Azimut-Benetti Group is the world’s largest integrated yachting company. What it does or does not do to react to and anticipate market changes has huge implications for the market at large. We caught up with founder Paolo Vittelli.

INTERVIEW Jill Bobrow
AZIMUT-BENETTI'S PAOLO VITELLI

Paolo Vitelli, founder and group president of Azimut-Benetti, was a keynote speaker at the 52nd Fort Lauderdale International Boat Show. We later had a chance to sit down with him for a one-on-one interview. Vitelli, a yachting-industry icon, is one of the most innovative and practical thinkers in yachting today. Vitelli, who started Azimut in 1969, grew the business over the last 43 years and today is at the helm of what is the world’s largest integrated marine player. Talking about today’s market, he shows himself to be both a realist and an optimist. While he acknowledges the economic crisis, he thinks the overall increase in world wealth, particularly in emerging countries, compensates for the slowdown in traditional markets, which, in turn, presents an opportunity for boatbuilders to develop new products for new markets and also to export the boating culture to these markets. In order to achieve future success, he believes that it is necessary to capitalize, invest in research and innovation, consider fuel efficiency and eco-friendly materials, and to find ways to work internationally.

JILL BOBROW: So are you still the number one boatbuilding company?

PAOLO VITELLI: Yes, I am happy to report that according to the various global order-book reports, we still claim the position of the world’s number one boatbuilder. In fact, a few builders that used to be counted on the list have disappeared altogether.

To what do you attribute your sustained success in this day and age?

We continually reinvest in our product. We are auto-sufficient; this strategy is very important. Many of our competitors do not have enough capital and are not reinvesting, thus allowing us to take a larger market share.

Over the course of your stewardship, what has been your strategy to keep Azimut-Benetti in the number one position?

Azimut-Benetti is highly diversified—not only geographically but also in terms of what we have to offer: yacht management through Fraser Yachts, yacht financing, refit facilities, marinas, luxury boutiques, plus we build yachts to appeal to every type of client from smaller production boats to custom megayachts. Everything we do has logic to it. Why do we offer management, marinas, service and financing? We do it to keep our clients happy. We want to make sure they have a place to go with their yachts. We want to ensure service and support for our clients—that goes for financing and refit. We want to keep it “all in the family.” In the end, yacht ownership should be enjoyable. We want to take away the headache of yacht ownership and make it all easy.

With the traditional markets suffering a setback since the economic crisis, is Azimut-Benetti looking toward new markets?

Certainly, we are exploring new markets. There is a lot of talk now about China and Brazil. The big difference between these two countries is that the Brazilians have a culture of seafaring; they love the sea and have an infrastructure with marinas and facilities. Generally speaking, the Chinese do not love the sea. Yachting is new to them. They are more apt to buy a boat as a status symbol rather than out of the joy of being on the ocean.
So you are concentrating on Brazil then?
Perhaps activity is becoming more heightened in Brazil. There are still taxes to overcome. There needs to be a shift in their import tax. Now they have an 80-percent import tax versus a 20-percent export tax. We have been overcoming that by creating our own factory there. Naturally, with all emerging countries, there is always a risk, as you never know what will happen politically. One must always be prepared to move from one place to another.

Are challenges in the Chinese market similar?
The Chinese, as I said, do not have the same love of the sea as the Brazilians do, but they have a lower importation tax. Also, with all the new construction in China, many of the new condominiums are being built with a medium-size marina as a key selling component. We are making inroads in China; we invite potential clients to the Med to get a taste of the yachting life. We have had many sea trials in Saint-Tropez and Cannes. Yachting in China is much more about status or a symbol of success than the joy of being on the water. I have heard stories of Chinese clients buying a sailing boat without a mast or a powerboat without an engine. But it is all a matter of education. We shall see what the future holds for yachting in China. If their current 9.5-percent growth decreases to 3 percent, the luxury-buying picture in China will be a very different one. All of these factors keep us on our toes.

