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Identity, communication and change management in Ferrari

Change
management

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Abstract

Purpose – The purpose of this paper is to investigate the role of strategic communication during a change management process within the internationally famous Ferrari corporation. The aim is to show that strategic communication, through its main components, can be a pivotal lever that supports continuous improvement and helps drive organizational success.

Design/methodology/approach – The change management process at Ferrari is described and interpreted through the framework of the entrepreneurial organization theory (EOT), from which the four components of strategic communication are derived.

Findings – The paper explores the case of Ferrari, which started a reorganization process in which the main actors were employees and strategic communication represented the crucial component.

Research limitations/implications – This paper focuses on one single organization. Additional research is needed to generalize the effectiveness of the proposed strategic communication model.

Practical implications – The paper shows that the four strategic communication components (i.e. aligning, energizing, visioning, and constituting), if applied in an integrated manner, can give insightful stimulus for the management of important change programs.

Originality/value – The paper contributes to the change management literature by linking strategic communication, continuous improvement and entrepreneurial theory.

Keywords Change management, Strategic communication, Communicative behaviours, Entrepreneurial organization theory, Organizational behaviour, Corporate communication

Paper type Case study

Introduction

For many years, scholars have explored the link between communication, especially internal communication, and successful change management programs (Kitchen and Daly, 2002; Proctor and Doukakis, 2003). According to Elving (2005) communication activities should be accurately distinguished from activities of mere information provision, which represent a short-sighted approach to change management. As a matter of fact, the organizational change literature offers more than a unique communication approach, exploiting the potentialities of stories, narrative and discourse concepts within organizational contexts (Johansson and Heide, 2008).

This paper contributes to the current debate on the strategic role of communication in a successful change process by proposing a unifying framework rooted in entrepreneurial organization theory (Alvarez and Barney, 2004; Burns, 2005; Busenitz *et al.*, 2003; Bygrave, 1989; Dew *et al.*, 2004). Since an entrepreneurial organization “embraces continuous change” (Zander, 2007, p. 143), change processes can be conceived as perpetual functioning models of organizations, rather than as exceptional states. In other words, in entrepreneurial organizations, communication offers a



strategic contribution to support organizational decision-making processes in a continuously changing environment.

The paper is structured as follows. In the first part we review the literature about the role of communication within organizational change processes and then we describe the four components of strategic communication related to entrepreneurial organization theory. We conclude by highlighting the contributions that entrepreneurial organization theory (EOT) makes to the study of change communication. In the second part we discuss the main steps of the Ferrari change management process, from the definition of its strategic objectives to the restored success. Finally, we illustrate the practical implications of adopting entrepreneurial organization theory to interpret the strategic contribution of communication to support a structured program of change management and to drive organizational success in constantly changing environments.

Literature review

Strategic communication and change management

The strategic role of communication during change management processes is unquestioned by corporate communication scholars. Changes are messy and complex phases within company life cycles; they are characterized by conflicting emotions among organizational members, as well as a lack of identification and trust (Salem, 2008). The effective use of internal communication to cope with cynicism towards organizational change (Qian and Daniels, 2008) and channel employees' energies is a dominant theme in the field of corporate communication studies (Kitchen and Daly, 2002; Proctor and Doukakis, 2003). However, the huge uncertainty associated with change processes and the variety of psychological and behavioral responses associated with this uncertainty require very careful choices in terms of communication by top management (Brashers, 2001). Effective strategic employee communication is considered the keystone for change management processes (Barrett, 2002), provided it creates a sense of community and enhances the sense of belonging to the company (Elving, 2005). According to Elving (2005), change communication should be distinguished from the activity of mere information provision from top management to all employees about what is happening. van Vuuren and Elving (2008) propose the adoption of a sense-making approach in order to drive collective energies and to frame changes and their implications in the eyes of employees. The authors suggest the use of storytelling and informal communication to address organizational changes (van Vuuren and Elving, 2008). Stroh (2007) recommends a more participative and relational approach to the change communication strategy in order to face all the fast and complex issues that emerge from organizational changes. A more relational approach to organizational changes transforms organizations into responsible corporate citizens (Stroh, 2007) and enhances employees' satisfaction towards change (Alas and Vadi, 2008).

