to do still with Ferrari — a lot.” Does he feel Italy, politically and economically, is in better shape than it was a year ago? “I think that, for sure, Italy in a few ways is in a better shape. In a way, we are at the end of the era which we call in Italy ‘The Second Republic’; now, we need to open a ‘Third Republic’ with a strong leading political class. This is a top priority. And this leading class has to be strong enough to reform this state — less bureaucracy, far less taxes, more room for private enterprise, less state presence. We are faced with a need for new reforms.” At face value, he’s the perfect candidate to impose a long-overdue ideological shift on a troubled nation: “Di Montezemolo is atypical in Italy because he follows through,” says Francesco Casolari, Director of the Industrial Association of Modena. “In Italy, a lot of people do a lot of talk, but little action. He is a man of action.”

It remains unclear, though, whether di Montezemolo will ever choose to steward the robust new political regime he dreams of. He is a keen reader of the works of Seneca the Younger, and the Roman stoic philosopher’s writings — probably ‘De Brevitate Vitae’ (‘The Brevity of Life’), in particular — have persuaded him that he should not retire too late. And why should he? A holder of a *Cavaliere del Lavoro* (an Italian decoration awarded for service to industry), he makes over US\$5m per year, and has achieved enough for a billion lifetimes. And, from what little we know of it, di Montezemolo’s world outside of work resembles Italian life as portrayed in a prewar Cinecittà movie. During the week, he spends his modest amount of downtime sauntering happily around Bologna, sans bodyguards, willingly posing for photos with the public despite an innate aversion (not

evident on these pages) to the lens; at the weekends, he lives in Rome with his second wife, Ludovica Andreoni, their two daughters (Guia, 12, and Maria, nine) and his son (Lupo, two). Perhaps inevitably, he owns a yacht, which is moored in the coves below his house on the island of Capri.

Besides, he seemed to put an end to speculation about his political future earlier this year — for now, at least — when he told *La Repubblica* that he would not campaign for a seat in the Italian parliament, and would be backing Mario Monti’s bid for a second term. So, are his political ambitions dead and buried? Di Montezemolo likes to tell an anecdote that leaves this question very open. One day, when he, his wife and his then one-and-a-half-year-old son were taking a stroll around the island of Ischia, in the Gulf of Naples, they came across another couple, who — like so many members of the public who encounter di Montezemolo during his private time — began petitioning him to run for office. During the exchange, the infant di Montezemolo took a fall, prompting his father to come rapidly to his aid. “Look,” the man said to his wife, “he will make a fantastic politician, because see how good he is as a grandfather.”

One can interpret the story in more than one way. Is it a light-hearted, self-deprecating admission that he’s not getting any younger, and should he down tools and start indulging in la dolce vita? Or is there, buried within this jocular narrative, a hint that his country — a relatively young one in historical terms, and certainly stumbling of late — needs hauling back to its feet? A good percentage of his compatriots would certainly love to see him turn his hand to the task. 

PHOTOS: CORBIS/GETTY IMAGES



