

# A need for speed

**Ducati is fuelling its worldwide expansion through brand innovation, strong supplier relationships and an Italian passion for quality.**

IMAGES DUCATI MOTOR HOLDING

It's one of the most famous and prestigious motorcycle brands in the world. Ducati—the name alone conjures images of sleek, powerful bikes and celebrity fans. An Italian brand from the very beginning, the company was founded by Antonio Ducati and his three sons in 1926, but initially manufactured vacuum tubes and radio components, not motorbikes. It wasn't until 1944 that the company produced the 'Cucciolo', a small motor that could be attached to a bicycle to power it. This changed everything and heralded the launch of Ducati Motorcycles.

In 1950 the Ducati family sold the company and over the following decades it was taken on by a number of different groups. In 2012, Lamborghini, a subsidiary of German automotive giant Volkswagen Aktiengesellschaft, bought Ducati, an impressive addition to its world-class portfolio. A year later, in 2013, Claudio Domenicali was named the new CEO of Ducati, having been promoted from his previous role as General Manager of the company.

Claudio is passionate about Ducati, having worked at the company for almost 25 years. He was the perfect choice, experienced not only in the management side of the Ducati business, but also the design and technical disciplines. His first role in the company was as a project leader, having studied mechanical engineering at university.

"It was a very exciting opportunity, because Ducati was going through a very interesting time when I took over as CEO," Claudio says. "We had gone through a strong product development exercise and so we were looking to the future. We were also expanding our presence worldwide more than ever. In the last two years, we have opened new branches in Brazil and India to boost our presence >>



**Name** Claudio Domenicali  
**Company** Ducati  
**Position** CEO  
**HQ** Bologna, Italy  
**Employees** 1,541  
**Turnover** €479 million



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worldwide. Now we are selling into Europe, the US, Japan, Australia, Asia, Brazil and India, so it's a very good time for us."

"The interesting challenge for me is to take Ducati from a mid-sized motorcycle manufacturer to something more. We're part of a solid group—the Volkswagen Group—and our vision for Ducati is very long-term. Our vision is to take the Ducati brand to the next level in terms of how much we can offer to our customers, both in terms of product and taking their perception of the brand to a place that we hadn't been before.

"There are many challenges in the new markets. Our two markets, Brazil and India, are pretty tough, but the potential is there. Brazil is tough, especially because of the exchange rate fluctuations, which makes it more difficult for us than it was before. Generally the situation in Brazil is not very positive at the moment, but it's a big country and it's a growing economy, so we think we will have a good future there. India is a country with a very interesting motorcycle culture, and we see the potential there for a premium brand like Ducati to do well in that market."

The other recent development for Ducati is a new line of motorcycles they have launched, which is proving to be a real draw for new customers to the brand. "We are on a growth path that has accelerated in the last year, thanks to the introduction of a secondary brand alongside Ducati," Claudio explains. "It's a supported brand called Scrambler Ducati, and thanks to that we have been able to offer to our customers not only an additional product to our range, but also a product with additional value.

"Ducati is recognised for its style, sophistication and performance as a brand. The Scrambler is a brand which is about self-expression, accessibility, and outdoor life. It's a much easier way to



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- Claudio Domenicali

access motorcycles; we call it 'the land of joy'. It's really helped us grow—in the first six months of 2016 financial year we sold 22 per cent more than the same time in 2014. In 2015 we broke the symbolic number of having 50,000 motorcycles delivered to customers in one year."

Claudio says that this new range of Ducati motorbikes have been made possible through close collaboration with suppliers. The company realises that, to make their motorbikes the best they can be, they need to use the knowledge and expertise of those who make its components. "More than 90 per cent of the value that is in a Ducati motorbike comes from our suppliers, so it's very important for us to have a strong supply chain.

"This is why we identify our key suppliers and form strong relationships with them. This isn't just for the supply of the parts, we involve them in the development of the new technology. We have very close relationships with Pirelli, Brambo and Akrapovic and work with these suppliers to ensure the constant

improvement of our products. We have a program where we send people from Ducati to spend a week with one of our suppliers, so we can work together in understanding how those improvements can be made."

Claudio does not have a specific goal for growth, but wants the products to speak for themselves and attract new customers to the Ducati brand. "For us, growth is not the objective, it's the result of products that interest customers in a very strong way," he explains.

"We are not pursuing a certain volume target, but volume will grow because we have a good product. This year we're presenting nine new models to the customer; when we combine this with the fact that our markets in Brazil, India, and Asia are continuing to expand, it will fuel growth for the company. We have a five-year plan where we have outlined a number of new models, some of which are moving away from the traditional Ducati model, which is sports bikes. This will fuel growth as well." ■