

Officine Panerai

by James Gurney

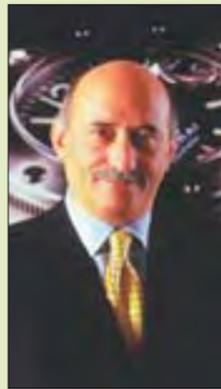
Officine Panerai's acceptance as a serious phenomenon in the watch industry is something of a paradox – a quality that continues to crop up in any conversation about the company. It was the founding of a precision engineering offshoot from the Panerai family's watch-selling business that led to the name first being applied to the dial.

"Panerai Ottica e Meccanica di Precisione" was founded in the early 1900s and produced a range of instruments, gauges and gunnery sights for the Royal Italian Navy, whose headquarters were, naturally enough, in the great maritime city of Florence. Among the many innovations developed in the Panerai studios, the most notable were the Radium-illuminated gunsights, which were patented around the world. This combination of expertise and, through the family watch business, contacts with the Swiss watch industry led to the Italian Navy commissioning a series of watches. Thus, Panerai was launched as a watch-making name.

The combination of experience in both selling and making watches might well have been the formula for world domination, or at least the establishment of a strong brand in the Italian market. Alas, just as the Italian obsession with watches was reaching fever pitch, Panerai were well on the road to obscurity as far as watchmaking was concerned. However, in the 1990s, sheer weight of demand resulted in the issue of the Mare Nostrum, a military chronograph design that had been left on the shelf at the end of the war in 1945.

Ultimately, it was the attentions of an American of Italian origin – Sylvester Stallone – that turned the tide of fortune for Officine Panerai. Stallone was so intrigued by the company and its watches that he commissioned a special edition – the ultradesirable Panerai Slytech.

Whatever the circuitous route, the end result was the acquisition of Officine Panerai by the Vendôme (now Richemont) group. It is hard to see where the irony lies sharpest – Italy, of all countries, losing its most prestigious watch name, or the success of Richemont in preserving the Italian nature of Panerai. No doubt the German owners of Rolls Royce and Bentley have looked closely at this success.



Angelo Bonati, the man charged with creating a watch company worthy of being Italy's only prestige watch brand.



It is almost a relief to discover that Angelo Bonati, to whom Officine Panerai's future was entrusted, is the very model of a Lombard businessman – Panerai's offices naturally being based in Milan. Affable and courteous to a fault, Angelo Bonati is intensely committed to the challenge of developing Officine Panerai. He was instantly captivated when Franco Cologni, senior executive of Richemont, offered him the chance to transform the new acquisition.

Until the opportunity was presented to him, Bonati knew the Panerai story essentially as a history piece. This was understandable considering that

Panerai's production total at this point was less than 300 pieces. So what was it that provided the spark at the beginning? Bonati recalls: "There was more or less nothing at Panerai, one watch only, but a true watch and a true history."

Bonati had recognised an originality that was priceless. The first challenge was to discern the right path along which to develop what was, to use Bonati's word, an "embryonic brand" – head for the middle of the market or the high ground? At the time, the majority of higher end watchmakers were obsessed with complications and miniaturisation – everyone had to have the



smallest watch with the most functions. In contrast, Panerai's single design was big and simple. Only Audemars Piguet, Breitling and Rolex had watches of a comparable size to the 42 mm Mare Nostrum chronograph. Both Cologni and Bonati felt that this difference of approach would be the key to transforming Panerai into a prestige brand. Neither of them underestimated the size of the challenge – their task was to gain the trust of the most critical section of the market without the pretence of 'manufacture' status to fall back on. The solution was to exude quality in every facet of the operation, from design and manufacture right through to communication and distribution.

The evolution from the original designs of the 1930s to the current Luminor range was entrusted to Giampiero Bodino and speaks for itself – the extreme lengths that counterfeiters have gone to attempting to emulate the watches demonstrates the extent to which the watches have caught the public eye. All the while, demand is carefully monitored so that Panerai's are only ever seen in small numbers – "if the market wanted 15,000 watches a year, we would produce only 10,000." This is the

closest Bonati gets to revealing the true figures. He believes that the route to long-term success means avoiding the temptation of short-term

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gains. Panerai could easily boast 200 outlets in the US alone, but restrict themselves to 60 or so. According to the Panerai philosophy, the alternative is to follow meteoric rise with equally fast and violent descent.

Communication is equally important and equally well handled. At Panerai's last press conference, the usual background of brand banners and paraphernalia was dismissed, and the speech was made in front of a fresco by the Florentine master, Ghirlandaio. Such a feature made the simultaneous translation service all but irrelevant.

So what does the future hold for Panerai? "More of the same – quality in product, distribution and communication." ○