Adopting an entrepreneurial communication perspective to manage change processes

In relation to entrepreneurial organizational theory (Foss and Klein, 2005; Ireland *et al.*, 2003), the strategic contribution of communication to organizational change management processes is based on four components:

- (1) aligning;
- (2) energizing;

- (3) visioning; and
- (4) constituting (Invernizzi and Romenti, 2011).

The aligning component of strategic communication includes environmental scanning and boundary-spanning activities, as well as bridging and engaging. The monitoring and interpretation of the ongoing dynamics in environmental scanning stimulates management to formulate strategies and processes aligned with the ongoing dynamics within the company social context and with the most relevant expectations of stakeholders. This facilitates the progressive legitimization of the company in its environment, which is a necessary condition to maintain its long-term license to operate (Steyn, 2007) and develop supportive networks of stakeholders, which are one of the major drivers of entrepreneurial activity (Butler *et al.*, 2003). Assuming an approach of this type means building bridges between the organization and its most vital stakeholders, as well as activating and facilitating their participation and involvement. Therefore, beyond boundary spanning and environmental scanning, the aligning component includes bridging with and engaging the most important stakeholders, thus developing solid symmetric relations and long-lasting partnerships with them (Grunig, 2001; Ledingham and Bruning, 2000).

The energizing component deals with the role of communication in stimulating organizational partners' orientation to innovation and in the creation of collaborative networks to drive innovation through the combination of existing resources, the development of capabilities and the spread of knowledge. Strategic communication supports management in reassuring stakeholders regarding changes due to innovation, supplying adequate information, and listening to what happens in the organizational context (Zerfass and Huck, 2007). The energizing component of communication transmits an innovative spirit to all organizational partners, stimulating them and giving them room for expression. As the efficacy of decision making increases proportionately to the number of participating members (Knight, 1997), strategic decisions should be rooted in the interchange between the organization and its most important partners, rather than being defined autonomously only by the dominant coalition (Stroh, 2007). Communication therefore has the aim of rendering organizational partners responsible by virtue of their being of key importance in implementing innovative processes (Dougherty, 1996) and communication professional activists should concentrate more on facilitating rather than on managing communication.

The visioning component of communication concerns the definition and diffusion of corporate mission, strategies and guiding values in order to portray and to share a common vision of the future, as well as to deliver consistent messages. In this regard the communication activity focuses on what to communicate in order to obtain the desired effect (Stroh, 2007). Visioning means communicating the decisions regarding strategic company choices in order to channel collective energy towards common goals consistent with company mission and guiding values. Strategic communication activities are essential in shaping a single, clear company position in the minds of its stakeholders as well as in developing a solid long-term reputation (Cornelissen, 2008). The visioning component corresponds to the enabling role of communication (Zerfass, 2008), which means that communication facilitates the implementation of company decisions. In order to do so the CCO follows the present decisional momentum and exercises influence on the ways in which decisions are communicated and carried out.

The constituting component of strategic communication refers to the enactment of competitive environment and organizational settings through communicative activities and the sense-making processes of organizational stakeholders. The role of communication in sense-making processes consists of pin-pointing in advance the communicative aspects of decisions taken, of the strategic options the organization has at its disposal, and of the specific strategic objectives. Thanks to the inclusion of communication in the dominant coalition, the process of sense-making gains a more complete and articulated outlook. Communication becomes something more than an infrastructural component of the business. It feeds the decisional process, influencing its contents through the reflective activity of analysis and interpretation of the competitive and organizational context. The constituting component plays a crucial role in the definition of the communicative aspects of decisions, completing the different ways in which communication contributes significantly to the corporate decision making process.