What is your feeling about the US market these days?
I always feel very proud of our involvement in the USA. Azimut Yachts has been in the States since the 1980s. We have had an office here since 1990. We have a fantastic dealer and great service people here. Our service manager, Federico Ferrante, has worked here for more than 12 years. When we held an Azimut rendezvous for our yacht owners, inevitably 30 to 40 boats show up. They also attend our European events. We have a strong base in America; and even during these difficult times, we have had 25-percent growth in America. Just recently, we have had confirmation that we will grow to somewhere between 80 to 100 units, which is a very high volume, more than any other boatbuilder exporting to the United States.

Are you as optimistic about growth in Europe?
Europe is very slow now. Sales in Italy and Spain, for instance, are tough, especially for new clients. We find we are cultivating and negotiating with our repeat clients, moving them up through our range of yachts, sometimes even from an Azimut to a Benetti.

Are the Russians back?
Yes, the Russians are coming back. We just delivered Notuly, a lovely 65-meter (213-foot) Benetti to a Russian client.

What is the overall game plan?
We wish to be even more international. We have a production plant in Turkey and one in Brazil; we don’t like to simply be a guest in foreign territory. We are not building boats in Turkey merely for efficiency sake or to save money on labor or production costs. We feel we need to be part of the culture of our markets. We are even investigating future production in the United States. We understand if we want three times the market share, we should be here in the United States in order to achieve (an even) better understanding of the American market.

In a nutshell, what is the Azimut-Benetti difference?
We are proud to be a family company, yes, there are some in Germany, the Netherlands and in Italy, but we are among the few in the world that are not owned by a financial institution. As a family business, we are perceived as having continuity. People are proud to work for us. We do not just deal with shares; we are a people company. I am not in this just to make money. I have a passion for what I do and so do the people around me.

There is speculation that you are grooming your daughter to take over for you some day. What are her current responsibilities?
Giovanna is responsible for our communications and our legal department. Very soon she will take over a brand and will be in charge of the entire business plan for that brand. I don’t think I am going anywhere in the near future. I love what I do. I even got involved in closing a deal today. It’s been a while since I have been involved in selling. And you know what? I am a bit rusty, but I am not bad at it, and I still get a kick out of it. I really enjoy my work, but I’m gradually giving much more responsibility to Giovanna and to the management.
SUNSEEKER MANHATTAN 73

Sunseeker, represented in Miami by local dealer Nautikos, will feature the new Manhattan 73 along with other recent models exemplifying a broad cross section of British builder Sunseeker's lines (please also see the article on Sunseeker featured in this issue). A broad beam that's carried lower in the hull increased the Manhattan 73's interior volume, enabling a third full-size double stateroom on the lower deck (instead of a bunk room), plus plenty more headroom throughout. The single-level main salon yields a vast entertainment space, especially with
the galley-down configuration. The extended flybridge provides extra shade for an expanded entertainment area below. The yacht also offers a good-size crew cabin. Sunseeker offers various custom options and a range of power packages.

LOCATION: YACHT & BROKERAGE SHOW, RAMP 33

AZIMUT YACHTS

As is customary, Azimut Yachts will feature a full array of its flybridge line. Among the newer models is the Azimut 40 Flybridge, designed by Stefano Righini and Carlo Galeazzi. On the smaller end of the Azimut flybridge line, this new model condenses creativity, innovative design and technological solutions into one very attractive package. The yacht's sweeping lines are the same that characterize the entire Azimut production. Elliptical windows allow profuse light into the interior and hull, and deckhouse lines help optimize space and quality of life on board. The bow shape (trapezoidal), for example, makes the owner's suite very spacious. The accommodations include a twin cabin with en suite bathroom, and an extra bed is available in the salon. With twin Cummins QSB 5.9 engines, the yacht reaches a maximum speed of 31 knots at half load. The Azimut 40 also offers the pleasure of yachtng through its simplicity of use; it is equipped with a joystick for easy docking and easy handling—a system that improves responsiveness in turns.

LOCATION: YACHT & BROKERAGE SHOW, RAMP 31 & 32