

Foreword

Between Present and Future

by *Giuseppe Stigliano**

Giorgio Armani founded his company in the mid-1970s, in a dramatic historical period marked by austerity, the Cold War, and terrorist violence. Despite that instability, the world of the time was one in which the future unfolded according to a relatively predictable logic, at a reasonably controllable speed, and in which it was possible to plan the course of one's life, personal and corporate, with a time horizon of several years. The future was in fact a marginal optimization of the past. It followed, in short, a linear evolution.

Today's world looks radically different. Not so much, alas, for the absence of conflict and violence, but because of the extreme fluidity that characterizes society, and consequently the market. Take the US S&P 500 index, for example. In the same 1970s in which the Armani Group was created, the average life span of companies belonging to this segment was 35 years, while today it is below 15 years. In fact, it is estimated that 75 percent of the companies that are in the index right now will be replaced by 2027. This is a bit like saying that every two weeks a giant of the American stock market gives way to an emerging company. This dynamic, albeit referring only to the US market, demonstrates with some clarity a macroeconomic picture dominated by profound instability.

Yet Giorgio Armani, or "King Giorgio" – as many have come to call him because of the authority he has gained in the field – is still here, reminding us that success is the preserve of those who are able to adapt to circumstances. The company of the same name has evolved over the past decades thanks to the ingenuity of its leader. He is a designer-turned-entrepreneur, with a peculiar ability to nurture and protect, a unique and recognizable style that is balanced, never striking, but never mundane, and a vision constantly focused on the long term, crowned by a stubborn determination to keep the company independent. And who knows if one of the key ingredients of the

* Global CEO, Spring Studios.

longevity of the company and the Armani brand does not consist precisely in this elegant sobriety, in the freedom to trust in one's own nature without following dominant trends, in the ability to take a stand regardless of "group" logics. Today, in fact, the Armani Group represents a colossus, with consolidated sales of 2.45 billion euros, earnings before interest, taxes, depreciation, and amortization (EBITDA) at 21 percent, 9,257 employees and nine manufacturing plants, and more than 2,700 boutiques distributed in 60 countries around the world – a colossus that ranges from hospitality business to cosmetics, clothing, and accessories.

Therefore, on the occasion of the company's 50th anniversary, it seems inevitable to ask whether Giorgio Armani represents a unique and unrepeatable example or rather a figurehead of an irretrievably past era. Will there be another designer-entrepreneur capable of traversing the coming decades with style, elegance, and commercial success? Will there be other fashion entrepreneurs who will be able to make bold choices, such as remaining independent in a market that is becoming increasingly consolidated, while still reaching a global scale and profitability of more than 20 percent (EBITDA)? In a post-digital era of constant transformation, marked by fickle and therefore difficult to predict purchasing behavior, is there still room for visionaries who can be both the thermostat and thermometer of our time? And if we were to isolate one trait of this exceptional personality, one aspect that has been instrumental in the longevity of his company and brand, what would it be?

In the following pages you will find many useful insights to answer these questions. Frank Pagano and Marco Di Dio Roccazzella have rigorously carried out their research and then outlined, with the delicacy that is due to an icon, the trajectory of his extraordinary story and experience. To further enrich the picture, the authors called upon many professionals who offered additional perspectives to better understand its different facets.

For my part, I limit myself to one consideration that I hope will stimulate critical reflection on the role of those who lead companies and institutions.

Contemporary leadership theories warn of the risk of *hybris*, that sense of conceit that can lead individuals to ruin, highlighting how leaders whose success endures over time can develop an "inflated ego," losing touch with the people they are supposed to lead, their customers, and their investors. In contrast, today's volatile and uncertain world suggests "servant leadership," where those who lead act as conductors rather than ineffable leaders, recognizing their team's talent and even showing their vulnerability when appropriate. These leaders categorically refrain from so-called micro-management, an attitude typical of those who get very much into the details of what their employees do, effectively reducing their sense of responsibility and undermining their ability to break free of their superiors.

The writer tends to espouse this school of thought and embody this style of leadership in his daily work; this is in the knowledge that this approach helps anyone working within an organization to feel comfortable in being able to explore innovative paths and to take risks – albeit “calculated” ones – as befits someone working in a complex ecosystem involving diverse stakeholders.

In truth, however, these dynamics are not so clear-cut. In my 20 years of consulting for some of the world’s largest companies, I have learned that there is no ideal *modus operandi*. Often, in fact, those who still practice a command-and-control style of leadership receive criticism – perhaps poorly reasoned – as this method of working is considered anachronistic and ineffective.

And too often, on the contrary, so-called servant leadership is hailed without adequately pausing to reflect on the fact that there are business stages, industries, competitive contexts, and peculiar specificities in which less democratic approaches are needed, making it possible, on the one hand, to act swiftly to perhaps avoid bankruptcy, and on the other hand, to reassure stakeholders by demonstrating safe leadership.

In short, although the question of whether another success story like Giorgio Armani’s is possible, I think we should ask the question differently. We should ask ourselves: What kind of leadership will Armani need in the future, given its peculiar history, the key people who have made it what it is, the people who will be appointed to lead it, the business agreements and shareholder pacts in place, the competitive environment, the market, and the various components of the business/financial world?

Giorgio Armani has been able to build an empire by navigating the evolution of fashion through five decades, but that does not necessarily mean that his company will travel the same trajectory in the coming decades with him or someone with his working methods at the helm. Nor can we say with certainty that a leadership style that is more prone to delegation and a diverse group of leaders who run the company in a collaborative and less centralizing way would guarantee success.

And this is perhaps the fascination of any human and managerial adventure: The absence of absolute formulas and the certainty that, in a world in which the only constant is change, made more swirling than ever by the confluence of multiple variables that are difficult to tame, destiny is the result of an intricate alchemy of elements that only the women and men who inhabit it help determine.

I therefore invite you to immerse yourself in this story, which is not only meant to be a tribute to the entrepreneurial and managerial genius of a successful interpreter of our time but also and above all a stimulus for reflection on leadership and an anthology of different and complementary visions.