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THE FAMILY BUSINESS IN THE SPANISH FOOD AND BEVERAGE INDUSTRY (I)

Miguel A. Gallo*
Mª José Estapé**

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* Professor of Business Policy, IESE
** Research Assistant

Research Division
IESE
University of Navarra
Av. Pearson, 21
08034 Barcelona - Spain

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1. Introduction

The last few years have seen a growth in the amount of research into Family Businesses (FBs). This has been partly due to the development of (national and international) FB associations, the creation of FB departments in various universities, and the interest shown by certain firms of consultants.

The research that has been published to date seems to focus on three areas: 1) The importance of FBs within the national economy of a given country (Galve and Salas, 1993; Gallo and Garcia Pont, 1988; Hugron and Dumas, 1991; Leach, 1990; Ward, 1983). 2) The differences between FBs and non-family businesses (NFBs) in terms of their behavior and the problems they face (Chaganti and Damanpur, 1991; Daily and Dollinger, 1992; Gallo and Estapé, 1992 a and b; Merino and Salas, 1993; Welsch, 1991). 3) Proposals for dealing with the problems that are most typical of FBs (Aronoff and Ward, 1991; Briere, 1991; Font, 1987 and 1988; Gallo, 1989).

Some studies have found significant differences in the role that FBs and NFBs have in an economy, depending on the size of the companies and their area of activity, as well as in specific aspects of their behavior (Daily and Dollinger, 1992; Gallo and Estapé, 1992a; Leach, 1990). These findings have not been corroborated by all the research (Merino and Salas, 1993).

This paper follows the first of the three paths described above and seeks to clarify the role of FBs and the peculiarities of their behavior in the Spanish «Food and Beverage» industry, taking into account the variables of company size, company age, geographical location and main product.

For the purposes of this study, a firm has been considered to be a FB when more than 50% of the capital is in the hands of one family and some of the family members are actively involved as members of its board and/or management team. Since the information available does not allow one to check whether there are members of the second or following

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generations working in the firm, this has not been used as a criterion in determining a firm's status, although it is in fact coming to be regarded as basic when classifying FBs (Gallo, 1994).

The FBs were identified using the data on shareholder composition provided by the 1991 edition of the «Alimarket» yearbook and the information on the structure of governance of the firms contained in «Maxwell Espinosa» (1991). Where these data were insufficient, the «Asociación española de codificación comercial» was consulted, and in the last resort the firms were interviewed personally by telephone.

The Spanish «Food and Beverage» industry has certain characteristies that make it significant for the study of FBs. Specifically:

1) It is an important component of the Spanish economy. This is evident from the following table, which uses data from the 1992 Statistical Yearbook (National Statistics Institute. Madrid, 1992), which distinguishes between Agriculture, Industry (not including Construction), and Construction.

	Total of Spanish industry (not including construction)	Food and Beverage sector
Number of firms	165,334 / 100%	40,327 / 24%
Number of employees (in number of people)	2,219,939 / 100%	341,768 / 15%
Labour cost (millions of pesetas)	5,377,228 / 100%	617,777 / 11%
Gross product (millions of pesetas)	29,991,383 / 100%	4,918,678 / 16%
Added value (millions of pesetas)	10,788,698 / 100%	1,381,115 / 13%
Exports (million of pesetas)	5,630,559 / 100%	848,175 / 15%

2) It is influential in that it is well represented among the largest 1,000 companies in Spain (Gallo and Estapé, 1992).

	Number of firms	Sales (billion pesetas)	Workforce
1,000 largest	1,000 / 100%	30,903 / 100%	1,291,289 / 100%
Food and beverage sector	160 / 16%	3,322 / 10.8%	110,789 / 8.6%

3) It shows a tendency towards the globalization of products and brands (Bartlett and Ghoshal, 1989; Porter, 1986), which could favor the penetration and growth of multinationals (many of which are not FBs), while at the same time it has witnessed a tendency towards the strengthening of local products and brands, many of which were created and developed by local FBs.

4) Given the nature of the products, firms have to make significant investments in marketing and in building up distribution networks in order to penetrate the market and grow. The owners of FBs may find such intangible assets difficult to understand or consider them a risky investment.

5) Achieving higher production volumes and meeting the standards of quality demanded by consumers and government regulations may require investments in plant and equipment that are beyond the financial capabilities of a large number of FBs.

This study shows:

- The *importance* of FBs in the Food and Beverage industry since they represent between 40% and 50% of the total.

- The *difficulties* that FBs have in achieving growth.

- The *influence* that the characteristics of each subsector, such as age, growth, concentration, entry barriers etc., have on the intensity of FB activity.

- The *difficulties* that FBs have in operating in less *traditional* activities and with less traditional organizational forms.

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- The existence in most of the subsectors of *outstanding* FBs that hold leadership positions.

2. Characteristics of the sample

The sample is taken from the 867 companies in the Food and Beverage industry (1) that had a turnover of 1,000 million pesetas or more in 1990. It consists of the 859 firms (out of the total of 867) that it was possible to classify as either FBs or NFBs.

Although the «Alimarket» yearbook provides company data for «Sales», «Workforce», «Exports», «Imports», «Annual investment in fixed assets» and «Profit», the data are not always complete (2). For this reason, the data on «Imports» and «Profits» have not been included in the analysis.

