

## Lamborghini: An Approach to the Organization Study

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**ABSTRACT:** We know that Lamborghini is a very expensive brand and is not accessible to everyone and this makes it interesting to investigate to whom it is accessible.

In this report we will talk about the company Lamborghini, we present a Swot analysis and talk about leadership and their current strategy.

**KEYWORDS:** Lamborghini; SWOT; Strategy; management

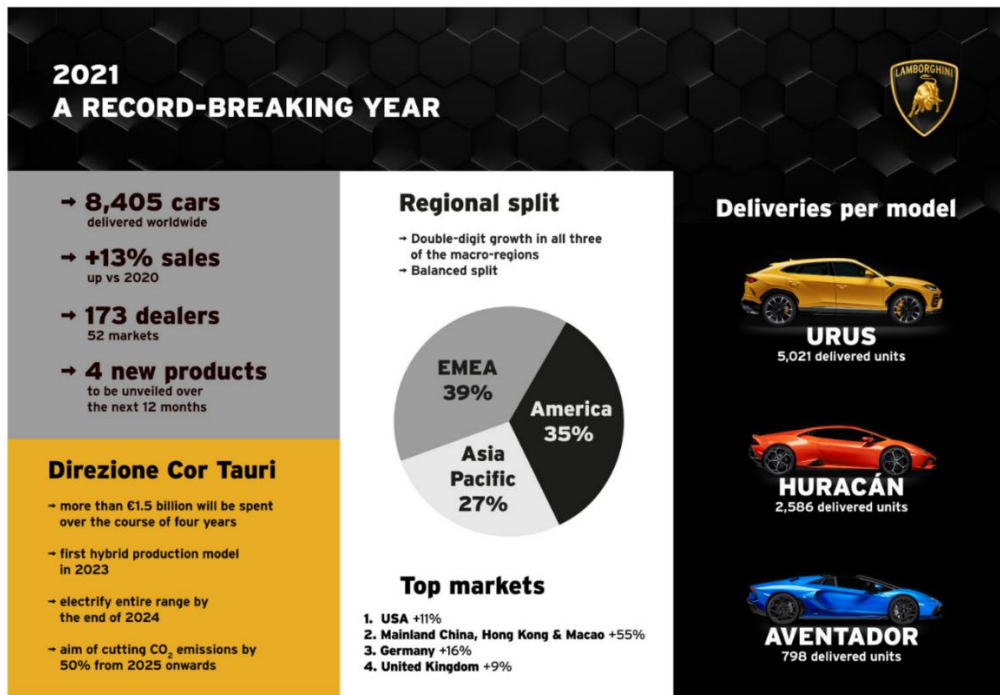
### 1 – THE COMPANY

Lamborghini is car constructor company which was founded by Ferruccio Lamborghini in 1963. Now, the company is owned by the Volkswagen Group. Automobili Lamborghini's headquarter is in Sant'Agata Bolognese, in Northern Italy. (Lamborghini, 2022) During the 2000s, the company introduced a new brand's portfolio with new products and model lines. Those changes lead to an raise of the productivity. The brand saw a rise oh their sales of 50 per cent. The particularity of the brand is that they never make publicity. (Lamborghini, 2022)

The cars are known to be stylish, to have high performance capacity and to be very expensive. They created famous cars. Indeed, the company currently produces two super sport car models the V12-powered Aventador, launched in 2011, and the V10-powered Huracán, launched in 2014, along with the Urus Super SUV powered by a twin-turbo V8 engine, launched in 2017. (Lamborghini, 2022)

Automobili Lamborghini has a high current position in the market of luxury cars. Indeed, in 2021, the company make a new sales record, the best sales result, 8 405 cars sold in the entire world (in 52 different countries). The top market is in USA, secondly, it's China, Hong Kong and Macao and then Germany to finish with United Kingdom. The top selling model in 2021, is Urus, then Huracan and the third was Evantador car. In 2022, the company have a substantial order portfolio covering almost the entire production for the all year. So it's look promising for the brand. So it's look promising for the brand for the year 2023. (Bekker, H. (2022, 13 janvier)

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Lamborghini Global Sales by Region and Top Countries in 2021. (<sup>1</sup> *New Sales Record in 2021 for Lamborghini. (2022, 23 décembre).*)

## 2- SWOT ANALYSIS

### Strengths

**World Renowned Name:** Almost every person can recognize the name Lamborghini. They produce luxury sports cars and establish themselves some worldwide recognition.

**Technology:** Belonging to Volkswagen group, Lamborghini has access to state-of-the-art tech, but they have their own kind of technology used exclusively in their cars. Technology sharing with the sister & parent companies i.e. Audi & Volkswagen. Lamborghini also explains a lot about the technology that they are working on for upcoming cars. This creates a buzz among the public and the model's value increases.

