

ten times more profit than those made by General Motors—the highest of all manufacturers. Overall profits have increased for nine years in a row. And for the traditionalists still bristling at the Cayenne (one model of which now even comes with an engine sourced from VW), Wiedeking has a new model on the forecourt called the Carrera GT, a V10-powered, 600-horsepower monster capable of giving a taxiing jet fighter a run for its money. Porsche no longer a sports car company? Hardly.

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# Prada

## Luxury with an edge

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**N**OT EVERY SUCCESSFUL BUSINESSPERSON IS A NATURAL entrepreneur. Miuccia Prada, the quirky, beyond-cool fashion designer with the most futuristic store in the United States, isn't even sure she's in the right business. "I had many problems for many years doing this work," she said in 1998, "because I wanted to do something more serious."

Born into a well-to-do family in Milan, Italy, Prada studied political science, flirted with the Communist Party, and belonged to a theatrical troupe as a mime artist for six years before relatives encouraged her to direct her efforts into the family business, which her paternal grandfather, Mario, had founded in 1913, making such luxuries as walrus-skin bags with ivory fittings for the Italian royal family.

The leather goods business was still based around a single shop in Milan when Miuccia eventually took over in 1978. The same year, she met her future husband, Patrizio Bertelli, at a trade fair. Bertelli, the son of a lawyer and teacher, had studied engineering at Bologna University but dropped out to start his own business making leather goods. He first struck a deal with Miuccia to give him the exclusive license to make Prada products, then he wooed her, encouraging her to expand into shoes and fashion, giving the fashion house a new, inspiring edge.

The couple married in 1987 and today control the sprawling Prada group, a private company that owns the Prada and Miu Miu labels and has controlling interests in several other brands. Bertelli owns one-third of the business, Miuccia and the Prada family own the rest. Their relationship is famously stormy—“When they say we scream a lot, it’s true,” Prada said in 2004—but it has also been enormously productive, melding Prada’s creativity with Bertelli’s business sense.

One of Prada’s breakthrough products was a bag that was determinedly utilitarian yet perfectly chic, a black nylon backpack that became the “must-have” accessory for fashionistas in the early 1990s. It was the ideal antidote to the excesses of the 1980s, yet its little triangular badge became as sought-after as any other luxury label—and was just as expensive.

The bag spawned enormous demand for the Prada range of nylon and leather accessories. Bertelli reportedly told boutiques that if they wanted Prada’s accessories, they also had to carry Miuccia’s minimalist line of womenswear, which he had encouraged her to design. Menswear, the Prada Sport range and the younger label Miu Miu (Miuccia’s nickname), followed.

Prada expanded in the 1990s, buying up controlling interests in Jil Sander, Helmut Lang, and Church and Co. shoes. The Prada group now has over 250 retail outlets worldwide, including three flagship stores—called “epicenter concept stores”—that reflect its owners’ growing interests in contemporary architecture, technology

and the arts. The company's SoHo store in New York, designed by "difficult" Dutch architect Rem Koolhaas and built in 2001 at a cost of \$40 million, came with glass changing room doors that turned opaque at the push of a button, a \$1 million cylindrical elevator and clothes displayed in hanging cages—not a store in which to browse lightly. In 2003, Prada opened another "epicenter" in Tokyo, designed by Herzog and de Meuron, a six-story glass crystal, criss-crossed with lattice.

The Prada website, in contrast, is deliberately minimal, offering a home page with an image of current fashions and nothing else.

With annual revenue of some \$1.6 billion, Miuccia and Bertelli are freer than most to explore their interests. Miuccia still lives in the same Milan apartment she was born in (admittedly it has been extended somewhat) and is an avid art collector. Bertelli, a competitive sailor in his youth, spent \$50 million to get the Prada-sponsored yacht, *Luna Rosa*, to the finals of the America's Cup in 2000. The Prada-Bertelli partnership has been a formidable one.

## NOTES

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