

A new breed of CEO is shaking up the design world. They reveal why

The future of furniture

Writer Nick Compton. Photographer Peter Marlow

There's no doubt that for the major design brands, these are times of huge opportunity, with an ever-growing design-literate public determined to get their hands on the latest must-have piece of furniture. Yet many brands have failed to get beyond impersonal pedestaling of iconic products, treating pricing as an after-thought and making little effort to bring younger consumers into the market. But now some are beginning to wake up to new methods of generating growth, with many being pulled into new conglomerates, often alongside fashion brands, resulting in an injection of both cash and ambition. We went to Milan and spoke to the heads of five of today's most influential design brands to find out their plans for the future.

Matteo di Montezemolo, Poltrona Frau

Neither temperatures nor voices were raised when Charme, an investment vehicle driven by Ferrari chairman Luca Cordero di Montezemolo, moved in on Poltrona Frau in 2003. Despite a long history of furniture manufacturing, the company was best known for its contract work, including Gehry's Walt Disney Concert Hall and the European Parliament, and for providing leather interiors for super cars. But when Charme gobbled up Cappellini, there was concern and consternation. It became clear that Charme imagined Poltrona Frau the flagship brand of a new design conglomerate, a novelty in the design industry. Immediately there was talk of an LVMH of sofa systems, as well as fears for the fate of the much-admired (but too little bought) Cappellini.

The man charged with managing this new design group is Luca's son, Matteo di Montezemolo, who is the first to admit that turning Poltrona Frau into a significant design brand will take time, money and commitment. 'When we bought it two years ago, it was a sleeping brand, but a fantastic one, with real manufacturing know-how. We just had to boost it.' If the scale of the presentation at this year's Salone is anything to go by, Charme certainly has the money and commitment.

What Montezemolo aims to do is exploit Poltrona Frau's back catalogue, a history of trends in design dating back to 1912. 'We have products by Gio Ponti, Castiglioni,' he enthuses. 'These are all products that can be re-introduced to the market.' But Poltrona Frau is only one among many. And the key

question is how the group's other brands will be differentiated. Montezemolo says there is a clear strategy for ensuring the brands, which include Gufram and bentwood pioneer Gebrüder Thonet, operate in different and complementary spaces.

'You will never find a product by Poltrona Frau that you could mistake for Cappellini,' he says. This is the map of distinction Montezemolo has in his head: 'Poltrona Frau is very sophisticated and international. Cappellini is contemporary and has to introduce pieces that create a trend. Thonet will have a more popular position: good quality, good design, but more colourful. And Gufram is kind of a plaything - it's funny and popular.' Price - from accessible entry-level to top-end heavy investment - will also be central to the brands' differentiation.

Montezemolo knows that how he handles the Cappellini takeover is crucial in retaining the trust and interest of designers and buyers. He insists that the company and its former owner are in safe hands. 'Giulio Cappellini has a vision and it's his job to bring it forward. But the fame of the brand doesn't square with the sales and we want to even that out by investing in marketing, introducing more new products and possibly more stores.'

This year's Salone made one thing very clear. Poltrona Frau is intent on making a lot of noise. And its carefully managed, starkly differentiated brand portfolio, all very modern for an industry still dominated by family-owned, privately-held







Roberto Falchi, B&B Italia

One of the defining brands of Italian design, B&B Italia was established in 1973 by Piero Busnelli. In February 2003, B&B sold 55 per cent of its shares to Opera, a Bulgari-backed investment fund. One of Opera's first moves was to appoint Roberto Falchi as chief executive. Falchi's background was in fashion retailing, with Prada and Christian Dior. To many observers, the Opera takeover and Falchi's appointment signalled a potential assimilation of B&B into the luxury goods world, its ruling conglomerates and the adoption of the means and methods of high fashion brands.