**Engines:** They produce powerful and beautifully loud cars, naming them as supercars. Their latest cars can go more than 320 km/h in less than 10 seconds.

**Exclusivity:** Whereas other companies make several cars in a year to please public, Lamborghini believes in quality. They sell around 3000 units a year. Although they are increasing their production, they do not compromise in quality. They want their cars to be coveted.

**High class:** Through years the company has produced cars that celebrities, renowned politicians, and businessmen have owned. It's the car every kid had a poster of in their bedroom.

**Motorsports:** Lamborghini is also known in the field of car racing as they provide their motors to the best of cars. They have done it from the starting days and still continue to do it every year.

**Performance:** Lamborghini is known for superior handling & high speed.

**Quality over quantity:** Small workforce of around 850 employees, they design and produce some of the best in class products and satisfy the global demand as well, making around 1800 vehicles a year.

**Brand recognition:** Lamborghini has top of the mind brand recall owing to its stylish looks and power performance.

### Weaknesses

**High Price:** The high price faces the most backlash at times of economic crises. In the past, Lamborghini has faced their sales almost diminishing by 50 percent.

**High Fuel Consumption:** The powerful cars use loads of fuel. It also threatens the environment due to pollution.

**Repairment Costs:** Being a premium, high priced vehicle and using quality parts and pieces, it becomes very expensive to repair any damage on this vehicle,

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### Opportunities

**Expand the Availability:** Right now Lamborghini is out of reach for many people and they have to tediously import the car. If the company work on it then they can have a much better market and consumer base.

**Increase in Better Customer Service** It's a hard to source parts of a Lamborghini model if something goes wrong. Fixing the car takes a lot of time and often shipping it to a different country doesn't work. So, setting up service bases in different countries would be a good option for Lamborghini.

**Hybrid Cars:** Their hybrid model is still in production and isn't in circulation yet. But soon, an electrically powered car would be accepted worldwide. This will be a great move to catch the Eco-friendly consumers who may move on to different companies if alternatives aren't provided. (This won't really happen)

**Production of Cars Based on Demand:** They have limited themselves to make a certain number of cars in a year. But demands are rising in people and if they do not get a Lamborghini they move on to other similar companies. So, producing more cars based on demands will increase the market.

**Customer experience:** Increase customer relations events & activities which will enhance the ownership experience.

**Global presence:** Increase the global reach as currently it is present in very few regions.

**Selling strategy:** Scratch regional quota system & sell on the basis of demand; it was seen that when they launched their models in India the demand far exceeded the supply thus they lost the customer to the competitors.

### Threats

**Competitors:** Competitors are rising as they are producing more cars which are ultra-premium though very few of them are as renowned brand as the Lamborghini. Some of the competitors that they have are Ferrari, Jaguar and Porsche.

**Custom Shops:** The threat is the niche regional players & custom modifiers who have the regional presence & ability to make a car to exact taste of the buyer (This is more prevalent in the U.S.A.)

**Government policies:** Government policies against high fuel consuming super cars.

## 3 – CURRENT STRATEGY

Lamborghini has performed well in recent years and expectations for the future are high. Lamborghini has survived the pandemic and continued to grow thanks to its resilience. Lamborghini's sales, turnover, operating results, and profitability are at an all-time high. Continued success and a positive market response reinforce the company's stability and flexibility in the face of uncertainty and challenges and despite the ongoing pandemic. Now Lamborghini have a clear goal to be the in their class. "Lamborghini is aiming for an even more challenging financial goal for the coming years: to push annual profitability to a level between 22% and 25% in the mid-term." (Lamborghini, 2022)

They have chosen three main objectives. The first one is business development, through the expansion of their product range. Their industry is product-driven so they must develop resources and products. Second one is the higher product profitability. However, it is long process, but at the same time, they take advantage of the opportunities offered by the market. Last main goals is orderly growth management. This means controlling investments and fixed overheads. They want to pay careful attention to making sure that they can manage the cost of growth as in any company. All these objectives take time and doesn't happen in the one night. All this time growth must be controlled that ensure the sustainability of their financial goals and allow us to sustain the margins we're currently achieving. However, achieves these objectives is not that simple. Their target segment is automotive which is complex. Also is necessary try to continue this path of growth with products that are more attractive to the market.

The company also want to consider other important ones it's in strategy which is environmental sustainability. For example, electrification, which is a real revolution for the industry and digitization is nowadays very important because it brings the concept of the car ever closer to the younger generations. Lamborghini has told that their lineup will be hybridized by the end of 2024. They will pay even more attention decarbonization of future models. The company's goal is cut CO2 emissions 50 percent by the beginning of 2025.

