



Lorenzo Bertelli | Photo: Brigitta Sacconie

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Prada Scion Lorenzo Bertelli's First Interview

The son of Miuccia Prada and Patrizio Bertelli talks to BoF's ImranAMED about joining the family business and his vision for the future of the company.

BY **IMRAN AMED** JULY 2, 2020 05:40

MILAN, Italy — When former rally car driver **Lorenzo Bertelli**, the son of Prada Group Co-Chief Executives **Miuccia Prada** and **Patrizio Bertelli**, joined the family business to lead marketing and communications in September 2017, he assumed what many industry observers saw as pole position to lead Prada when his parents one day step away from the company that, together, they turned from a staid Italian leather goods house into one of the world's most desirable luxury brands.

The husband and wife duo still own about 80 percent of the Hong Kong-listed business which registered operating profit of €307 million (\$345 million) in 2019, down 5.3 percent on the previous year, on revenues of €3.22 billion. And though Mrs Prada and Bertelli senior show no signs of exiting their roles anytime soon, the next step in a succession plan seemed to come on the Sunday of Milan Fashion Week in February, when Prada officially **installed Raf Simons as co-creative director**, working alongside Mrs Prada.

The Prada Group, which owns Miu Miu, Church's and Car Shoe in addition to its flagship Prada brand, has been buffeted by the coronavirus crisis like the rest of the luxury sector, which is **expected to contract** by up to 39 percent this year, according to **BoF and McKinsey's State of Fashion 2020 Coronavirus Update**. In March, the company's stock price sank to a new all-time low, as stores around the world were forced closed and sales stalled. But even before Covid-19, the company was lagging its peers, suffering from high wholesale exposure and a weak digital strategy.

"Lorenzo has been instrumental in driving a number of changes for the better, including more focus on digital, the new initiative on sneakers [and] a fresh look at creativity,"

said Bernstein's Luca Solca. "Not bad for someone who was supposed not to have any industry experience."

Until now, Lorenzo has kept a low-profile, working mostly behind the scenes as head of marketing and communications. But today, in his first major interview, the 32-year-old self-described computer nerd who was appointed to the Prada Group board of directors in June 2018, shares details of his life pre-Prada and lays out his vision for the future of the family firm as it works on a turnaround amid the coronavirus crisis, aims to catch up with a digital revolution in fashion that has only been accelerated by months of lockdowns and takes the first steps to becoming a more diverse and inclusive company.

Imran Amed: What was it like growing up the son of the legendary fashion designer, Miuccia Prada and her equally legendary husband, Patrizio Bertelli? Do you remember when you first understood what it was that your family did and how big of a deal it is in the fashion world?

Lorenzo Bertelli: They were just my parents. I'm born in 1988. Let's say, I grew up with the company while it was growing up, you know. So maybe if I were born now, or 10 years ago, it would be different, but because Prada was successfully built in the '90s, it's been a parallel process, I would say.

Having grown up in the fashion world, you didn't choose to join the family business at first. I was watching some of the YouTube videos of your rally car driving. How did you get into that?

This is a part of my life that is closed now, but at the moment, it was the most relevant part of my life because I learned so much in that period. I always liked, since I was young, motorbikes, cars, engines — and adrenaline. I started racing just for fun. And so I did another one, and then it was not so bad, so another one, another one, and after one year, I almost stopped but my father said to me, "You have to try, seriously at least once, to understand how it is to be completely committed to one objective and one direction."

I said, "Okay, why not?"

I was sometimes away for almost 200 days per year. It's not like Formula One where you have races during the weekend and you stay in five-star hotels. Rally is quite different because they take you away for at least ten days. It's a team sport because you have the driver — that was me — and the co-driver and you race for 12 hours a day for four days in a row, without much resting time.

It teaches you a lot in terms of life lessons because even if you do everything perfectly, the car can suddenly break down... sometimes I was almost winning and then I had a mechanical issue with the car and I lost, so I was really, really sad. But then I had other moments where I felt very happy. It's a nice metaphor for life.



Lorenzo Bertelli competing in the Monte Carlo Rally in 2016 | Source: Getty Images

You've now gone from high-speed racing to high fashion. Clearly you have this family connection, but I'm sure it was still a really big decision for you. What made you decide to leave your passion and join the family business where you didn't really have much experience?

It has been a bit hard to make this decision but at the same time, I was responsible for myself and what surrounds me. I don't know, I felt that was the moment to join the company, but not because I felt I needed to help my family. I still had margin to grow. If I had to choose again, I would make the same choice.

So what has it been like?

I was not scared at all when I joined the company because I'm used to pressure in rally. I've never been scared, you know? But, I felt a lot of responsibility. It's a different kind of emotion. When I was doing rally, I would wake up and do the best possible, and this is the same approach that I have in the business life in fashion. I wake up every morning doing the best I possibly can, and then if success happens, good. Otherwise, I've done my best so I can sleep well without any problem.