Falchi acknowledges that after a year and a half of plotting, the new direction planned for B&B does indeed borrow some of the mechanics from the fashion industry, though he is no fan of the luxury goods concept - 'I hate the phrase, it's completely outdated.' However, he believes there are a lot of lessons to learn from the fashion world, branding

being the most important. 'This was an industry with no brand values or differentiation,' says Falchi. 'We decided to change that.'

Central to B&B's transformation is a push to make the brand known to those beyond the design inner circle and to distinguish it clearly from other major Italian brands. In truth, B&B already has a clearer identity than many of its rivals, but Falchi thinks there is still a lot of work to do. 'B&B did build its own identity, but maybe it was a bit limited. We want to open up and stretch the brand.'

A new ad campaign developed with Saatchi & Saatchi will form part of this opening up. Falchi was quick to criticise the Italian design industry for selling its products as rarefied icons rather than something you might actually want to sit on. The new campaign, he says, won't make that mistake. 'We want to find a different language. I think in the past the brand has created a lot of distance

from the consumer. We want to be very open.'

Another key strategy is the introduction of affordable 'entry level' products to enable consumers, especially younger ones, to buy into the brand. To this end accessories by designers such as Marcel Wanders, Naoto Fukasawa and Ettore Sottsass were introduced at the Salone this year. Price will be more of a consideration for larger purchases, such as the new sofa systems that appear every year, too. 'Price has never been a concern for this industry,' says Falchi, 'but things are changing. Price sensitivity and differentiation are really going to become an issue.'

On top of this there's an ambitious programme of 13 store openings over the next three years. 'We have to use the stores to communicate,' says Falchi. 'We have to capture people and make them come more often. People used to buy new furniture just twice in a lifetime. We have to change all that.'



Harms-Peter Cohn, Vitra

Vitra's presentation at this year's Salone was its debut appearance. A long time coming given that the company has a 70-year history of furniture making, has been manufacturing Fames' designs for almost 50 years and has tapped the talent of designers and architects from Ron Arad through to Norman Foster, Frank Gehry, Ettore Sottsass, Jasper Morrison, Antonio Citterio and this year the Bouroullecs and Hella Jongerius. The Salone grand entrance signalled the German office and contract specialist's first significant, systematic tilt at the domestic market.

New CEO, Harms-Peter Cohn who has returned to Vitra after six years at Leica, says that raising Vitra's profile and sales on the home front is now the company's key priority. 'Of course, we have been connected with that market for 60 years, but this is the first time we are going to do it in a dedicated way. We are investing in it because the

residential market is bigger than the office market. But there is also a change in working processes as well. People are working more at home, taking work home with them. The home office and a mix of environments in the home is very important today.'

Vitra believes it has the perfect product portfolio to take advantage of these lifestyle changes. And the vehicle for this challenge is Vitra Home, established last year, but given the big push this spring. But while Vitra has an enviable back catalogue of design icons and a relationship with most of today's star designers, Cohn is the first to admit that awareness of the Vitra brand doesn't stretch much beyond the industry.

'We have to create demand and invest more in advertising. Vitra is well known to architects and facility managers, but the general public isn't really aware of the brand.' Cohn also knows that connecting with the swelling numbers of mid-

century and contemporary design aspirants and making them understand what Vitra has to offer is not going to be easy. 'This is a real challenge for us because when people are talking about BMW or Apple, everyone knows exactly what they are talking about. But when it comes to furniture, there's not so much awareness.'

And Cohn is clear that the last place to look for ideas about how to stand out in the design industry is the design industry. 'We are looking at brand-oriented companies, rather than others in our industry, to find our way. There are examples in the fashion industry, the automotive industry and the computer industry. I think the best example is Apple. It has given people the idea that when they buy an Apple product, they are buying a friend, an emotional tool, not just a tool for working. Vitra products have a lot of emotional power, too, and we have to find a way to get that message across.' »



Renny Ramakers, Droog

For over a decade, maverick Dutch design collective Droog, founded by design critic Renny Ramakers and jewellery designer Gijs Bakker in 1993, has been snapping and sniping at the conventions and constructs of the design industry, nowhere more visibly than at its annual presentations at Salone. This year - and very timely, too - it has taken a friendly stab at how design fits into the ways and means of the luxury goods world.