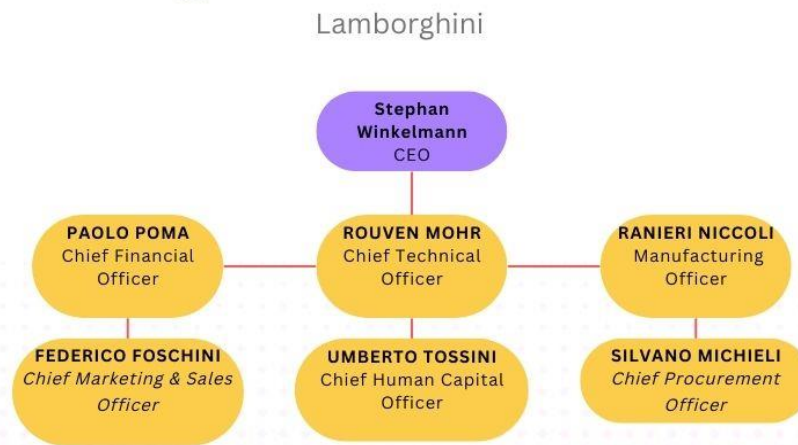
## 4 – LEADERSHIP

The chairman and Chief Executive officer from Lamborghini is **Stephan Winkelmann**. He was born on the 18th of October in Berlin. He grew up in Rome. Stephan Winkelmann studied political science in Rome and received his degree in Munich, Germany. Before moving to the automotive industry, he did a professional career at a German financial institution. The first company he worked for was Mercedes-Benz followed by that he started for Fiat Auto from 1994 to 2004. He worked there until he was appointed as the CEO of Fiat Auto Austria, Switzerland and Germany. After that Stephan Winkelmann was President and CEO of Automobili

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Lamborghini S.p.A. from 2005 to 2016. Then he became CEO of Quattro gmbH before joining Bugatti Automobiles from 2018 until november 2021. On December 1st 2020 Stephan Winkelmann returned to Lamborghini as President and CEO. (Lamborghini, 2022) At Lamborghini there are different people working for the company. We made an organization chart;

# Organization chart



In 2022 Lamborghini was certified as Top Employer 2022 in Italy. They received this award for the last 9 years now. They want to represent uniqueness and beauty in their job everyday. They take care of their employees the same way they treat their customers, because when you love your job they see the results on their unique cars. They say attention and dedication to the job and cars make them a masterpiece. (Lamborghini, 2022)

A key decision that employees from Lamborghini have to take is the decision about new cars. In 2022 Lamborghini developed a new model. The Aventador is a new model that is created to anticipate in the future. It is the most strongest and powerful model created. On the website you can frame the QR code with your smartphone and you can experience the Lamborghini in augmented reality. This model is developed with a lot of new technologies and the speed limit is 355 km/h. They choose carbon fiber and a black color for the luxurious touch. (Lamborghini, 2022)

## 5 – CONCLUSION

We selected Lamborghini because we found it intriguing to see how Lamborghini markets its goods to a certain target market. Who do they sell these pricey products to and how do they do it? We didn't know a lot about the Lamborghini, their background, organizational structure, and management style. We found out the Lamborghini, provide a SWOT analysis, and discussed their current leadership structure and business strategy.

We found out that company have a lot of strengths: Almost everyone is familiar with the name Lamborghini. They manufacture high-end sports cars and have gained some notoriety internationally. Lamborghini has access to cutting-edge equipment, but they also develop their own technology that is utilized only in their automobiles. However they have some weakness. During economic crises, the high price receives the most criticism. In the past, Lamborghini has experienced sales that have decreased by approximately 50%. Also the powerful vehicles consume a lot of fuel. Due to pollution, the environment is also under danger.

Lamborghini has survived the pandemic and kept expanding. Sales, turnover, operational outcomes, and profitability at Lamborghini are at an all-time high. Lamborghini's current objective is to dominate their class. In order to increase annual profitability to a level between 22% and 25% in the medium term. They have settled on three primary goals: the growth of their firm through the diversification, the product is more profitable and managing orderly growth. The company also want to consider other important ones its in strategy which is environmental sustainability. Pay even more attention decarbonization of future models. The company's goal is cut CO2 emissions 50 percent by the beginning of 2025. Lamborghini has strong leadership to make the strategy work.

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We can conclude that Lamborghini has many strengths that support the company's strategy. The company has identified its areas for development and has created a strategy to address these weaknesses. Lamborghini has survived the pandemic and continues to grow in popularity.

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