The four components are not related to each other because each component must be evaluated by itself and because there is no starting point where the support of strategic communication to organizational decision-making begins. Instead, as entrepreneurial organization theory and practice suggest, entrepreneurial ideas and activities can start from any phase or component of strategic communication and follow different paths.

Entrepreneurial organization theory (EOT) contributes to deepen the role of strategic communication during change management processes. On the one hand, it values the factors considered as prominent by corporate communication scholars within changing contexts. For instance, EOT focuses on the effective use of strategic employee communication to channel employee energies towards common goals and to develop innovative collective networks. On the other hand, EOT introduces three stimulating insights. First, through its constituting components, it enhances the importance and the significance of the constitutive capacity of communication within complex organizations as emergent perspectives in the fields of corporate communication and organizational communication studies. Communication constitutes organizations by enacting their future realities through contents as well as facts, through developments of new products as well as organizational settings and arrangements. Second, through its energizing and aligning components, EOT testifies that change communication moves beyond the removal of psychological barriers among employees, it triggers positive energies, fosters continuous internal and external listening skills and exploits the positive feelings of innovation associated with whatever organizational change. Third, through its visioning components, EOT insists on the crucial role of guiding values as the most powerful leverages to channel collective energies towards common goals.

In the next section, we describe the strategic role played by communication in the change management process at Ferrari, a company known the world over for its history and its legendary cars.

Method and data analysis

In this article, we investigate the case of change management at Ferrari enacted by its CEO and President Luca Cordero di Montezemolo since 1991 when he was called to lead the company, which, for a number of years, had been losing money, creating products of limited innovation no longer adequately meeting market demand. After the

splendid 1950s when Ferrari had been the protagonist of the international sports circuits, even racing victories were by-gones. di Montezemolo himself, who had bought a Ferrari the year before being employed by the company, was dissatisfied as a client and witnessed the fact that Ferrari was anchored to the memory of a glorious past but lacked a clear development plan for the future.

The success that had always distinguished the company seemed to have vanished, and a strategy for renewal was necessary to survive. di Montezemolo was faced with a major challenge: to identify the changes needed to revive the company. The Ferrari change process built the foundations for a new and lasting phase of success for the company in both the sporting sector and the market.

A qualitative research method was chosen to deeply examine the communication activity and behaviors during the implementation of the change management process in Ferrari. As Yin states, a case study is useful to analyze “a situation in which the boundaries between a phenomenon and context are not clearly evident” (Yin, 1993, p. 59). The case study research method usually triangulates observation, interviews and documental analysis. For this reason, we conducted three semi-structured interviews with Ferrari’s CCO, who had been in charge of the change management program since 2008. We also analyzed annual reports, press releases, company magazines and content published on the company’s website in order to understand how changes had been communicated and in order to capture the most significant of the CEO’s quotations.

Findings

Starting up from the company’s points of strength

di Montezemolo established three strategic objectives in order to drive the change management process, so interconnected that they had to be pursued in parallel:

- (1) return to winning races;
- (2) re-think the product; and
- (3) build a new image for the Ferrari brand.

Return to winning races

The experience gained in the racing sector was a fundamental starting point. This experience originated considerable technological transfer to passenger cars as well as developing a specific work mode that cultivated team spirit and paid special attention to detail. In fact, it is detail which helps gain those hundredths of seconds needed to win a race. This is the origin of the concept “work to win”, not only in races but, more generally, in creating a product of excellence.

Re-think products

As the central problem di Montezemolo singled out the fact that Ferraris were no longer technologically up-to-date. In the 1990s the Ferrari car was difficult to drive, unable to excite the emotions, and was simply living off the tradition of a prestigious brand resting on its glorious past.

The Ferrari car, both that of Formula 1 and that for the general market, had to be completely rethought in order to reacquire a position of excellence. It was necessary to reinvent the way of producing the cars, starting from the points of strength still present

in the product and in the production process. One of these was that Ferrari was the only automobile company in the world to have an entire production line, from foundry to finished product. This particular characteristic of its organization made it possible to control the entire line, and enabled making changes in every production phase.