"We started with the idea of what determines the value of a product," says Ramakers. "It could be the material or the production time, whether it is made in China or Europe, is a copy or an original. Then we asked designers to produce a series of products based on these criteria and made little chequebooks so visitors could decide what they thought value for money should be. Maybe the most expensive product is not the most valuable emotionally."

This play with the idea of value and emotional

value is particularly salient to Droog's current position as it shifts ever further from its roots as conceptualist hero of design students to manufacturer brand proper. "We started only being known by the design in-crowd, but now it goes way beyond that," accepts Ramakers. "Droog is a brand now, a label, and this piece is all about branding. What happens when something is stamped by Marcel Wanders Studio, when Marcel Wanders signs it and when Marcel Wanders designs it for Droog? Maybe a piece is less interesting because the branding is Marcel Wanders Studio and not the master himself. But it is the same product. And maybe people care more about Marcel Wanders than Droog because he is more famous."

This is also a not so oblique comment about the sometimes competing brand power of designer and patron in the design world, where the designer and client are allied on a non-exclusive, job-by-job basis -

a very different model to the fashion industry.

For Droog, then, this presentation is anything but a game. This year's Salone also saw a new Droog product line, an affordable edit of the 185 pieces in the Droog Design Collection. A new company, Droog BV, will manufacture, market and distribute the range, which will be made up of about a third of the pieces in the design collection.

And these questions, about where the value is in design products and just what design is worth or should be worth, are just the questions Ramakers and Bakker have to ask themselves as they push to make Droog BV work. Perhaps, uniquely in the design world, the duo's key concern is affordability.

Of course, this concern is just one of the ways in which the Droog logic runs counter to the industry standard. 'A lot of design is too expensive and too stylish. Droog isn't about taste, it's about nice products. What we produce isn't stylish at all.' »



Carlo Molteni, Molteni

Carlo Molteni is the wise, wry and sceptical observer on current developments in the design world, fully aware there is more hype than sales being generated at the moment and that for every solution, there's a problem. And as the head of a company with over 70 years of furniture making behind it and a position at the top-end of the Italian design industry, his perch is high indeed.

Ask him why the major Italian brands are somehow failing to capitalise on a growing interest in their products and he wonders just what the value of that interest really is.

'People are buying more design, but I think things are being talked up a lot, too.' He is also sceptical about suggestions that the design world has much to learn from the fashion industry. 'Maybe we should make more effort to communicate what we do, but when I talk to Italian newspapers, they tell me I have no news to give them. Maybe we

aren't as interesting as Armani, but this year we've been working on five projects with the most important architects in the world, including Norman Foster and Ron Arad. But maybe that's not so interesting from a press point of view. When Valentino says he is homosexual, it's front page news. We can't give them that kind of news.'

Molteni says the company is starting to make better play of its contract work, which accounts for 30 per cent of the business, but even here there are problems. 'On the whole it's something good to talk about, but we have to be careful. We have also ended up getting involved with horrible things. We've done ships and we haven't published pictures of the ships, because, my God...'

He also understands that what distinguishes the Molteni brand - the technological investment in the product - isn't an easy sell. 'What people really want from a sofa is that it is comfortable.

They are not interested in why it's comfortable.'

He also knows there are intrinsic differences between Italian design brands and Italian fashion brands. 'The Italian design companies are really too small to be able to distinguish themselves that well. We don't have enough money to communicate as well as the fashion houses do. The real difference between fashion and design is that the name Hermes or Armani can multiply the value of something by five times. But a sofa by B&B Italia, for example, is only worth double what the same sofa without the B&B Italia name would be worth.'

And here Molteni is addressing the major problem for the Italian brands - furniture designs can be copied quickly. Which is where the power of the brand is crucial. 'What is clear is our new chair by Patricia Urquiola can be copied in a few minutes, so the question is whether the marque is strong enough to support the identity of the chair.' ✱