On the other hand, I've found out more than I thought about what it is like working with, not just one, but two of your parents. In the first couple of years, I was bringing too much of the job home. I really had to learn how to switch off when I was with my father and mother. There have been honestly some moments where it's been really hard, because you can imagine how it is to work with your parents. But in the end, things went in the right direction. So we argue, but the principles are the same. Otherwise it would have been almost impossible to work with them.

What has been the biggest challenge for you, Lorenzo, coming from outside the industry?

The most challenging thing has been for me to prove to people inside that I'm able to do the task that was asked of me — this is exactly the same kind of feeling that I had when I was a rally car driver and needed to prove that I was fast enough to be at that level — and to be respected among my colleagues for what I was able to do and not because of my position.

The most challenging thing has been for me to prove to people inside that I'm able to do the task that was asked of me.

Another point has been diplomacy, you know, because you are not the boss of the company, but at the same time you want to understand what is happening within the company. So you have to have that right dose of diplomacy to understand everything that happens within the company and be open enough to let people talk about some topics with you and not say too much to my parents because you have to keep some secrets. So, I think diplomacy has been something that I had to learn and I hope has helped me to be appreciated inside the company.

Tell me a little bit about your role. Coming into the business, I'm sure one of the conversations you had with your parents was, well, "What am I going to be responsible for?"

Yes. When I joined the company, there were two main areas where I could join. One was in retail and one was more marketing-focused. But communication has been hit hardest from the digital revolution of the sector. And since I was very young, I've always been a kind of nerd with computers and things like that. So in the end, we said, "Okay, maybe that area is where there is more clear sky." So we decided, with my father and mother, to focus on digital communication because the role was clear and there was nobody in that role.



Patrizio Bertelli and Miuccia Prada | Source: Getty Images

I took the role and after a few months, I said, this is not about just digital communication, it's about communication. Personally, I hate the word digital, you know, because I always say it's not another cake, it's the same cake that must be divided into more slices. There is digital, print and so on. So I said, "Guys, this is communications, not digital. We have to put everything together and create a 360 approach to communications. It's not about a single pillar. It's about the connection between different pillars: communication, CRM [Customer Relationship Management], the customer, the product, the marketing strategy, a lot of things."

In the end, we decided the best thing to do was to create a big team that now is marketing and I'm in charge of it, where we have communication, which is in part dedicated to the customer, so CRM and omnichannel, and also dedicated to product insight marketing. In our company, we don't have completely vertical pillars for every brand.

You recently took on this additional role in Corporate Social Responsibility — or CSR. In some places, this is seen as an old-fashioned way of thinking because CSR is integrated into everything that we do as business people now, right? It's not just a little department on the side.

Yeah, I completely agree one hundred percent, because CSR touches on everything from marketing to communications to the customer to supply chain to the product. It's so wide that I always say the first CSR person of a company should be the person in charge of the whole company. In order to give real relevance to the sustainability aspect, we decided to put me in charge exactly because of what you're saying. So I'm in charge of the marketing, but because of my role, I have, for sure, a bigger relevance on that topic. Then I can apply the right notes everywhere in the company to make sure it works in a smooth and straight direction. CSR alone is nothing. You have to really work in vectors with a lot of departments.

So what are the areas that you've identified in that role as being a focus? As you know, there are so many challenges in the whole fashion supply chain that need to be addressed, around environmental impact, around impact on people, around diversity and inclusion. There are all of these different topics that kind of come together and you can't do everything at once. Where have you focused your energy?

Yes, first of all, I think the biggest focus of CSR is to make every division of the company — from the supply chain, HR, etcetera — aware of the direction the market is taking on different topics. I make them aware, and then we set some objectives and roadmaps on those topics.

So how do you do that? How do you find out what's going on in the market?

There are a lot of companies and agencies that grade the sustainability parameters of every company. So what you do generally is put together all those parameters from those rating agencies and you benchmark what others are doing, and then you create your roadmap, your KPIs, and then you work to achieve those objectives.

So these areas where you've taken the lead around communications, with an emphasis on digital, and CSR, how do you take those kinds of more modern topics for business back to your parents who've run the business in a completely different way? I mean, your mother is one of the best communicators there is in fashion, but digital is probably not something that comes to her as naturally.

Yes, it's true. But, I always say it's like they learned to use the smartphone, you know, and they are clever. So, I think a lot of problems that I see now is that if you want to have a really digitalised company, you need to start from the heads. You cannot start from the bottom because if the heads don't really understand, you will never be able to do it.



Lorenzo Bertelli at The Green Carpet Fashion Awards | Source: Getty Images

And because they are not stupid, and I know them very well, I know which points I have to touch to make them understand and explain and they really understand perfectly so they are completely on the same page. But sometimes you find out that they already know what you want to say to them, but they think in a different way. I think being able to explain what is the key of every digital officer of the company and nobody other than his son can explain.

