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Your Start-Up Life: Espresso King Ricardo Illy on La Dolce Vita

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Thursdays at the Huffington Post, Rana Florida, CEO of the [Creative Class Group](#), will answer readers' questions about how they can optimize their lives. She will feature conversations with successful entrepreneurs and thought leaders about how they manage their businesses, relationships, their careers, and more. Send me Rana questions about work, life, or relationships at rana@creativeclass.com.

A conversation with Riccardo Illy, Chairman of [Gruppo illy](#) S.p.A. and Vice Chairman of illycaffè s.p.a.



Businessman, author, journalist, politician, and the bearer of a formidable family name, Riccardo Illy has held a number of posts within the global and local business and political communities. Riccardo joined his family's firm in 1977 and dedicated himself to the re-organization of its commercial structure. In 1993, he became the mayor of Trieste, and was later elected to the Italian Parliament. He has also served as president of the Friuli-Venezia Giulia region.

I received numerous questions about how to navigate roles in a family run operation. As I am in a family run business, I understand how rewarding and challenging it can be. Riccardo offers great advice for anyone who works in a family business, no matter how big or small. He delves into the key to motivating a workforce through pride, respect for the local culture, and the importance of providing a future for the next generation. Knowing where your roles as board member and family member begin and end is critical.

For Riccardo Illy his work is not what he does but the very essence of who he is.

Q. How did you transition from a career in politics to running a successful global business?

A. Actually, I was a businessman before I was a politician, so I've come full circle. My managerial career at illycaffè began in 1977, as a salesperson. By 1992, I had risen to CEO. The next year I won the first direct election for mayor of my city, Trieste. After two terms, I was prohibited from running again, so I waged a successful campaign for a seat in Parliament. Two years after that, I ran successfully in the first direct election for governor of my region, Friuli Venezia Giulia. After an unsuccessful campaign in 2008, I came back to my first love, entrepreneurship. I was lucky; the transition was quick and relatively painless, it was literally one day to the next.

I benefited from the skills I'd accumulated in my more than 15 years in public service and the 15 years before that running a business. The new and exciting challenge was that I was managing not just a single company but a consortium, Gruppo illy, built over five years and consisting of four companies in which the Illy family has a major stake.

Q. What skills are necessary to be an effective politician? Are they the same skills one needs to run a successful business?

A. To be an effective politician you need to be able to envision the future, to understand the needs of your constituents, and to plan and act using human, financial, and intellectual resources. Not least, you must communicate to persuade. These same skills are essential in the private sector, with two main differences. First, in public life, you're dealing with more groups of people, so you need to forge consensus before acting. The level of complexity is higher. Second, all of your constituents are at the same time your customers and your shareholders. They vote, they profit from improved public services, they want the best services for, of course, the least money, realized as the taxes they pay. There is a diffused conflict of interest inherent to public service that only occasionally crops up in the private sector.

Q. How important is to understand the local climate before investing in a business?

A. It's vital, going back even earlier than the initial investment or start-up phase, to when you're developing a brand you plan to launch or to acquire. There are so many subtleties and local cultural nuances. For example, the meaning or the sound of a brand name or a key term associated with it can mean something negative or positive in certain languages. I have recently been told that il-ly means "for me" in Arabic, luckily for us. And of course, local culture, habits, and tastes can influence the way your products are perceived. So it's critical to understand these differences before investing or launching in a new region.

Q. How do you expand a global business while at the same time maintaining the integrity of the brand?

A. Think global, act local -- the slogan coined by the king of marketing, Philip Kotler -- is the lens you must always look through. In the case of illy, for example, our strong iconography must be consistent everywhere. Our brand, packaging, and overall communication must look, feel, and sound the same. However, preferred methods of preparation vary from culture to culture, and we've learned how to accommodate. While illy at its core is a unique, top quality espresso blend, we now offer the same blend with different degrees of grinding for different preparations, like Moka in Italy or drip coffee in the U.S., and we've recently introduced single origin coffees, called MonoArabica, to allow consumers to experience the illy blend as single notes.

Q. What is the key to motivating a workforce? What inspires you in work?

A. The key to motivating people is to instill pride in them for belonging to and contributing to an organization. Key to that is establishing a challenging objective or objectives, a pleasant workplace, and understanding that stakeholders, customers, and the employees themselves all come first. What inspires me? The idea of surprising and delighting the consumer with something -- a cup of coffee, a glass of wine -- that is the best that it can be.

Q. What is your best and worst leadership skill?

A. This question is probably better left to my colleagues, but I'd say my best leadership skill is synthesis -- bringing ideas and people together toward a common goal. My worst is that at times I demand too much of my employees -- sometimes I forget to recognize their merits.

Q. How difficult or easy is it to work in a family-run business? How does it affect your personal relationships? Would you advise families and friends to work together?

A. Working in a family business gives you the advantage of planning for the long term -- you can look for returns on investments for the next generation instead of the next quarter. You can stick to your strategy, even if it means less than optimal short term results. On the other hand, working productively with a large family involved in a business requires great discipline -- more than in a non-family enterprises. For example, a relative may wish to be a member of the board and a manager, but may not have the skills, or the potential to acquire them. You often need to wear four hats at the same time: shareholder, relative, administrator, and manager, and it can be difficult to make clear which one you are wearing when talking to another member of the family.

Communication must be crystal clear and free of nuance. That is a guiding principle within our family that has served us well both professionally and personally.

Q. How do you balance work and personal life?

A. Many people combine business and pleasure easily, blurring the lines without one dominating the other. I'm not one of them -- work is pleasurable for me, but business comes first. I like the Aaron Burr quote: "The rule of my life is to make business a pleasure and pleasure my business." With Gruppo illy's product lines of Domori chocolate, illy coffee, Mastrojanni wine, Agrimontana jam and Dammann tea, I'm able to do that.

Q. How important is creativity in work?

A. Creativity is vital, particularly today, given the acceleration in technological progress and global competition. You need to continually innovate, and creativity is at the core of innovation.

Q. What skills should schools be teaching children so they can effectively compete in the global economy?

A. First and foremost, schools should teach us how to learn. By this I mean they should instill in children from the very start tools they can use at every age to improve upon their natural skills. We need to create a society of adults who have a life-long love of learning. Next comes communication. We live in the age of knowledge; communication skills are fundamental just to survive, let alone succeed. Third, to live in a global economy and society, one must have at least a working knowledge of English. In this, North America has a huge built-in advantage.

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