Another characteristic of Ferrari production was the co-presence of sophisticated technology alongside considerable amounts of manual work, constituted by high-level workmanship (i.e. stitching of the seats) able to add value to the product and used in just those phases of production where human intervention made the difference.

Build a new brand image

Furthermore, di Montezemolo identified two components of the product that, together with the two previously mentioned characteristics of the productive process, were emphasized in the phase of changes he was planning. These two components were two highly important intangible elements that, in the collective imagination, contributed to making a car a Ferrari:

- (1) the excitement of driving, that very special experience which makes “the driver get out of a Ferrari smiling because he has just felt a truly unique driving sensation”; and
- (2) “handling” or that ability of the car to reply to the commands of its driver “to the extent the car seems to understand what its driver wishes and helps achieve it in the best way possible”[1].

“Formula Uomo” project to focus on people

The choice that more than any other had an effect on the desired change was the 1997 startup of the “Formula Uomo” (Man) project, which consisted of a series of managerial, administrative, and organizational initiatives aiming at putting the “focus on people” with its dual meaning of placing value on the individual, listening to needs and rewarding good ideas, as well as of encouraging the sense of belonging to a team that shared objectives.

The salient characteristic of Formula Uomo were:

- stimulating significant change in the running of the company in keeping with the will of a President able to transmit an image of a strong company and product;
- tying that image to true substance; and
- a continuous search for wide-ranging quality.

The idea was to build bonds of trust among people and to pursue high levels of company satisfaction, which would lead to visible results inside as well as outside the company.

On several occasions di Montezemolo had stressed that “Formula Uomo was a program of continuous and never-ending improvement”, mainly because it embodied fundamental principles underlying the company and its reputation on the market:

- excellence of product, materials, and workmanship;
- technological as well as ecological research; and
- innovation and creativity, which are best nurtured in an environment marked by high quality of life and work.

Communication had as much importance as rethinking the product and its characteristics, the work environment, the role of workers and their professional and general satisfaction. As we shall see in the following paragraphs, communication was an important vehicle of change, both inside and outside the company. In particular, communication served as a vital support in the Formula Uomo project and in activating the energy of all company stakeholders.

Listening so as to update product and people

A close examination of the external environment, market expectations, and product characteristics, which constituted the basis for the first phase of re-launching Ferrari, shows that this phase was completed by an additional factor that was essential for the success of the process of change: systemic listening and attention to the needs of those working at Ferrari. The new vision of the company proposed by di Montezemolo foresaw strong people involvement. It was fundamental that people should feel part of and protagonists of change right from the initial stages of the individual plans.

Prior to activating the single phases which constituted Formula Uomo, within the framework of the final goal aimed at creating employee participation, commitment and performance improvement, internal marketing research was carried out by means of an analysis of climate and other more informal listening channels to identify needs. To better calibrate future action, the effective appreciation of planned and tried changes was verified by using different instruments:

- climate analysis;
- *ad hoc* quality research;
- debriefing work groups; and
- analysis of comments received via e-mail or at internal listening points.

The management and all divisions of the company were involved: the internal marketing manager acted as head, working together with the communications manager, the sales management, the legal office, the production sector, and safety and services.

Furthermore, the Formula Uomo program saw the creation of permanent listening instruments, such as the “Open Doors” office, where problems are presented and requests, reports, and suggestions are made regardless of hierarchy or role. Since its startup in 2008, this office has on average received 100 complaints a year, the majority of which have been dealt with and resolved successfully.

The Ferrari stronghold: the factory transformed into a city to be lived in

A fundamental aspect of the Formula Uomo project was an ambitious architectural program conceived in the mid-1990s: the production structures were re-examined in search of a new productive process and new way of working with the aim of obtaining a better product.