So, on this topic, they were happy and they say, "Okay, let's do it." I mean, it was no problem at all and really fast and quick. It's just a conversation of one hour at dinner and that's it, you know?

On the sustainability side, which is a relatively new topic for our industry, it's something that I think people have really started taking seriously in the past few years. How do you convey that critical topic back to your parents?

First of all, both my parents, they've always had a kind of renaissance mindset. I will not say a sustainable mindset but, it's always been a cultural mindset that is, let's say, sustainable by definition. They have that kind of vision of where the world needs to go, a more sustainable world where people produce less, then create more value, because the rush of growing, growing, growing creates an environment that is not sustainable. I bring to them evidence...of what is sustainable and what is not today.

And then you have to go into the technical aspects. I have a team that works with me on those points. I have to explain what we need to do to achieve those points and what happens if we don't do that. So, I simply put choice on the table and they clearly understand. There is a lot of complexity to applying those strategies, especially in the supply chain. You see a lot of those rankings and the ratings on supply chain and things like that, but there is nobody that in the end really checks that what you say is true, you know.

Both my parents, they've always had a kind of renaissance mindset.

And they say, okay, we have to work because we are responsible. The company has to be responsible in saying the truth and doing as best as possible. Because I believe that once you do a mistake, in a globalised world like this, with digital communication, the damage that you get in terms of perception is too big. And this is I think is why everybody is investing more. Sustainability has become a marketing need for the company.

When you say a marketing need, is that because customers are asking for it?

Yes, exactly. I really like engine cars, you know, because I think a sports car needs to have an engine. But personally, I have an electric scooter and an electric car. There are two different tasks. One, you go from A to B and one is just to have fun. A lot of people talk badly about Tesla, but in the end, Elon Musk has done an incredible job because he forced all the other manufacturers to accelerate the process in going electric.

What is happening also in our sector is a little bit the same. You need to go in that spot because the customers, as you say, want that. But being sustainable also means being sustainable in economics. At the moment, for example, our nylon is more expensive than normal nylon.

Let's talk about that nylon project because that was one of the most interesting moves that Prada has made recently. It did two things at once. It managed to go back to the archive of what Prada first became famous for — those black nylon bags from the 1990s — but the company did so by using a completely new material, which is much more sustainable.

Yeah. I remember when we took that decision because I was at dinner talking with my mother and we were discussing sustainability and she told me, "You should talk to the person in charge of materials because they're working on a sustainable nylon." I said, "Okay, tomorrow I will call them and I will investigate."

And actually I found out that they were already at a good point with this company Aquafil on the sustainable nylon. This is an example of one part of a company that is doing its job, but nobody knows and [we just need to] put together all the pieces. I said to my mother and my father, "Hey, guys, we have this incredible opportunity. We have to take it!"

It sounds a little bit like your role is connecting the dots of different parts of the business — including with the two people who are in charge — and making them aware of opportunities that maybe they didn't see themselves.

Exactly. I would say that connecting the dots is my biggest task every day. You have incredible people with incredible know-how, heritage and history and sometimes you simply have to connect the dots and bring them together.

Okay, Lorenzo, you know, if we were doing this interview three months ago, I might have ended the interview there. The last time I saw you was the Sunday of Milan Fashion Week when Prada announced that Raf Simons was joining as co-creative director. The industry was speculating about it for quite some time.

It's been very funny to hear all the speculation through these months. We managed to keep the big secret about the collaboration until the end. It's been a very open discussion and the basis of everything was that we are in a more complex environment and they believe that it's not enough anymore just for one person to cope with this multitude of culture, this environment that is changing so fast.

Sometimes you need to make a confrontation between people to discuss some topics. So, it's not about a one-man show, but it's more about talking about what is going on together. This is a very big milestone compared to the one-man-show approach of the past of this sector.

They're both such strong-minded creative people, though. And the question I asked at the press conference that day was, how are they going to make decisions if they don't agree?

I participated in a lot of meetings with them. When you have mature people, and very clever people, it's never a problem because it's always a constructive clash. And this, I

think, is the scope of their collaboration. If there is going to be a clash, it's going to be a winning clash for the company and for them themselves. When I look at them speak together, they are friends, since, I don't know, decades. I'm not worried at all, honestly.

But of course, since that Sunday of the press conference, the world has completely changed. I want to get your perspective on how this crisis has impacted Prada, how it's impacted you personally and how as a new leader in this company you have played a part in helping the company navigate this really very, very unusual unexpected situation.

If you think about Prada as a company, it went through a lot of crises in the past. Compared to other companies and other managers, my parents went through a lot of crises and they came back from all of that. We have a core group of people that are used to those kinds of situations.

