

# IN THE SHADE

YOU MAY NOT HAVE HEARD OF SAFILO, BUT THERE'S A GOOD CHANCE THE ITALIAN COMPANY MADE YOUR SUNGLASSES (OR THE ONES YOU'VE BEEN EYEING OFF). FROM CATWALK TO SKI SLOPE, CEO LUISA DELGADO WANTS TO COOL THE WORLD.

STORY JOSEPHINE MCKENNA

Luisa Delgado sweeps into the room with the cool confidence that you might expect from a corporate leader. The 49-year-old is the chief executive of Safilo, one of one of the world's top eyewear manufacturers.

She's stylishly dressed in a black suit and yet the zany animal print on her Fendi glasses suggests she likes to challenge conventional expectations.

Delgado took charge of Safilo three years ago and has been on a mission to revitalise and transform the Italian company ever since. "This company has been a bit like Sleeping Beauty in the past 15 years," Delgado tells WISH at the company's sleek global headquarters in Padua. "It probably now has the combination of opportunities that you can only find in this company."

The \$US90 billion (\$120bn) global eyewear industry is one of the most dynamic sectors of style today as good sunglasses and spectacles have become a wardrobe essential rather than simply a fashion accessory or an optical necessity. Whether it's prescription eyewear, sunglasses or hi-tech sports gear, industry experts believe the industry could grow to \$US140bn by 2020 and all sorts of brands are lining up to explore that potential.

Gucci models recently took to the runway in flowing evening gowns topped with sunglasses produced by Safilo; Switzerland's largest watchmaker Swatch has released its playful "Swatch The Eyes" in collaboration with the brand; and Brazilian flipflops maker Havaianas unveiled its first range of psychedelic sunglasses made by Safilo at the Rio Olympics.

Beirut designer Elie Saab will soon launch his first haute couture line of gold-plated Safilo-produced eyewear finished with Swarovski crystal; Hollywood A-listers Julia Roberts, Jessica Chastain and Naomi Watts were recently spotted at the Cannes Film Festival wearing the atelier line, expected to be released in January 2017. Still, few consumers may realise that the firm produces eyewear for 25 brands including Fendi, Celine, Tommy Hilfinger and Jimmy Choo.

"These are prestigious international brands. In these the very best of our design capabilities come to light," says Delgado. "Every brand has to translate its iconic elements on to eyewear. You think about Dior. This is not a pair of glasses, this is a work of art that translates a philosophy that is 'Maison Dior'."

Safilo may not be a household name in Australia, but besides its well-known designer-licensed brands it is the company behind some big sellers, such as Polaroid, Carrera and Smith. Now Delgado has ambitious plans to broaden the company's portfolio across the spectrum, appealing to the mass market while adding a higher level of haute couture to existing designer fashion lines.

"There are so many opportunities to modernise yet preserve and do something that is very unique," she says. "It is one of the most exciting transformation opportunities that you can imagine."

Born near St Moritz in Switzerland, Delgado knows a thing or two about transformation. Her first language is Romansch, the Switzerland's lesser-known fourth language, but she is comfortable in many others.

She brings a depth of experience and an outsider's perspective to eyewear after 20 years at Procter & Gamble and her last five years there in a senior role in its Nordic division. She was a non-executive director at Safilo when she was offered the top job in 2013.

"I fell in love with this company, the tremendous research, passion, technical knowhow, aesthetics and sensibility that goes into it," she says. "And the people, they have a tremendous passion for the product."