CEO di Montezemolo’s idea was to transform the Ferrari factory into a “Ferrari stronghold” by completely redesigning its buildings according to the new criteria guiding the company’s overhaul: “When I briefed the group of well-known architects who made the building plan for developing the ‘stronghold’ in Maranello into a stimulating reality”, stated di Montezemolo, “I cited the example of what we do to

improve the ergonomics of our racetrack and road vehicles. The same principles apply to the work place: it is important to reflect over the layout of buildings, the routes used by people and components, and above all the wellbeing of those who actually do the work. In this way quality is transformed, almost effortlessly, from objective into result”.

Two hundred million euros were invested over 11 years to construct new buildings. The first one in 1997 was the Galleria del Vento (Wind Tunnel), built according to blueprints by Renzo Piano. Created to test and improve the aerodynamic performance of reduced or real-scale models and vehicles, this building represents well the careful search for a synthesis of advanced technological performance and high-level design, typical of the Ferrari product. The building is different since it is not built underground, like most wind tunnels built by other companies, and it is well visible in the factory grounds area. Its shape is particularly characterized by a semi-transparent tubular air pipe, which resembles a sculpture. It is an important architectural marker, built with this aim in mind, but also with the aim of improving production through its natural lighting as well as its space designed to facilitate the work of technicians and their inter-relationships.

Six more buildings followed in the course of a few years. Each building had its own distinctive characteristics and a dual objective: a symbolic one, which was an aesthetic sign of quality and care, and a functional one aimed at improving the quality of life of those working. The Engine Manufacturing Pavilion, designed by Marco Visconti, was inaugurated in 2001; The New Logistics Center, located in the Sports Management Area, was designed by Luigi Sturchio and built between 2003 and 2004; the Painting Pavilion, designed by Marco Visconti; and the Product Development Center, designed by Massimiliano Fuksas and built in 2006. The New Assembly Lines Building, designed by Jean Nouvel and dedicated to the assembly of eight- to 12-cylinder vehicles, as well as the Company Restaurant, designed by Marco Visconti; were inaugurated in 2008. The construction of new buildings has not ended, as plans foresee a complete overhaul of the Sports Management Area.

Spreading company values to create a strong collective identity

The birth of the “Ferrari stronghold” embodied a vision in which a pleasant work environment was not merely a prestigious business card for the company, but rather a means of making the values underlying the company mission both visible and tangible. In this way, the pleasant work environment was a means of concretely improving the quality of work, and, consequently, the quality of the product itself. As in the case of cars, the design of each of the “Ferrari stronghold” buildings was never an end in itself but rather aimed at originating a widespread search for an adequate answer to functional needs. In the words of the CCO: “The choice of a transparent surface, for example, signifies the wish to make that particular area visible to the outside, or the wish to put that area in communication with the neighboring area, hopefully thus stimulating an exchange of ideas among the people working there”. The plans thus embodied company objectives and their concrete transfer to a physical place, in this way facilitating attainment of the objectives themselves.

There are many ways in which the values of a company and its history can be embodied. For example, in the Engine Manufacturing Pavilion, where the engine parts exiting the foundry are manufactured, two easily visible areas were dedicated to a showroom for cars that had made the company famous, creating worker awareness and pride in being an active part in creating such products. The objective was to make those

working at the plant not so much a worker with a precise job but a person who, in communion with the others, shared in the creation of a final product with high structural and aesthetic quality. Even the overalls worn by the workers were not the traditional blue color of factory workers, but red, the color symbolizing Ferrari, and with the Ferrari rampant horse logo well visible on the front. The workers were encouraged – and most did – to put on their overalls at home, rather than at work, in order to show their belonging to such a special company while commuting from home to work.

Change felt on a daily basis

In order to fully grasp the true importance of the changes introduced by the Formula Uomo project and, especially, by the construction of the “Ferrari stronghold”, it would be useful to evaluate how the changes made in the work place and in production processes reflect the change in values of the new company strategies.

