

A SUITABLE MAN

Third-generation businessman Ermenegildo Zegna treads a fine but highly successful line between preserving his grandfather's legacy and vision, and adapting the business for today's clients.

STORY MICHELLE BATEMAN

IT'S A COMMON dilemma for the new CEO of a family business: how to keep the company competitive and relevant in the market place while staying true to the founder's vision.

When Ermenegildo (Gildo) Zegna stepped up in 1997 as head of the men's luxury brand started by his grandfather, his ambition was to take the company global.

"We are big, but not too big," Zegna says. "If we compare ourselves to some of the other luxury groups, sometimes we get a little bit scared. But I think that we are different and we're trying to remain different. We started from a niche and we made the niche bigger."

Started as a wool mill in Italy's Biella Alps in 1910, Zegna was the first Western luxury brand to enter the Chinese market 25 years ago and now has stores in more than 80 countries. The range has been expanded to include sportswear, knitwear, accessories and, most recently, fragrances.

The company remains a tightly held enterprise and the vertical integration business model keeps a firm grip on the label's roots. The family still works with its wool, silk and cotton growers and is intimately involved in the design, manufacturing and distribution stages. Zegna directly operates more than half its global retail outlets and at least

70 per cent of its product is made in its own factories. It means the company has about 7000 employees worldwide.

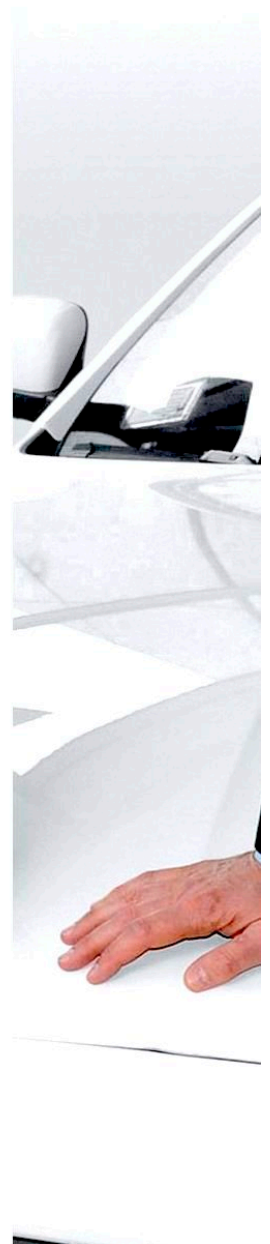
While fast-moving disposable fashion brands such as Zara and American Apparel are also adopting the vertical integration model, allowing them to respond more promptly to changing customer appetites, it's much less common among Zegna's peers in the luxury sector.

However, Zegna agrees that the model makes the delivery cycle shorter and allows the brand to better anticipate trends. "The speed of women's wear is quicker, [but] the gap is shortening and men are now shopping more like women," he says.

More importantly, Zegna believes having a certain amount of control over the raw materials means a more exclusive product offering; whether it be the world-class Australian Merino wool used in its suiting or the company-owned Calabrian bergamot farm that grows flowers for the label's signature fragrance.

A certain amount of tradition is at play here, too. More than half a century ago, the second generation – Zegna's father, Angelo, and uncle, Aldo – forged a relationship with Australian woolgrowers, who continue to produce the fibre used in some of the company's finest apparel.

"Our [heritage has] come from the natural wool – we always felt there was no future for fashion without wool and in particular, superfine Merino," Zegna explains. "Wool lives and performs, and it stands for top quality. So we like to support, award and reward woolgrowers for their efforts." Since 1963, Zegna has awarded a national Australian trophy to the producer of the finest Merino wool in Australia. >





From M to Zegna:
right, Zegna
limited edition
paint tones and
fabrics for Maserati.
Main picture:
today's head of
the family firm,
Gildo Zegna.



“Wool is a semi-finished product, so it’s up to a textile finisher like Zegna to make it happen,” he says. “It’s the process – the finishing, the wool, the water we use – that makes it happen and it was important for us to understand what the process entailed.”

Zegna and cousin Paolo, now company chairman, started visiting Australian farms in the late 1970s and spent the summers working in factories there, honing their knowledge of the Australian wool industry.

Understanding the wool production process from its foundation point has allowed Zegna to push the traditional fibre into uncharted territory of performance. Over the past few years, the company has developed wool-based textiles that are crush-proof, stain-repellent or cooler to wear in hot climates.

“Unless you believe in innovation and have the ability to foster that innovation, you get stuck,” Zegna says. “Our main customer is interested in the mechanics of the products, they’re interested in watches, in cars, in fabrics – it’s very mechanical, it’s about the technology behind it.”

An IPO is not on the cards, but succession planning is well under way with Zegna’s sons, Edoardo and Angelo, both in their late 20s, having spent their lives being schooled in the Zegna process and design archives.

The past decade has seen a flurry of licensing arrangements that has resulted in

Fondazione Zegna

The family set up Fondazione Zegna in December 2000 to continue the work, values and philosophy of grandfather Ermenegildo Zegna, founder of the Zegna label.

His example was that quality and dedication can live in harmony with protection of the natural environment, social wellbeing and the cultural development of the local community.

The foundation plans and coordinates international humanitarian work in: conservation and amelioration of environmental and cultural resources; fostering of sustainable development in local communities, in Italy and beyond; support for medical and scientific research; and education and training for young people.

■ www.fondazionezegna.org/en/welcome-to-fondazione-zegna-2/

Of all the suits his company produces, Gildo Zegna favours the high-performance options.

“We try to put ourselves in their shoes and think how they travel. They want light weight, performance, durability, good looks – and that’s what high-performance stands for. It’s really for the man who travels, the businessman.”

a joint venture with the Salvatore Ferragamo Group to develop leather footwear and accessories; a collaboration with Girard-Perregaux on a limited-edition timepiece; and the men’s fragrance, produced under licence by the Estée Lauder Companies. Other arrangements have seen eyewear and underwear made under the Ermenegildo Zegna name, while a deal has recently been struck for the custom fit-out of a Maserati.

“On one side, there is a pioneering spirit; on the other side a tradition and heritage,” says Zegna. “We’re looking forward and are willing to do new things.” ■



Zegna encore: clockwise from left, sunglasses, suede and leather sneakers, and the Chronograph. Right, a Zegna suit from the winter collection.

