

THE EVOLUTION OF THE LARGEST FAMILY BUSINESSES IN SPAIN (1964-2010).

NEW SOURCES, NEW METHODS, NEW RESULTS.

WBHC Frankfurt March 17 2014

Paloma Fernández Pérez

U



B

Universitat de Barcelona

HOW CAN WE STUDY LARGE FAMILY BUSINESSES IN THE PAST, IN A COLLECTIVE WAY?

COMMON METHODOLOGIES IN BUSINESS HISTORY:

- Compilation of case studies
- Historical reconstruction from current rankings

PROBLEMS:

- Representativeness
- What about “failure” or transformation
- Ahistoricism

PROPOSAL: LET'S BE HISTORICAL, LET'S BE HETEROGENEOUS AND DIVERSE IN CRITERIA AND SOURCES



A LABORATORY TO EXPERIMENT NEW METHODOLOGICAL APPROACHES: FB IN SPAIN 1964-2010

1960S

- LABOUR INTENSIVE ECONOMY
- OK EMPLOYMENT DATA FOR LARGE FB

**1970S-
1980S**

- LOW PROGRESS LTD LIABILITY
- OK OWN RESOURCES OR SALES

**1990S-
2010**

- GROWTH OF GROUPS AND FINANCING BUT NO STANDARD SHARED CRITERIA FOR CONSOLIDATED ACCOUNTING
- OK SALES

“DEFINITIONS”

FAMILY

- FIRMS
- GROUPS
- BUSINESS

ENTREPRENEURIAL

- FAMILIES
- GROUPS

ENDURING

- FB
- FAMILIES IN BUSINESS

Sources

EMPLOYMENT

Union catalogs
of Francoist
period



OWN
RESOURCES

Actualidad
Económica
1969,1976,
1986



SALES

Actualidad
Económica
1989,1998,2
005,2010

1964

9,526
Work centers or
businesses with
more than 50
workers

Work centers or
businesses with more
than 1,000 workers were
selected

275
Work centers or
businesses with
more than 1,000
workers

Possible
duplicates were
eliminated

42
Family-controlled work
centers or businesses
with more than 1,000
workers

Final
sample

140
Potentially family-
controlled work centers
or businesses with
more than 1,000
workers

Table 3. Number of family businesses and/or groups in the analysis base

	1969	1976	1986	1989		1998		2005		2010	
	G/B	G/B	G/B	G	B	G	B	G	B	G	B
Total number of businesses (Actualidad Económica)	100	100	100	137	1864	644	4418	914	5200	999	5000
Analysis Base	100	100	100	137	200	200	200	200	200	200	200
Family businesses from Analysis Base	20	18	14	36	27	57	29	63	31	67	33
Family business/Analysis Base (%)	20%	18%	14%	26%	13%	28%	14%	31%	15%	34%	16%

Homogeneization of data

1. Sales, own resources, profits are expressed in different monetary units; to correct this difference it was decided to convert all data to US dollars, and correct with inflation indexes. Work with percentages (100 TOTAL value for each landmark year)
2. Activities, reorganized according to UN ISIC Classification 4
3. Year of start of activities, according to corporate websites, and published monographies or articles (yes, one by one! .. Yes, with technical support of wonderful Ph.D. students Saskia Portillo and Jaime López)

Table 4. Most Enduring Families in Business in Spain in last Five Decades

(measured as presence among Top companies in Spanish Rankings of Largest Firms and Groups between 1964 and 2010

[1]*

Family	Years in Top 20	Proxy longevity in top position **	Sector	Province
Entrecanales	1964,1998;2005,2010	46	Construction, Civil Eng.	MADRID
Huarte ; Malumbres	1964, 1989	25	Civil Eng., special Construction	NAVARRA
Pino	1986, 1989,1998;2005,2010	24	Civil Eng., Real Estate, Serv. to buildings	MADRID
Koplowitz	1986, 1989,1998;2005,2010	24	Civil Engineering	BARCELONA
Serratosa	1976,1986,1989,1998	22	Other non- metallic minerals	MADRID, VALENCIA