At first glance the Engine Manufacturing building appears very different from a normal factory: the environment is very clean, odorless, with low levels of noise and with natural lighting due to ample windows. A large internal garden is located at the center of the plant and symbolizes the care given to the quality of work conditions inside the plant. The garden is also an instrument for controlling air quality, which is nevertheless continuously monitored by sophisticated environmental systems.

Even the New Assembly Lines Building, where the engine and the body are joined, is characterized by luminous open spaces. Furthermore, in this building, a careful ergonomic study was carried out, in conjunction with the manufacturer of Comau machines, to ensure maximum comfort for the workers. An innovative system of mobile pliers was introduced which raises, lowers and rotates the cars so that the workers can execute all aspects of assembly in an erect position, avoiding uncomfortable work under the bodies, which, among other things, results in work imprecision. In addition, all work stations can be regulated in height, guaranteeing a 20 percent larger work space and reducing movement by 60 percent when compared to similar work stations in use elsewhere. Individual parts are transported by suspended conveyor belts and automated guided vehicles on rails, with resultant increased orderliness and decreased effort on the part of the worker. In these plants the values contained in the new company strategies, especially those that gave rise to the Formula Uomo project, are put into practice in external and internal structures as well as in the plant layout. All of this is a form of communication based on the direct transmission of content and facts, which is thereby much stronger than traditional communications based on the transmission of concepts.

A joint effort to innovate

The Formula Uomo project also included reward programs having the goal of recognizing the value of innovative ideas, of the spirit of initiative, of creativity, and of the desire to excel.

Two separate programs were instituted to reward the best suggestions for improving the products, the production process and the work environment, to specifically benefit the production and sports sector personnel. They are respectively the Grand Quality Prix, which is an individual competition started in 2003, and the team program Fiorano Race, started in 2005. Starting in 2008, in addition to recognition of merit, participants may win the possibility of participating in a Formula 1 race as part of the Ferrari team, and to experience the thrill of a Formula 1 lap with a Ferrari test pilot. There is also a

monthly Top Six prize for the production employees that have come up with the best solutions, and an annual prize for the single best production areas.

Another area in which the involvement of the Company's personnel proved to be a fundamental factor in meeting the corporate goals is security: "Our goal" – explained di Montezemolo – "is to have a factory with zero accidents. We must be aware, however, that this objective can be achieved only with the full participation of all, and the acceptance of responsibility by all. Every woman and man that works at Ferrari must see her/himself as the number one person in charge of her or his security and that of everyone else". With this precise intent, Ferrari made sizable structural and training investments, and put into place a system for the reduction of work environment risks, which goes by the name of Near Misses.

Near Misses

Near Misses aimed at the timely prevention of accidents and was based on the initiative of each worker. The mechanism was extremely simple and effective: whoever spotted a possibly dangerous situation, or detected a potential risk in a particular production phase or in an area of the factory, was asked to signal the situation to the security chief, so as to permit an examination of the risk, and, if possible, its elimination. The importance of Near Misses therefore necessitated the assumption of responsibility by all workers, especially those who operated daily in the field and could spot risks that might be missed by those responsible for security.

A series of additional programs were included in the Formula Uomo project that aimed at increasing the overall welfare of the workers. We can see it as an integrative welfare program to benefit Ferrari workers and their families, believing that "calm persons work with greater tranquility and achieve better results".

This package of benefits, which has the objective of bettering and making life simpler for the employees in as personalized a way as possible based on the needs of the single individual, took into account various aspects of private life: health, physical fitness and financial support, specifically as regards buying a home and furthering education.

One of the first parts of the package to be put into effect, back in 1997, was the Benessere Formula (Welfare Formula), which was designed as a program of medical examinations regarding sports and fitness. It was initially reserved for the racing team and the test personnel of the Sports division, but was later extended to all Ferrari personnel and to their children ranging from five to 15 years of age, to further the awareness of welfare and the need for medical prevention. Every year some 650 medical exams are done in the Company, and there is a possibility of specialized consultations at the work place.

