

# Client first, discretion at all cost, keep it small

Moravia Yachting magnate Lorenzo Frateschi's uncommon thoughts on luxury

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On the shelves of Deck Two's private clubroom at Yacht Club Monaco. (Credits: Allison Zurfluh)

It's a stormy Sunday morning in the port of Monte Carlo where I am to meet Lorenzo Frateschi, President of Moravia Group. I follow a curly-haired 14-year-old through a private clubroom on Deck Two of the Monaco Yacht Club. Mirrors and bookshelves lined with relics of the Club's prestigious history decorate partitions that create corner after intimate corner of spacious ease overlooking Port Hercules. My guide, Matteo Frateschi, motions toward a white leather-covered divan, and we settle in for a few minutes of tête-à-tête before his father joins us. Matteo is affable and engaging.

So, what does the teenage son of a business tycoon do for sport? Do you like Hockey? I ask. "I'm not really into Hock-

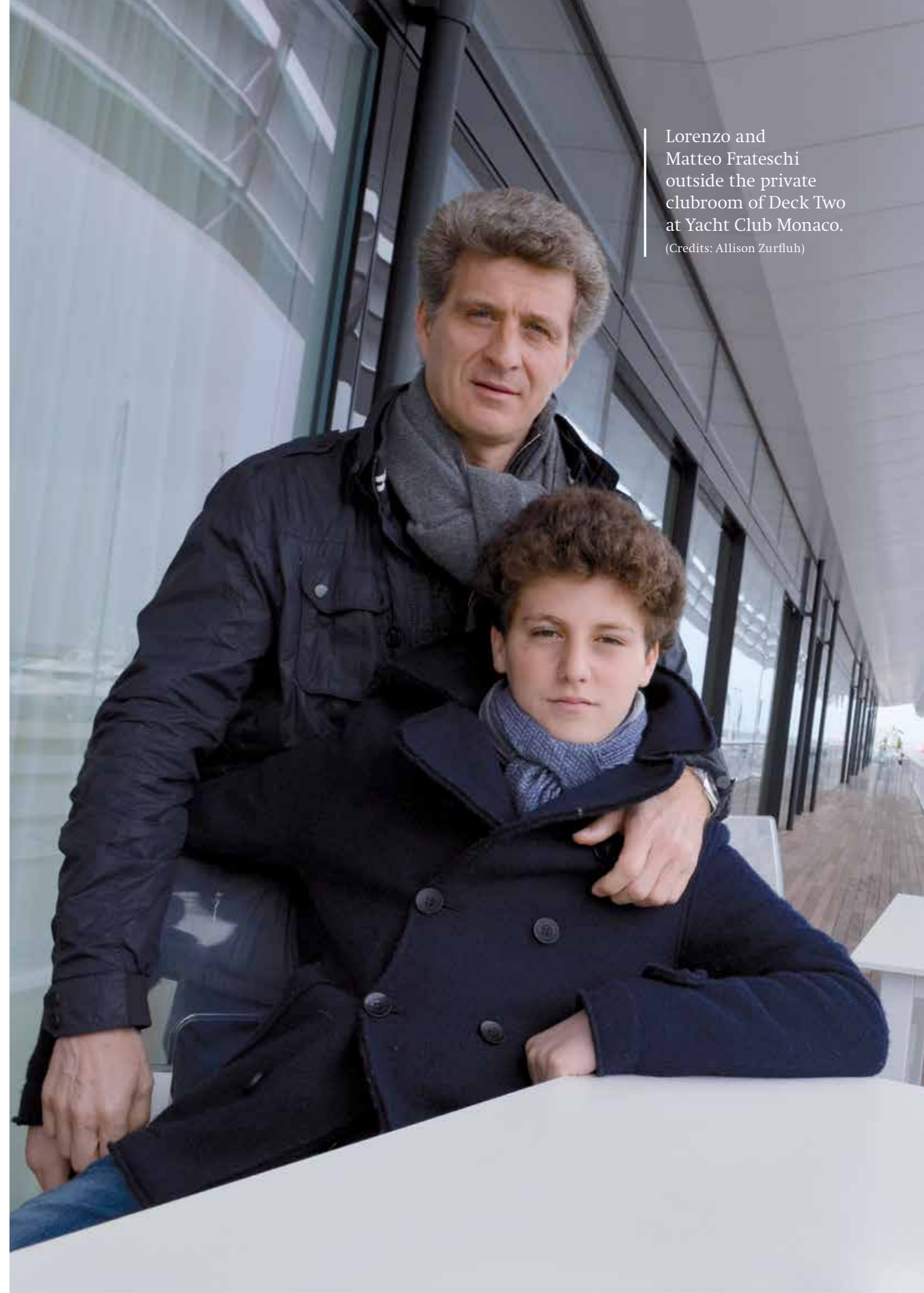
ey," he says, shrugging off his coat. "But I like Basketball pretty well." So you're a yachter? He smiles and loosens a sea-blue scarf. "Yeah. I know all about yachting. I grew up around boats and I love the sea, but I'm not really interested in doing the actual job." You're not all that interested in following in your father's footsteps? "Oh, I am. I just don't want to physically run the boat." I should have seen that coming. In essence, you want to do what your dad does. He leans back deeper into the couch and flashes a grin I'll come to see has been in the family for generations. "Absolutely. I want to be like him."

