

Formula One's Stefano Domenicali is clear that success does not change; it evolves



Stefano Domenicali, president and CEO of Formula One, is a motorsport and automotive veteran who has built an illustrious career in sports administration. Stefano was previously CEO of Automobili Lamborghini and held senior roles at Audi and Ferrari. Before joining Formula One, he led winning racing teams, racking up a total of 14 titles in the Formula One Constructors' and Drivers' Championships. Stefano became an Officer of the Order of Merit of the Italian Republic in 2002, and a Commendatore of the Italian Republic in 2019, and was awarded the Collare D'Oro by the Italian National Olympic Committee last year.

Racing cars and motorsports are fascinating and attention-grabbing topics followed by millions worldwide. What does success mean in your business, and how do you measure it?

First, let's define what our business is: Formula One is an entertainment platform through motorsports at its highest level, where technology and innovation play an important part. We maintain the success of our business through the growth of our main channels, constantly improving awareness in new categories of fans and on new landscapes, creating new revenue opportunities that can attract new investors and partners, and of course, ensuring that the sporting challenge is able to generate exciting competition between drivers, teams, and manufacturers.

Measuring our success is the key to understanding how we can shape the actions needed to improve our product. As in all KPI-driven businesses, all the areas we need to control are vital to ensure we focus on the things we need to do.

So when you are looking at KPIs, how do you measure those indicators against your future goals and milestones? Does Formula One have 5-year or 10-year goals, and who sets these?

The most important task that the top management of any company must address is having a long-term vision, which has to be agreed upon with the relevant shareholders. In our case, all the choices for our future are made with the aim of guaranteeing the growth of our platform in all relevant dimensions.

One crucial dimension where we are measured and are building our credibility is connected to sustainability – sustainability that is comprehensive, with regard to the financial strength of our teams, partners, and promoters of our business through a very careful program of attentiveness to our people and of course the sustainability of our planet. E-fuel, hybrid engines, recycling, and carbon neutrality by 2030 are key pillars of our plans for the future. Our success is being leaders and innovators in this particular area; our aim is to lead the way. On all these points, Formula One will contribute to accelerating the efficacy of these actions for a better world, directly affecting all those aspects in which we play a leading role.

It is interesting to see how an influential business such as Formula One is also focusing on sustainability, which is the need for the hour. Has the definition of success changed over the years that your business has been operating?

The concept of success does not change, but rather it evolves. Today, success is, first of all, keeping financial, social, and environmental sustainability at the centre of the project. More than ever, a company's ethical values represent its reputation's credibility, and these are elements which will guarantee enduring success. For a business to have longevity, it needs to have consistent and sustainable ethical values running throughout and over time.

With our goal of net zero carbon by 2030 and a sustainable fuel by 2025, I believe F1 could be a sustainability model for the automotive industry and others. This would be a success.

Businesses ebb and flow, and good times can soon change into challenging times. As we witness economic difficulties at a global level today, business failures can be a reality if not handled well. However, such failures can become a path to success as many companies in your industry have experienced. What has been your biggest business failure, and how has this led to your success?

I have always lived in a world of competition, which has helped me experience defeats as moments of growth and as new starting points from which to find the renewed energy to keep fighting and succeed.

Defeats need to be analysed, not agonised over. They represent the starting points for future victories. Never give up, never! You need to experience difficulties to succeed, and this is what I try to teach to all the people close to me. Lead by example and always take responsibility for what you are doing.

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Indeed, if your perspective is one of learning and moving forward, failures can be turned into opportunities for success. Is there a company which you believe is a stand-out example of business success and why?

It is not a company but a real place that exists in the region where I was born — Emilia-Romagna in Italy. The region of Emilia-Romagna is known for its elegant medieval cities, sun-soaked Adriatic beaches, and some of the best cuisine in Italy. But in my sector, it is most significantly known as 'Motor Valley' and is to the auto industry what Silicon Valley is to the tech industry. This is where all the major Italian automotive companies are based (as well as other companies within its logistical supply chain), for example, Ferrari, Maserati, Ducati, Lamborghini, Dallara, and Alpha Tauri, to name just a few.

It is this region where the great Italian automobile factories were founded and became world famous. The success of this land of motors dates back generations. Today, (according to think tank Riparte l'Italia) the area comprises 16,000 companies, four racing tracks, six training centres, and employs more than 90,000 people.

Here in this territory, the history of the automotive sector has been written. And now, with the support of the University of Bologna and other nearby cities, there is a unique opportunity to write the future of the skills, abilities, and passion needed to ensure that this special place will shape the future of this industry.