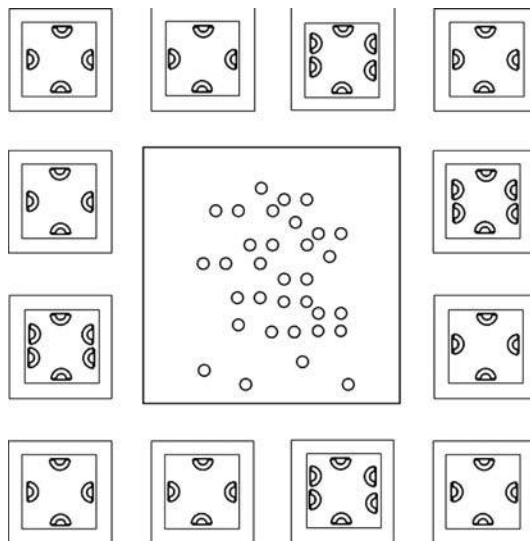
To allow better balance between work and non-work life, a company service center was created, which is accessible via an internal desk as well as online using the corporate intranet. The service center provides help in finding a home, includes an internal Automobile Club Italiano (ACI) office, and allows access to numerous other services, including internet banking, travel agency and ticketing, online purchasing, take-away food orders and the Ferrari virtual shop.

Creating a favorable climate for interaction

The creation of a climate leading to interaction between persons and therefore favoring team work, thus making it possible to put to good use the competence of all, as well as

the architectonic choices made in designing the “Cittadella Ferrari/Ferrari stronghold”, represented a main pillar of the project.

An emblematic example of the implementation of this specific goal is the Product Development Center, where Ferrari automobiles are designed and developed. The project’s objective was the creation of a place where the various teams of researchers, which were previously scattered in several areas of the plant, could come together and be in contact with each other. Fuksas drew inspiration from the idea that a Ferrari represents a dream for many, and created a “place of poetry, magic and dreams”, characterized by lightness of forms, luminosity and presence of natural elements, such as water and trees. The center is a square building with nearly transparent walls; the roofed area, where the offices are located, is the part between the two squares (see Figure 1), whereas the inner square houses a small bamboo woods surrounded by a wood walkway which can be reached directly from various points of the building, as well as a pond with river stones. It is a sort of Zen garden, a place of rest and tranquility, which the workstations overlook and which is easily accessible to all. In this sense the garden symbolizes certain important corporate values: once again, the realization of being in a special place and of sharing very special objectives; in addition, the search for a state of wellbeing, not only physical but also mental, which gives an incentive to commitment and to reaching excellence in one’s own work. Another aspect, which has to do with the importance of teamwork, is made evident by the intelligent use of transparency, which aims at creating and showing interaction, but nevertheless clearly defining the workspaces according to their functions. Even the workstations are square modules, with a continuous desk that replicates the shape of the building; the workers sit in chairs placed in the central part and can work individually facing out. But the team members can also work as a team, turning the chairs so as to face each other.



Source: Authors' elaboration

Figure 1.
Simplified representation
of the plan of the building
showing the individual
work areas and the Zen
garden

Another way to create cohesion on the part of the personnel, and to transmit the corporate know-how which is the company's precious heritage, was the constitution of the Scuola dei Mestieri (School of Trades). This is a corporate school where the expert workers instruct and help the younger personnel to enrich their capabilities, to learn a new trade, to reach a higher level of specialization or a new professional level. The result is two-fold: on the one hand it enhances the experience of those that have been the longest in the company and, on the other, it creates a unique occasion of learning and of relating with each other.

Discussion and conclusions

Ferrari represents a significant example of how, and to what extent, communication can be the pivotal component of a change management program and drive a company with a great history but in very bad condition, back to success.

Once defined final objectives and points of strength, di Montezemolo worked out his launch plan, which aimed at a radical restructuring of the product through the production process, greater involvement of workers, and the creation of a new company model. Through careful planning of the different steps and initiatives, a real change of culture permeated all aspects of company management and life.

