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When personnel get personal

By Vanessa Friedman



Frida Giannini, Gucci creative director, and her partner Patrizio di Marco, Gucci chief executive

Frida Giannini, the creative director of Gucci, and Patrizio di Marco, the chief executive, are in the ornate restaurant of the George V hotel in Paris, posing for a portrait. They look uncomfortable. First they try standing near the marble columns, then they perch on a gilded sofa, Ms Giannini in front, Mr di Marco lounging behind. Finally Mr di Marco, fed up with the whole thing, rolls his eyes, sticks out his tongue and splays his hands wide. “Come on!” he groans.

The problem is this: in their respective roles as corporate and creative heads of Gucci, Mr di Marco and Ms Giannini have been photographed together countless times – at store openings, the recent Gucci museum launch, fashion shows – but this is the first time they have posed publicly, or indeed, spoken out, as a partnership of a different kind: one that is personal as well as professional.

As a result, the question of how to navigate the photograph is simply a reflection of the numerous issues Ms Giannini, who has worked at Gucci since 2002 and became overall creative director in 2006, and Mr di Marco, who became Gucci’s CEO in January 2009, have been wrestling with since their relationship moved beyond the workplace in June 2009.

While there are many instances of fashion brands being run by couples, including Miuccia Prada and Patrizio Bertelli, Valentino Garavani and Giancarlo Giammetti, and Yves Saint Laurent and Pierre Bertelli, this is the first time the couple in question are not the owners

of the business, but its employees – and the employees of a globally renowned company, owned by a publicly listed group (PPR). As ever more transparency is demanded by shareholders and the market, this makes them a test case in managing expectations.

According to Marc Le Menestral, visiting professor of ethics at the Social Innovation Centre of the Insead business school: “Most senior business people dream of a life where their personal values can be compatible with who they are at work and what society expects from them. The question becomes how they handle the issue.”

Outside of fashion, famous couples who met at work include Microsoft’s Bill Gates and former product manager Melinda French and Citigroup chairman John Reed and Cindy McCarthy, then a Citigroup corporate jet flight attendant.

Mr di Marco, 49, and Ms Giannini, 38, (both of whom were divorced when they got together) are aware they are in somewhat uncharted waters. Although, as François-Henri Pinault, the chief executive of PPR, points out, a significant percentage of people first meet their partner at work, the business world is full of stories of executives who encountered public opprobrium when these relationships were revealed. Consider, for example, Bendix’s Bill Agee, whose story became a cautionary tale when he was seen to have over-promoted Mary Cunningham because of their personal relationship (she resigned) and Boeing’s Harry Stonecipher, who had to resign over an alleged affair with a female executive at the company (the board felt he had violated the code of conduct by embarrassing the company).

<p>We have been very careful to be consistent in our behaviour</p>	<p>Even when couples meet at work without causing controversy, it often leads to one of them deciding to leave the business.</p>
	<p>Many companies do not have hard and fast human resources policies on the issue of personal relationships – in 2005 a Society of Human Resource Management/Wall Street Journal survey found that just over 70 per cent of US companies did not. Or they were reluctant to disclose their policies, a fact that speaks to the sensitivity of the subject.</p>

The general approach is summed up by a managing director at Morgan Stanley (who asked to remain anonymous): a relationship is seen as a problem “only if the individuals have a reporting relationship . . . ie, if someone has promotion and pay power over someone else”.

At luxury group Richemont, for example, says Marty Wikstrom, the chief executive of fashion and accessories, “it’s hard to generalise, and I do think it needs to be addressed on a case-by-case basis, but absolutely never between a superior and someone who works for them”.

Nominally, this is not the case with Mr di Marco and Ms Giannini, who are in effect equals. And they would argue their relationship has, if anything, been beneficial to Gucci. Indeed, one reason for taking the personal public is they feel that by now they have the record and numbers to back this up. This week, PPR revealed that Gucci’s third-quarter like-for-like

revenues were up 21 per cent.

Romantic repartee

The working relationship that has evolved between Patrizio di Marco and Frida Giannini is reflected in their conversation. Here is an exchange about a pop-up store she wanted to set up and he did not:

PM: We had a lunch to discuss it, and everything we ordered stayed on the table.

FG: But I won.

PM: We have more than 8,000 people on the payroll . . .

FG: He's still complaining we have stock left over.

PM: See! She interrupts all the time.

And on dressing similarly for the photograph:

PM: It was an accident.

FG: I changed after lunch and he hadn't seen me.

PM: Usually when I ask for advice on what to wear I don't agree with what she says.

From the beginning, says Mr di Marco, "we were concerned about two things – the reaction of our primary shareholder and the market".

They addressed this in various stages. After their relationship changed, on a June 2009 trip to China, Mr di Marco says he went to Rome to speak to Mr Pinault; Ms Giannini spoke to Mr Pinault separately. Both Mr di Marco and Ms Giannini were, they say, fully prepared to leave if that was what was required, but Mr Pinault "was very supportive".

According to Mr Pinault, "this is a family business – it was started by my father, and I know how that can feel and seem to the outside world, but I also know how much that makes you be strict with yourself. And I knew them, so I knew if anything this would make them more demanding with themselves."

Mr di Marco and Ms Giannini discussed the situation with their employees individually. "It was a little bit the secret everyone knows," says Mr di Marco. "You can't know what's in someone's minds, but when I was talking to people I would ask, 'does this make things difficult for you?' and we'd get it over with at once, and it wasn't usually an issue after that. We have been very careful to be consistent in our behaviour. In a

way, the relationship creates a further obligation to be balanced."

Ms Giannini adds: "You don't want to leave the door open for any criticism. There was transparency, but it was not universal; it was logical. Now there will be more. But that doesn't mean that Patrizio and I will start to kiss in a meeting."

The biggest risk, says one analyst, is less intra-company perception than the potential problems if a relationship turns sour. Mr Pinault, however, says he is not concerned: "If something changed and one left, well, we would deal with that."

According to Mr di Marco, "the relationship Frida and I have is very serious. When in life you choose someone to be with . . . someone you are looking to spend your life with – well, this is a match of minds and souls.

"We don't agree on everything. But you only really argue when you have something important to argue about. Otherwise you realise it's not worth it." Plus, he says, their relationship brings the added benefit of being able to make joint decisions much faster. "You don't really have to wait to take a meeting."

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