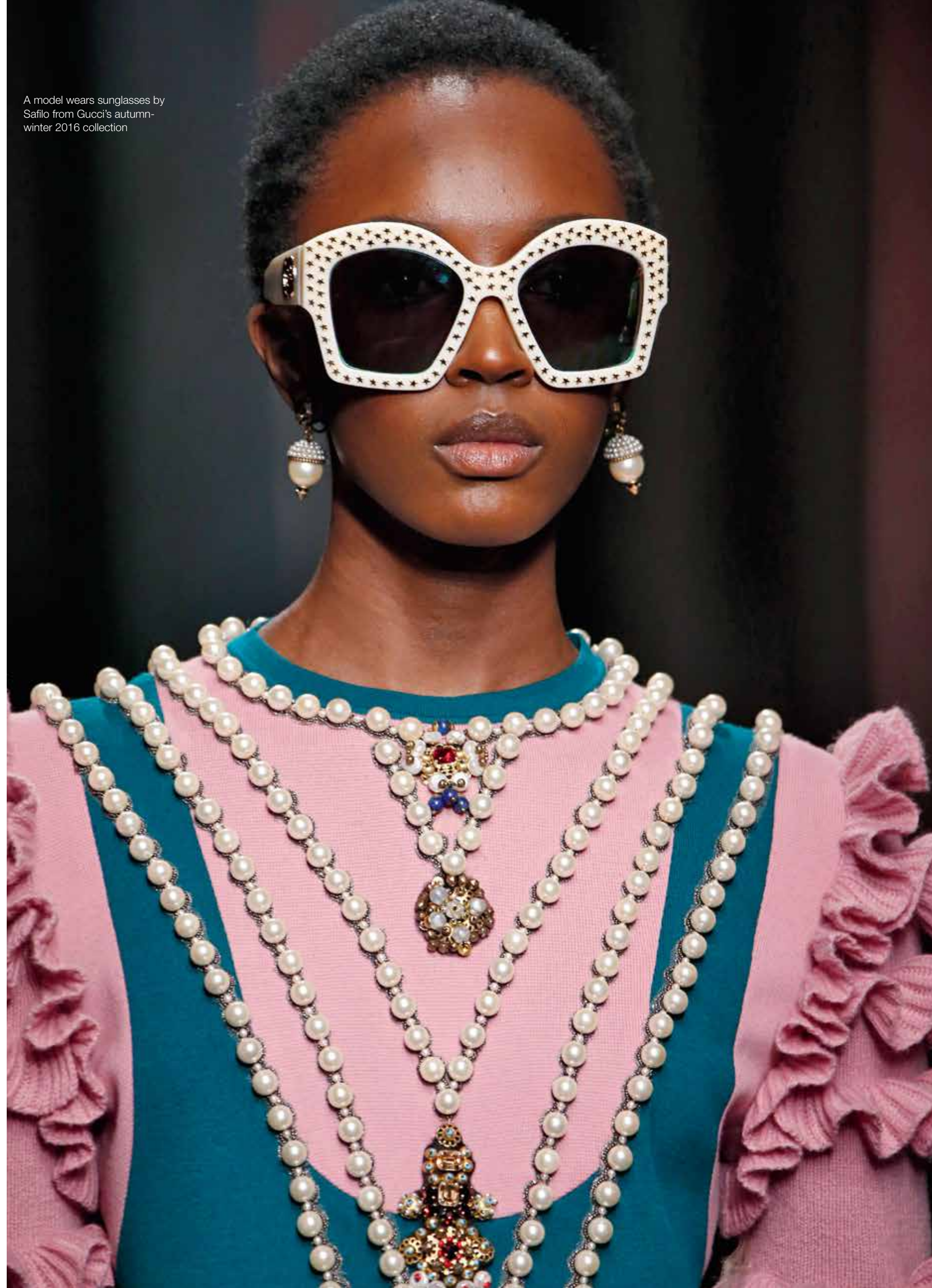
In Italy it's rare to find either a female or a foreign CEO. Delgado appears to be using both to her advantage at the helm of a company that generated almost 1.3bn (\$1.9bn) in sales last year. And her honesty is disarming.

"This company used to be run mainly by Italian or Venetian men. Wherever you would go in the company from Seoul to Sao Paulo there would be Italian men. This is not bad or good, it's just that it lacked the diversity to become a modern multinational."

Safilo has steadily evolved from a company of craftsmen that began creating eyewear in the northern Veneto region in 1878, to the world's second-largest eyewear manufacturer after Italian rival Luxottica.

The company's eyewear products are now sold in 100,000 stores around the world in a fiercely competitive market where movie stars, celebrity models and other VIPs on a red carpet can turn one pair into a global sensation. Adopting a no-nonsense approach, Delgado says the challenge is to combine cutting-edge design and technical expertise without losing Safilo's reputation for craftsmanship. She has also been shaking up the firm with new recruits and investing in new technology.

A model wears sunglasses by Safilo from Gucci's autumn-winter 2016 collection



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"We don't want to become a standardised company that does millions of automatised products," she says. "We want to preserve some of that unique craftsmanship, but we need to become more modern when it comes to managing ourselves as a multinational."

While the luxury fashion brands account for up to 50 per cent of sales, Delgado believes there are also possibilities to expand what is called the burgeoning "mass cool" segment – growing at a rate of €3bn a year – which includes Polaroid, Swatch and Havaianas.

Design is the foundation of every line and Safilo has 150 designers around the world producing up to 3000 new models a year. Designers collaborate closely with clients before model prototypes are approved and production then gets under way at plants like the one at Santa Maria di Sala, outside Padua.

"We start from the design of the products and do all the engineering that needs to be done, from rendering to having all the equipment and the tools needed to produce the glasses," says Stefano Parmegiani, the plant director. "We go end to end from the engineering until final production."

