

True to the Original Spirit of the Brand

An Interview with Giuseppe Aquila,
Chief Executive Officer, ELMO & MONTEGRAPPA S.p.A.



EDITORS' NOTE Naples, Italy native Giuseppe Aquila entered one of his family's businesses, the Lalex Pen Company, in 1988, the year he graduated from high school. While completing his college studies at the University of Naples, Aquila oversaw export activities for the other family business, Montegrappa. He became CEO of Montegrappa in 1992. In 2000, Aquila sold Montegrappa to Richemont and became International Marketing and Commercial Manager for the new division. In 2002, he and his father, Gianfranco, established the Aquila Group and in 2004 acquired Tibaldi, Italy's oldest pen brand.



Giuseppe Aquila

COMPANY BRIEF Montegrappa (www.montegrappa.com) is the first Italian pen manufacturer and has been producing quality writing instruments with an Italian flair since 1912. Among the many soldiers who used Montegrappa pens (then known as Elmo) to write letters home during World War I were celebrated American writers Ernest Hemingway and John Dos Passos. Montegrappa was acquired in 2000 by Richemont and has since been reacquired by the Aquila family, which along with Tibaldi, will now fall under ELMO & MONTEGRAPPA S.p.A.

In returning a historic brand to the family with your recent acquisition of Montegrappa, can you give a brief overview of why you felt it was the right fit, and what your plans are for the brand?

Montegrappa was my family's original business, and we sold it to the Richemont Group in 2000. So when we were offered the opportunity to reacquire the business, we welcomed it with great enthusiasm. This is where I started my career, and it is the perfect brand. Richemont decided to discontinue their businesses below \$100 million, and they offered it to us because they knew we would be interested and would have the know-how and passion to re-launch and revive the brand. Richemont still owns a 10 percent interest in the business, so they are working closely with us in the re-launch of Montegrappa.

What changes do you expect to make to the product line?

When there is a change of ownership, automatically there is a change of vision. It's our intention to restore the original spirit of the brand that had not been lost, but had been slightly changed. In the future, we want to launch new products that are more true to the original spirit of the company, which means offering limited editions with very exciting subjects on a more frequent basis, and also expanding the regular line in different areas than Richemont had planned.

Their vision had to incorporate more of a global picture as part of a multinational company. They also had to keep a certain balance within the group since Montegrappa was run by Montblanc, which is the market leader. So now we operate as a stand-alone company, and we have a totally different approach.

Does Montegrappa only appeal to a very high-end niche market?

It is broader than just the top. We have pens that retail for \$1 million, but we start from approximately \$200. We offer a wide spectrum of products.

Will distribution be global or are you focused only on certain key markets?

It's global. We are in approximately 60 different countries already.

The Montegrappa brand is part of your family, and the vision was there from the start. How engaged have you been in the brand and how active will you be in the future of Montegrappa?

I've always been involved in the development of new products, so it is natural for me to be true to the original spirit that comes from me and my family. In the future development of the brand, we want to also appeal to different types of consumers – not just the collectors, but a younger audience and those from different walks of life. Even with our limited editions, the themes we're going to develop in the future are more contemporary than what they were in the past. So we'd like to attract those who might collect or buy pens because of the theme.

We just finalized an agreement with Muhammad Ali Enterprises. Every year, Montegrappa has launched a collection called Genio Creativo, which means "creative genius," dedicated to people who showed during their lifetime to be geniuses – in the past, we did the painter Amedeo Modigliani, and Antonio Stradivari,

the legendary Italian luthier. We want to take this into a different world altogether, so we thought of paying tribute to Muhammad Ali, who is our first living inspiration. But this also brings us into a completely different world – the world of sport, the world of boxing, and this is unprecedented for Montegrappa. This will be our Genio Creativo for 2010, and there will be a number of activities and events worldwide to promote this line.

You also have a very strong brand with a loyal clientele in Tibaldi. Will Montegrappa and Tibaldi complement each other?

Definitely. They will complement each other because Tibaldi will still be positioned for the higher segment of the market, while Montegrappa will offer a much wider spectrum in terms of price points.

For you and your family, it must have been a very interesting feeling to bring the Montegrappa brand back under the fold.

This was emotional for myself and my father and mother who were involved in the business. Montegrappa has always been located in the same building since the early 1900s and we physically lived in this building for maybe 20 years. So it was like coming home.

Many in a family business talk about the positives as well as the challenges. How have you been so successful with the dynamic of the family?

I'm involved in the marketing part, my father is in finance, and my mother is in production and takes care of quality control. We see different areas of the business, so we are in close contact with each other, but the secret of the success is that each of us handles separate areas of the business.

As you look to 2010, for Montegrappa as well as for Tibaldi, what are the areas you're most focused on to make sure the growth and strength of the brand continues?

Right now, we are very busy with the reorganization of Montegrappa and there is a plan to integrate Tibaldi within the same company, so the reorganization process is our main focus. We are still going through a transition period, so 2010 will be when the transition period will be completed. There is a lot of work to be done, but we're very confident, also because of the upturn in the economy, which we are experiencing in most markets. ●

Pieces from the "Montegrappa Città d'Arte Venezia" Limited Edition collection (above)