LESS ENDURING FB IN TOP RANKINGS SPAIN SINCE 1964

Ruiz-Mateos	1976	1	Head Offices	MADRID
Sánchez ; Escalada	1989	1	Retail Trade	MADRID
Satrústegui	1964	1	Coal	BARCELON A
Segarra	1964	1	Leather	CASTELLON
Sela-Figaredo	1969	1	Chemical products	ASTURIAS
Sisquellas	1989	1	Chemical products	BARCELON A
Soriano	1989	1	Beverages	LLEIDA
Torras Hostench	1976	1	Chemical products	BARCELON A
Urquijo,Landecho	1969	1	Water Transport	MADRID
Urquijo; Figaredo; Felgueroso	1969	1	Chemical products	MADRID
Velasco	1989	1	Metal	VIZCAYA

Table 6. Sectors with more than 10% participation of the total in the sample

GROUPS *								
Activity	1964-G/B	1969-G/B	1976-G/B	1986-G/B	1989-G	1998-G	2005-G	2010-G
24-Base Metal Manuf.	60,2%	19,2%				2,5%		
42-Civil Eng. Works	15,2%		4,2%	10,4%	5,6%	31,0%	35,6%	41,5%
5-Coal Extraction	12,4%							
17-Paper Manu & Prod.	3,6%	2,8%	2,5%		2,0%			
10-Food		3,3%	2,2%	13,6%	10,1%	5,7%	3,0%	
20-Chem. Prod.		21,8%	7,4%	4,0%	15,4%			
23-Prod.other Miner.			5,3%	15,2%	5,8%	2,8%		
47-Retail Trade		3,1%	17,5%	41,0%	39,5%	27,1%	22,2%	25,7%
64-Financial Services		40,8%	41,5%					
70-Head Offices			19,4%	4,4%				3,4%
Tex., Tailoring, leather					2,4%	5,3%	8,6%	10,2%
BUSINESSES					* = G/E + G			
Activity	1989-B	1998-B	2005-B	2010-B				
42-Civil Eng. Works	25,9%	14,0%	10,6%	16,5%				
47-Retail Trade	22,2%	54,6%	59,5%	51,0%				
11-Beverages	19,5%	6,6%						
Text., Tailoring, leather			2,6%	10,1%				

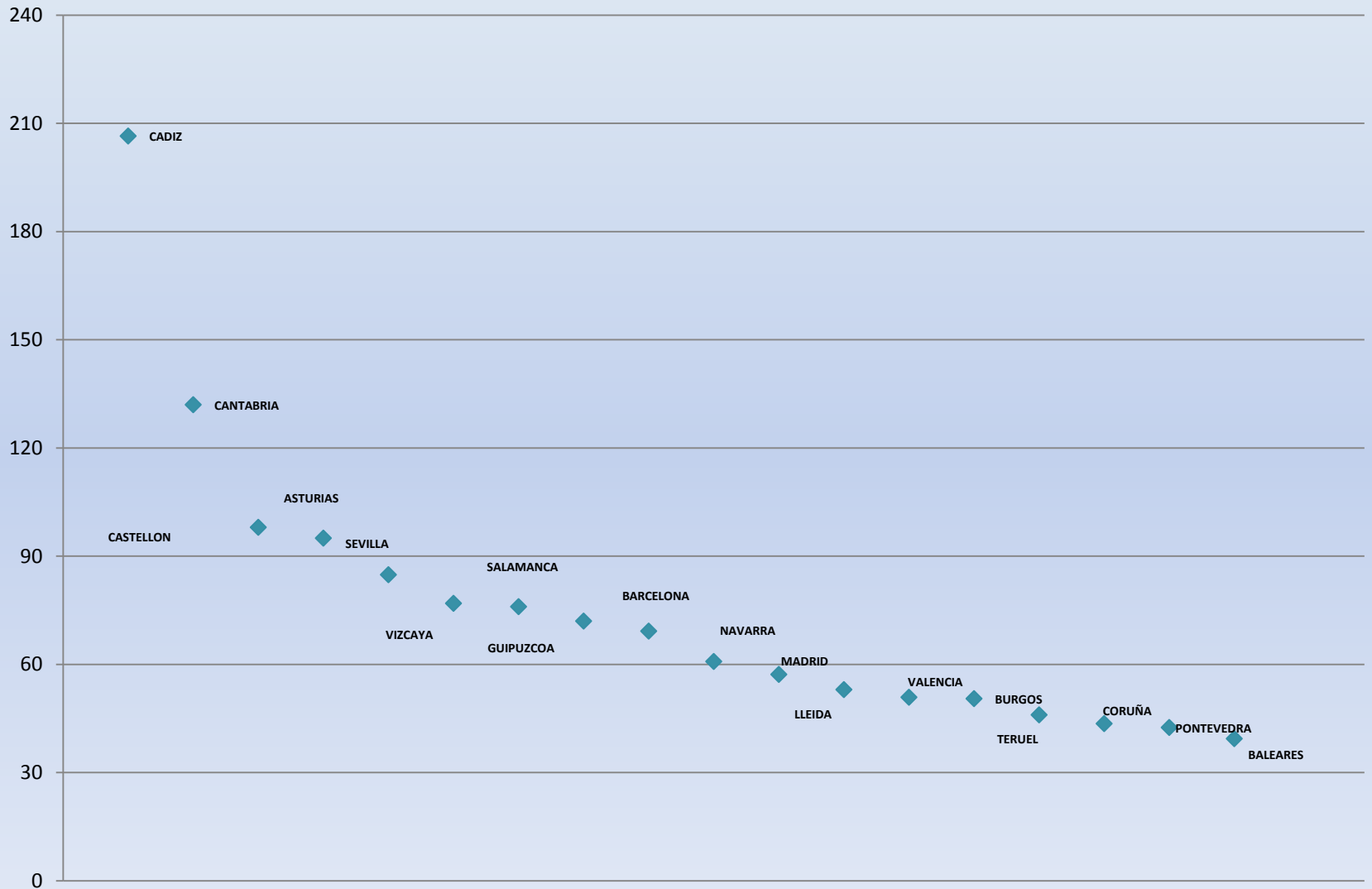
Table 7. Sectors with under 10% participation of the total of sample