The Santa Maria di Sala plant is one of four plants owned by Safilo in Italy and there are three others in the US, Slovenia and China. The Veneto plant produces an incredible 12,000 pairs of glasses a day. Each pair is carved from slabs of acetate or moulded from plastic in a production line that combines startling computerised machinery with the painstaking handiwork of around 600 workers, including specialists who do nothing but insert hinges or tiny logos into the frames.

"Every piece is unique in the way it is worked and the way it is assembled," says Parmegiani. "If you look closely there are no two pairs of glasses which are exactly the same."

Back at Safilo's Padua headquarters, designer David Iarossi is showing off the latest Carrera models, which he hopes will appeal to sports-loving renegades as well as sophisticated corporate types.

"They are a mix of fashion and sport," he says enthusiastically. "Sporty chic."

Iarossi, who has been with Safilo for eight years, has just finished a meeting in a conference room lined with his latest designs. The walls are covered with posters revealing Carrera's demographics from skateboarders to fashion-conscious metrosexuals and corporate careerists.

"We have a collection called Flag, it's very bold, in your face," says Massimo Pozzetti, Carrera's global general manager and head of corporate digital at Safilo. "This is for people who want to show off – it's actually strong in Australia."

Pozzetti, who built his career selling frozen peas at Unilever, is relishing his new job and says Carrera has huge potential, particularly in Australia where its sunglasses are a top seller. "Australia is one of our growth markets. Carrera has been doing really well there," he says. "There is a lot of ethnicity so it's a barometer for us, like the west coast of the US. For us Australia will remain a growth market."

Pozzetti says one style can easily make or break a collection. To mark the brand's 60<sup>th</sup> anniversary, he and Iarossi went to the archive and sought inspiration from



Clockwise from far left: Safilo CEO Luisa Delgado; an arm being polished; popstar Rihanna in Dior by Safilo; frames under construction; and Hypnoshine sunglasses made for Fendi



the styles and models that distinguished Carrera in the past. In February Carrera launched the Maverick collection. “We are seeing a really good trend and good feedback on our social accounts,” Pozzetti says.

Delgado also stresses the importance of the Australian market and the company’s desire to offer consumers even more choice. “Australia has a liking for brands that you typically find in the US or the UK,” she says. “Kate Spade, for example, is one of our strongest brands by far in the US and in Australia.”

Safilo estimates the global “mass cool” market is currently worth €3bn. But Delgado is looking at expanding in every direction from the mass-market consumers who want value out of their high-UV-protection Polaroids to the high end of the market where there are no price limits.

“You could make a lot of money in every segment,” she says. “Our theory is if we are in all segments, we have so many synergies, that we can make more money than somebody who only plays here or there.”

Polaroid is a linchpin for the company in Australia because of its pledge to guarantee UV protection as well as its affordable price. “Polaroid is the people’s brand. It is a brand that is mass and cool and trustworthy. It is cool enough to be exciting to wear it but it doesn’t take me out of my comfort zone,” Delgado says. The kids’ segment in polarised sunglasses has been growing in double figures annually, she says. “It’s particularly

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important for kids. If you don’t start protecting your kids from UV rays it is too late.”

Michele Costabile, professor of management and marketing at Rome’s Luiss University, says Delgado’s comprehensive strategy is the right one for a rapidly changing market with enormous growth potential.

“Demand for eyewear as a fashion accessory is not only in Europe, the US or Australia,” Costabile says. “It is a phenomenon that is spreading around the world – in China, India and South America.”

Diversity is the key in an industry as fickle as fashion. Safilo was hit hard in 2012 when Giorgio Armani decided against renewing its contract and instead moved to Luxottica. In 2010 the sale of Armani eyewear

accounted for €162 million in sales and 15 per cent of Safilo’s total sales.

Delgado is doing everything she can to stop that happening again, while adding brands to the portfolio. “We have trained ourselves and hired people who have an incredible sensibility and responsibility for branding. That is the only way for a licensee to be respected.”

Costabile endorses the move to chase wealthy consumers who “own thousands of different sunglasses” while developing its expertise in the sporting sector. He thinks Safilo is well placed because of its technical expertise. “In my opinion Safilo can enjoy even greater market growth because of its specific competence in producing glasses for skiing, canoeing and other sports.”

Sunglasses account for only 30 per cent of the global optical market, so the greatest potential may actually lie in prescription and hi-tech glasses. “There is no doubt our industry is at the intersection of fashion and medical and we have an ageing population and emerging middle class across an enormous part of the world. That is why we are in an incredible growth industry.”

And that growth is enabling Safilo to look at providing spectacles or sunglasses to children in sub-Saharan Africa and India, where the poor may never see a doctor. “It is not a charity, it is a business,” Delgado says. “But it is business where you can actually do something good. Doing well and doing good can go hand in hand.” **W**