The Frateschi family has been in the maritime business since 1863 when they opened the Moravia paint factory, creat-

ing an anti-fouling paint that history books say contributed to certain naval victories. In 1962, Lorenzo's father, Luigi Frateschi, later a member of the Monaco Yacht Club Board of Directors, brought the company to the Principality of Monaco to service major shipping companies. Soon after, he started working on the private yachts of those companies' executives, which ultimately led to the creation of Moravia Yachting. By 2003, the Frateschi Group included at least 12 leading international companies in nautical supplies, sailing schools, and charter fleets. In addition to Moravia Monte-Carlo, the oldest bespoke yacht adviser in Monaco, the now called Moravia Group has branches in Miami, London, »»»»

Lorenzo and Matteo Frateschi outside the private clubroom of Deck Two at Yacht Club Monaco.

(Credits: Allison Zurfluh)





Yacht Club Monaco (Credits: Franck Terlin)



Yacht Club Monaco (Credits: Allison Zurfluh)

Gstaad, Bucarest and Japan. Today it is a world leader in luxury living, operating through its subsidiaries in three main sectors: yachting, real estate, and radio.

In addition to chairing Moravia Group, Lorenzo Frateschi is the chief executive of Finelco Group's Radio Monte Carlo Network (the largest private radio network in Italy with Rete 105 and Virgin Radio). He is managing director at Monte Carlo Advertising, and partner at Lorenzo Frateschi & Cie, which handles financial investments, acquisitions, and corporate development. After about 10 minutes, he joins Matteo and me for a cup of tea.

**Is yachting your passion or your business?**

My passion. But I'm also really passionate about real estate. Yachting is something I need to entertain because it represents our family values. I took over from my father when he passed away six years ago. When I took the helm I made some changes and tried to evolve the business somewhat.

**What specifically did you change?**

I kept the same philosophy: the client is most important, discretion is key, stay small. But you need to evolve with your clients. You have to give them what they want. So while you can guide them, help them to realise the pros and cons of their decision, you are there to screen all the information coming at them from the yachting business. In real estate, if you want to sell an apartment or a house, you need a license. Not so in the boat business, which is poorly regulated. A lot of people want to take advantage of and make a high commission off people who don't know anything about it. Our role is to protect our clients so they get the best and most honest deal possible.