GROUPS *								
Activity	1964- G/B	1969- G/B	1976- G/B	1986- G/B	1989- G	1998- G	2005- G	2010- G
15-Leather Manu. Prod.	3,0%							
13-Textile	2,9%							
7- Mineral Extraction	2,8%			3,5%				
11-Drinks					1,7%			
16-Wood Prod.		2,7%						
25- Metal Products					2,0%		3,5%	
28-Machine manuf. n.c.p.				4,8%		5,3%	5,2%	2,0%
29-Manufacture Vehicles, trailers							4,5%	2,6%
41-Building Construction					1,8%	2,6%	5,9%	6,5%
43-Special Construction					3,5%			
49- Road Transport				3,1%				
50-Water Transport		6,2%						
52-Storage, Transport						3,2%	5,5%	1,8%
55-Accomod. & Hotel						3,2%	3,6%	
58-Publishing					4,2%	2,4%		
80-Security						1,9%		2,1%
81-Services to Buildings							2,3%	2,1%
90-Creative, Artistic activities					3,9%	2,9%		

BUSINESSES				
Activity	1989- B	1998- B	2005- B	2010-B
10-Food	8,7%	5,8%	4,4%	
20-Chemical Products	8,0%		2,0%	
55-Accomodation & Hotel	7,5%	6,2%		
28-Machine manuf. n.c.p.	5,6%			
24-Base Metal Manufact.	2,6%			
17-Paper Manuf. & Prod.		2,4%		
21-Pharmac. Products		1,9%		
22-Rubber & Plastic Manufacture			4,2%	
23-Prod. other Miner.			1,7%	
25- Metal Products			2,0%	2,0%
29-Manuf. Vehicles & Trailers				3,6%
35-Supply of Elect. Gas & other				2,1%
41-Building Constr.				4,2%
43-Special Construction				1,9%
51-Air Transport		2,4%		1,9%
52-Storage, Transport				5,1%
68-Real Estate			1,8%	
79-Travel Agents		6,0%	5,3%	1,6%
81-Services to Buildings			3,8%	
IT & Communication			2,0%	

* = G / E + G

Longevity



SOME FINAL REMARKS

- 1. LIMITATIONS OF THE EXPERIMENT:
ONLY THE TOP**
- 2. ADVANTAGES: MORE HISTORICAL
CRITERIA/RESULTS**
- 3. RESEARCH AGENDA:**
 - 1. GO BACKWARDS**
 - 2. APPLY METHODOLOGY TO OTHER
COUNTRIES AND COMPARE: Spain and Latin
American countries project!!**