Does successful entrepreneurship come down to skill, luck, or money?

Personally I believe that the only thing that has changed over the years is the context which every business owner must consider while developing their business.



Skill is understanding the needs of the market, which is increasingly sophisticated; the idea is the foundation upon which you can think big; money is vital to develop this idea into a different dimension; and luck is needed to attain your dream.

That's a very precise breakdown of entrepreneurship. Talking about your industry activity, what is considered a successful partner in motorsports?

In our business, the relationship between us and the promoter who organizes an F1 Grand Prix is usually regulated by a contract. The contract clarifies the different roles and responsibilities and the fee to be paid. All details outlined and agreed upon in a contract help to ensure all parties are aligned.

The Spanish sports newspaper AS Diario has described Formula One's inaugural race on the Las Vegas Strip as a



“speed-infused route through the city’s best spots.” It is expected to be the highest-grossing F1 event in history, both in sponsorship sales and overall revenue. How will F1 measure the success of this new event?

Yes, this year we will race in Las Vegas, and for the first time, we will also be the promoter of this event. It is an incredible challenge and, above all, an incredible opportunity, and one in which we have invested heavily.

Since you joined F1, a lot has changed; the number of races has increased, and the number of teams is set to increase. In a recent interview with Global Finance, you said that “the company aims to reach net-zero carbon emissions by 2030—not just for the cars but across all its operations and events,” and that you are “discussing with fuel companies the development of 100% sustainable energy as the sole source for all its cars by 2025, ultimately to be marketed to a wider public. Renewable electricity sourcing is also a goal for

factories, facilities and venues.” What other areas would you like to improve?

Improving diversity throughout our business is an area we are focusing on, particularly among drivers. We are working on an all-women championship series to help increase the number of female drivers entering the business. The last time a woman qualified to compete in an F1 race was 1980. We will try to attract younger women into the sport by sponsoring educational programmes and increasing awareness of the sport outside its traditional fan base. We are moving towards a more inclusive, less exclusive sport.

You have said that “sport is at the centre, but entertainment in general is what we are.” What areas of business and industry are destined for future success?

I strongly believe that, although digitalisation and the ‘metaverse’ get a lot of attention, the manufacturing sector will continue to play a central role in our future. It has always been resilient and able to react to the market evolution, and I am sure this will happen again.

In terms of our sector, the entertainment industry has incredible potential for us.

We want to create great racing and a unique experience for spectators. Therefore we want to create an event that combines racing, entertainment, music, excitement, and action. In this way, we will have broad appeal and stay relevant.

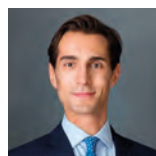
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Has your definition of success changed over your career?

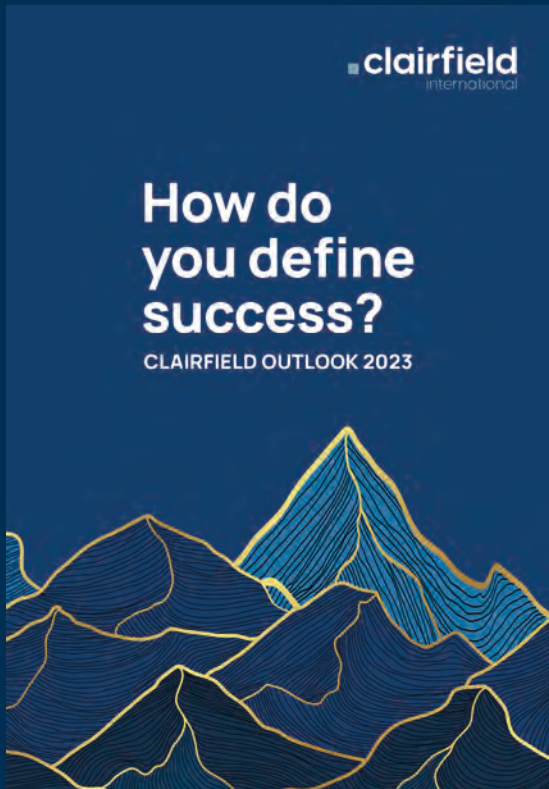
Never, because I believe that success is the ability to have a harmoniously balanced working and private life. I am a firm believer in the need for everyone to be seen as a positive role model in the context in which they live and I believe that is a universal and unchanging truth. ■



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■ 10 definitions of success

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