Entrepreneurial organization theory, as described above, helps us to understand the components of the strategic role that communication plays during change management processes (Invernizzi and Romenti, 2011), as happened at Ferrari. As seen before, EOT emphasizes the importance of communication in the development of a consolidated entrepreneurial culture within a company, through:

- the engagement of key stakeholders, above all employees (aligning component);
- the diffusion of orientation to innovation (energizing);
- the implementation of company decisions by channeling collective energies towards common goals and shared guiding values (visioning); and
- the enactment of competitive environment and of organizational settings through communicative activities (constituting).

Quite interestingly, at Ferrari, the change management program activated by the CEO started with the Formula Uomo project, which aimed at creating, or better constituting, a new reality, in terms of products and of production processes (a constituting component of strategic communication). The main idea, shared with the top management, was that "excellent people working in an excellent environment were needed to build excellent cars". The reorganization program was labeled Formula Uomo by the CEO himself, meaning that man, the employee, was the main actor and was at the centre of the change process.

From the constituting standpoint, the wind tunnel represented an exemplary model. Designed with the most advanced technology and equipped with the most sophisticated instruments, the wind tunnel attained multiple objectives because it improved the production process and product performance, stimulated and motivated the workers, and had a strong significance to outsiders. In fact, it became an important marker, almost a metaphor for the rebirth of the company, similar to the role of a church tower as reference point for the cohesion of a community. The wind tunnel was

a sign of the company for its employees to remind them of their identity and belonging to the company and thereby invite them to identify collectively with that symbol.

The slogan “Putting people in center stage”, which from the very beginning of the Formula Uomo project personified its spirit, meant first and foremost to involve the company’s employees in the plan for change and to create the best conditions to enable them to work in a quality environment where workers can work to their full potential, both individually and collectively. It therefore meant, to motivate and recognize the value of their ideas by implementing a climate favoring interaction, cooperation and innovation, primarily through the creation of a propitious work environment.

The Formula Uomo program was made up of three main parts. The first, and by far the most important, was the redesign of the work environment in order to improve it aesthetically and to optimize the production process in order to foster a sense of belonging. The second concerned giving attention to workplace safety, to the environment and to energy savings. The third was a package of benefits aimed at the employees and their families, and to rewarding and recognizing the achievements of people, including healthcare, scholarships for employees’ children and other benefits (the aligning component of the strategic communication).

For the company, the development of the program meant a broadening of the “excellence” guiding value, from the traditional one related only to the product, to all aspects of company management: design and production, human resources, communication and working environment (the visioning component of strategic communication)

The most evident sign of the change was the new buildings where the cars were designed, assembled and tested and where people worked. They were designed as an organic whole, named the “Ferrari stronghold”, and each was designed by a famous architect. The best known is the Wind Tunnel, designed by Renzo Piano, which is regarded as a masterpiece and is technologically in the forefront. Each building combines an attractive external design with internal transparency, soundproofing and layout aimed at creating better working conditions and making it easier to work together, to the point of making the personnel proud of working there (the energizing component of strategic communication).

The Ferrari “spirit”, based on passion, tradition, and strong links to its local setting, had to be preserved. Although some aspects of change, such as the ability to innovate and to improve continuously, may have at times appeared to contradict the previous philosophy, they were all crucial for the future development of the company and had to be implemented.

This case study aims at exploring the relationship between communication and organizational change in a company whose success has always been linked to the concept of excellence, which inspired the vision of a new product, as well as an energizing work environment, as the ECP model highlights. The Formula Uomo program and, surprisingly, the “Ferrari stronghold” with its buildings and with what they communicate externally and internally and the innovation networks they facilitate to build, seem to have played a pivotal role in helping the company to regain its winning position in terms of both sporting and financial success.

Note

1. All the quotes from di Montezemolo are drawn from di Montezemolo (2008).

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