There was no panic. Everybody was calm and said, "We are doing what we need. It's just a period and we will get over it." We are not scared at all for the future because we are on a very good path, but we have to take the opportunity of this moment to accelerate our transformation of the company. And so, I think, it is more of an opportunity. It can be an opportunity if you can take it in the proper way.



Patrizio Bertelli, Agostino Randazzo, Matteo Piazzi, Lorenzo Bertelli | Source: Getty Images

For sure this situation, the Covid-19 situation, has accelerated the relevance of e-commerce. And everybody is learning to use Zoom now — my parents as well. We will see an acceleration of digital because everybody is learning how to use digital even faster than before because they're being simply forced. It's like if your mom or dad put you on a chair and said, "You stay here until you've done your maths." It's the same kind of thing. I think this is going to be the biggest impact of Covid-19. And I believe that, after

this situation, things will bloom again because history teaches you that after the crisis, it takes a bit of time, but people want to forget that period.

Let's talk concretely about the operational impact of the virus. As a big retail company, obviously, Prada has to navigate the kind of new rules at retail, with social distancing and different protection measures in place. But Prada also owns factories in Italy that had to be shut down. And I know you re-purposed some of those factories at some point to create protective equipment. How have you been navigating this as a company, both on the retail side and the manufacturing side?

The biggest impact has been for us the fact that for a couple of months we were not able to produce anything, but also there was the need to help Tuscany and the people around us and we said, "Okay, let's produce some protective equipment for the Tuscany region." And so, we started to do it that. I'm not involved in the supply chain, but the biggest problem has been the logistics, to organise the checks of every single employee and to make the protocols and procedures to apply those rules.

I also wanted to touch on another really important topic. Last year, Prada found itself in a difficult position with regards to this keychain that was deemed by many people to be representative of blackface which some people found extremely offensive. I know that the Prada Group has taken some actions, for example, setting up a diversity and inclusion council. All of that seems to have laid a path for the situation the fashion industry is in now, with the Black Lives Matter movement that has erupted in the wake of several killings of unarmed Black men in the United States. How are you, as an Italian group with a global operation, thinking about your role dismantling some of the systemic and structural issues of racism in society, within fashion more broadly and at Prada specifically?

Personally, and this is the position of the group, this is everybody's issue. We have had wars on these kinds of topics. Everything starts from culture and knowing and studying the history of the past. It's maybe the main issue of humankind. It's unacceptable that these things still happen. The best way to help is first to educate ourselves on the history, to better understand their problems, to force everybody to know more about these topics. We have to address their problems as though they are our problems.

The biggest problem is that these kinds of problems keep happening. We never seem to learn from history.

Definitely it starts with self-education and understanding history. But I wonder, specifically, with the diversity and inclusion council, I'm curious how you have engaged with this group while all of this has been happening. Everybody has created these councils, but it's not entirely clear exactly how people actually work with their councils during a time like this.

We called the council after what was happening. Actually, Ava DuVernay was in the field with her feet on the ground, calling in by phone. We had a discussion on this topic, just like we are talking now, on a concrete level and a philosophical conversation. Then we came back with practical proposals in the following weeks, which we refined internally to take concrete actions on those proposals to take back to the council if everyone agrees (which usually happens because it is based on long conversations we have had with them). We are soon going to announce what we are going to do effectively on top of what the group is doing already. Very soon you will know more about what that meeting will produce in effective terms.

Is this a topic that your mother and father are engaged with? There are obviously generational differences at play here which we were talking about earlier, so how is that self-education that clearly you and others at Prada have been part of being extended to your family?

Yes, it's a generational thing, because it is happening now, but if you look to the past it is not happening only now. It has already happened in the past. My parents lived through the 1960s. They are committed like us, and we talk about it home and it's a topic that is repeated. The biggest problem is that these kinds of problems keep happening. We never seem to learn from history. We really have to start from the education and remember what tremendous damage was created from these situations in the past, because this is the only way.

Diversity must also start from within. As an industry, when it comes to recruiting, we have also tended to hire people from within our own circles. Aren't there are a lot of skilled Black people out there who are simply not being given a chance?

Yes, this is a fair point. I agree completely. You have to look in the right places to find the right talent. This is a very good topic for HR teams. We have to have skilled people in all the areas, otherwise there is no diversity; there is no inclusion.

Finally, I did want to ask you about succession planning at Prada and the future of the company, because as soon as you were appointed, your father said, "Lorenzo is getting ready to become one day — if he wants to — the head of Prada." Is that something you think you want?

I like to challenge myself and solve problems. Then, if I have to do it in a fashion company or while being a rally driver, for me, it doesn't change that much. I simply want to enjoy what I'm doing. So I'm now enjoying what I'm doing. And so, if it's going to be like this, why not?