**Your father was the first yacht broker in Monaco, and was the first to work on and develop Super Yachts. Would you say he's a legend in these parts?**

I would. But compared to other brokers, he kept ours a family business. We are the only family business at that level. My father's philosophy dictated that we

don't keep a yacht to show it off; we keep one because we enjoy yachting. He used very little advertisement, didn't push to develop the business, and maintained a small clientele. He cared about personal service and close contact. Sometimes that goes against our own interests, which is why I prefer being called yacht advisers rather than brokers.

**What kinds of risks do you take by putting the essence of yachting over financial gain?**

A lot of yachting companies will purposely give more attention bigger budget clients. I feel the opposite. The client who has saved up to spend money on a yacht, especially smaller ones, has dreams. He knows what he wants in a boat, and is looking to experience the sea. This is a client that needs a lot of attention, the one who might not have a myriad of lawyers and advisers and puts his dream into your hands to make it become real. In the wrong hands this dream becomes a nightmare. A client came to me and said he wanted to buy his first »»»



Inside the private clubroom of Deck Two at Yacht Club Monaco. (Credits: Allison Zurfluh)

yacht—a 90-meter. With two kids aged seven and 12, I encouraged him to consider going smaller, say a 50-meter, because he could feel and experience the yacht better. With a more compact boat you have easier access to little beaches and harbours. You can learn about owning a yacht with a modest investment, and then decide if it's worth upgrading to a bigger boat. The best time you will ever have is the day you take your son out on the tender and run the boat yourself, something you don't get with the larger super crewed yachts. Essentially you are creating a totally different relationship with your son, one where you are the protector. So if you're talking about luxury, it's the time you spend with your son on the small yacht. Luxury is that moment.

**Your tagline is 'Luxury is a personal perspective'. Do you feel that time is luxury? Relationship?**

I'll tell you something about luxury today. You can either buy a big name designer handbag that draws attention but lasts two years, or you can go to an artist who makes it by hand according to your specifications with quality materials. It suits you perfectly and lasts a lifetime. What is true luxury? The problem today is that people confuse cost with worth. It's not because it costs a lot that it's luxury. I think, for example, that taking the time to not do anything is luxury. And it

doesn't cost you anything. The simplest things in life are this way.

**The Monaco Yacht Club can be considered the beating heart of Monaco, where people come to see and be seen. In your mind, has yachting become a status, or is it still about the sea?**

For me yachting is still about the sea, but the trend in yachting is to show off. People used to love their yachts and loved being on their yachts. It was a lifestyle. Now, they want a floating New York penthouse, often for promotional reasons. It defeats the purpose of a yacht. When a client wants to buy a boat, what drives most brokers is how they will make money out of that deal. What drives me is the satisfaction of my client. If I don't make a lot of money, I am still very satisfied. I am proud when I see that as a direct result of my advice, a client (and often they become friends) is taking the time out of their hectic life for unforgettable moments somewhere, which give them real pleasure, a sense of freedom and luxury. A perfect time on a perfect yacht to share with family and friends.

**You run your business as you'd run a family. What would you say to Matteo, potentially the future chief executive, as a father?**

The first thing I would tell him is you don't need to do what I'm doing. Just do

what you are happy doing. Don't do a job where you wake up every morning and you hate it even you make a lot of money. Happiness has no price and no one can buy it for you. You have to look for it yourself. Do what you love doing because if you love what you're doing, you'll excel at it. That's luxury. It's about passion. Don't focus your job on how much money you will make. You've got to learn to strike the right balance.

**Which is why your son is sitting here with a smile on his face, because you're doing that. How do you feel about your dad, Matteo?**

My dad transmitted to me a passion for the sea and for sport in general. I appreciate his work.

**As we left the Club I posed one final question. When you're ready to move on from it, will you hold onto the yachting part of the business as long as you can, like your father did?**

I think so. After a certain age you want to be one with the sea, with nature; you want to visit beautiful places. How many people in their twenties appreciate a nice sunset? Wealthy people grow wealthier because they put more time into business than family. I may be a workaholic but if I have to choose between family and work, it will be family every time. ««««

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