

100 Years of Innovation

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



Ultimate Dragon (left); Batman set (above)

EDITORS' NOTE *Giuseppe Aquila entered one of his family's businesses, the Lalex Pen Company, in 1988. While completing his college studies at the University of Naples, he oversaw export activities for the other family business, Montegrappa, of which he became CEO 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, which is Italy's oldest pen brand. Aquila is a native of Naples, Italy.*



Giuseppe Aquila

COMPANY BRIEF *The first Italian pen manufacturer, Montegrappa (www.montegrappa.com), 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 renowned American writers Ernest Hemingway and John Dos Passos. Montegrappa was acquired in 2000 by Richemont and was reacquired by the Aquila family in June 2009, which along with Tibaldi, now operate under ELMO & MONTEGRAPPA S.p.A.*

Montegrappa is a brand with a long history and heritage. What has made the brand so special?

In the early 1900s, there were no Italian pen manufacturers. Most pens were coming from the U.S. but there were problems with maintenance and after-sales service. The critical focus was the fountain pen nib, which also needed to be customized based on client specifications. So Austrian Edwige Hoffmann and mechanical engineer Heinrich Helm moved to the Northeast of Italy to set up a workshop for the production of solid 18K gold nibs. They met a local entrepreneur, Alessandro Marzotto, and he decided to finance their business.

In 1912, Marzotto decided the company should focus on producing complete pens – this is when Elmo was born. The name was changed to Elmo-Montegrappa and after that to Montegrappa when Mount Grappa, a mountain close to the city of Bassano del Grappa (the last stronghold against the Austrian invasion in WWI) became a symbol of Italian patriotism.

In 1938, my grandfather, Leopoldo Aquila, initiated a collaboration with Montegrappa: he purchased private label pens from the company. In the 1970s, my family represented Montegrappa's best client absorbing approximately 70 percent of the company's production output, hence the decision by my father, Gianfranco, to acquire the business.

I joined in 1992 with the vision to expand the business overseas and to concentrate primarily on the luxury end of the business with the launch of the first limited edition.

In only three years, the business grew five-fold. This attracted the interest of a leading luxury conglomerate, Richemont, which took over the company in November 2000. Nine years later, my family reacquired the business and welcomed into the company two celebrity shareholders: actor/director/writer, Sylvester Stallone and F1 Racing Driver, Jean Alesi.

Would you highlight the collection and some of the new pieces that have been introduced to the market in recent years?

Our collection consists of two main segments: a regular line and limited editions. The former includes resin pens with metal trims, celluloid pens with sterling silver trims, and writing instruments in sterling silver. Limited editions are Montegrappa's signature and are often dedicated to important anniversaries, legendary personalities, art, culture or history. The themes may be very different and some of them unusual, such as Sylvester Stallone's Chaos pen with its skulls and snakes decorations – which appeared as a key prop in a scene in *The Expendables 2* – or the Batman limited edition, which is also offered as a set including fountain pen or roller ball along with a wristwatch and cufflinks. Both collections are part of our much celebrated "Cult" series.

How much of a focus have limited editions been for Montegrappa?

Limited editions have garnered approximately 50 percent of our business since 1992.

In 2012, we were very active in the limited edition arena since we celebrated our 100th anniversary, culminating with the launch of our Ultimate Centennial Dragon pen with a price tag of \$1,000,000.

Montegrappa also has a strong watch offering. Would you highlight that collection?

The watch collection has been introduced only recently and represents, for the time being, a brand extension of our NeroUno line. The first NeroUno watch was launched two years ago; it's Swiss-made with a Ronda quartz movement. The second watch was an automatic offered in three different versions, all exclusively in limited edition.

You recently introduced a collection of chronograph watches. What was your vision behind developing these timepieces?

The chronograph, which is the latest addition to our timepiece collection, is pure fun. I collect chronographs and felt it did not make sense to not have a chrono in the successful NeroUno line. The market reaction has been overwhelming because it's a lovely watch with a highly competitive price point.

Would you highlight the distribution channels for Montegrappa and the global strength of the brand?

The Montegrappa line is distributed in pen shops, jewelry and watch stores, department stores, and concept stores in over 60 countries. These include several shop-in-shops and corners as well as a number of mono-brand boutiques. In 2011, we opened a boutique in Qatar; in 2012, we opened one in Moscow as well as in Dubai, Riyadh, and Bucharest.

How is the luxury market faring today in light of economic pressures? What is your outlook for growth for Montegrappa?

Where luxury means the highest expression of craftsmanship, I anticipate a bright future, regardless of the economy. Our company keeps growing at a very fast pace with double digit increases every year.

How critical is continuous innovation to the success of the brand?

Innovation is crucial. We have a dedicated research & development team that works incessantly at finding new materials or technologies. Our association with automotive companies or major players in other industries such as jewelry, watchmaking or fashion helps us maintain our position as a pioneer and trendsetter in the pen industry.

When you look at all that you have accomplished with Montegrappa, what are you most proud of?

I'm very proud of the team that we have put together – after all, companies and brands are made up of people at the end of the day. ●