It is difficult to compare the sample used in this study with the firms in the Food and Beverage industry as a whole, owing to the differences in the way firms are classified into subsectors and in the type of information provided in the different statistical studies. According to data supplied by the National Statistics Institute, the 859 firms in the sample represent 2% of the total number of firms in the Food and Beverage industry (3), and account for 43% of total employment in the industry. The 446 firms in the sample that provide information regarding exports represent 1% of the total number of firms in the industry and account for 44% of the industry's total exports.

The data on sales and workforce (4) and the ratio of sales per employee are shown in Tables 1, 2 and 3 below.

Table 1

Level of sales (millions of pesetas)	1,000 - 5,000	5,000 - 20,000	20,000-50,000	> 50,000	Total
Number of firms and percentage	650 / 75.7%	160 / 18.6%	42 / 4.9%	7 / 0.8%	859 / 100%
Total sales (billions of pesetas) and %	1,427 / 29.5%	1,474 / 30.5%	1,326 / 27.4%	612 / 12.6%	4,839 / 100%

Table 2

Workforce (number of people)	1 - 100	101 - 500	501 - 1,000	> 1,000	Total
Number of firms and %	534 / 63.7%	239 / 28.5%	39 / 4.7%	26 / 3.1%	838 / 100%
Total workforcce and %	24,056 / 16.4%	50,435 / 34.3%	26,735 / 18.2%	45,872 / 31.2%	147,098 / 100%

Table 3

Sales/workforce (millions of pesetas per employee)	< 50	50 - 100	101 - 200	201 - 500	> 500	Total
Number of firms and %	554 / 66.1%	172 / 20.5%	72 / 8.6%	26 / 3.1%	14 / 1.7%	838 / 100%

Tables 1 and 2 show that a large number (75.7%) of the firms in the sample have sales of between 1,000 and 5,000 million pesetas and employ fewer than 100 people (63.7% of the sample). The data also show a high degree of sales concentration, in that a relatively small number (49) of firms account for 40% of total sales. Something similar can be seen with employment in the sector, since 49.4% of the workforce is retained by just 65 firms. Table 3 also indicates that more than half (66.1 %) of the firms sell less than 50 million pesetas per employee.

There is a serious difficulty when it comes to analyzing the data on exports (Tables 4 and 5). Since we have data for only 446 firms, we cannot be sure whether the rest of the companies in the sample simply do not export or whether the relevant information has been omitted from the Alimarket yearbook.

Table 4

Level of exports (millions of pesetas)	< 100	100 - 1,000	1,000 - 5,000	> 5,000	Total
Number of firms and %	111 / 24.9%	227 / 50.9%	97 / 21.8%	11 / 2.4%	446 / 100%
Total exports (millions of pesetas) and %	5,176 / 1.4%	93,225 / 25.1%	191,079 / 51.5%	81,499 / 22%	370,979 / 100%

Table 5

Exports/sales (in %)	< 5%	5% - 25%	25% - 50%	50% - 75%	> 75%	Total
Number of firms and %	157 / 35.3%	156 / 35.1%	62 / 13.9%	37 / 8.3%	33 / 7.4%	445 / 100%

As far as the firms for which we do have export data are concerned, Table 4 shows that half of them export between 100 and 1,000 million pesetas per year and Table 5 shows that two-thirds export less than 25% of their total sales. The information on equity and yearly investment in fixed assets, and the ratios of these two values to the number of employees, is shown in Tables 6, 7, 8 and 9.

Table 6 indicates that a fairly large percentage (38.3%) of the total equity of the 485 companies in the sample that provide data is concentrated in a very small number of firms (18). At the same time, the great majority of the firms have equity of less than l billion pesetas and, as can be seen from Table 7, have equity per employee of less than 10 million pesetas.

Table 6

Level of equity (millions of pesetas)	< 1,000	1,000 - 5,000	5,000 - 10,000	> 10,000	Total
Number of firms and %	342 / 70.6%	105 / 21.6%	20 / 4.1%	18 / 3.7%	485 / 100%
Total equity (millions of pesetas) and %	126,895 / 15.9%	221,056 / 27.7%	144,548 / 18.1%	304,716 / 38.3%	797,215 / 100%

Table 7

Equity/workforce (millions of pesetas per employee)	< 10	10 - 25	25 - 50	> 50	Total
Number of firms and %	309 / 64.6%	128 / 26.8%	30 / 6.3%	11 / 2.3%	478 / 100%

Table 8

Yearly fixed asset investment (millions of pesetas)	< 500	500 - 1,000	1,000 - 5,000	> 5,000	Total
Number of firms and %	443 / 83.3%	37 / 7%	48 / 9%	4 / 0.7%	532 / 100%
Total yearly investment (millions of pesetas) and %	56,437 / 29.3%	24,783 / 12.9%	88,001 / 45.6%	23,622 / 12.2%	192,843 / 100%

Table 9

Yearly fixed asset investment/workforce (millions of pesetas per employee)	< 5	5 - 10	10 - 25	> 25	Total
Number of firms and %	435 / 82.2%	64 / 12.1%	26 / 4.9%	4 / 0.8%	529 / 100%

In analyzing annual investment in fixed assets, one must bear in mind that the figures given are for investments made in 1990 and not, as would have been preferable, the average investment over a number of years. Tables 8 and 9 show that a large majority of the companies in the sample invested less than 500 million pesetas in 1990, and less than 5 million pesetas per employee.

The number of large firms (as a percentage of the total) and the weight they carry within the sample is shown below:

5.7% capture 40% of total SALES
7.8% employ 49.4% of the WORKFORCE
2.4% capture 22% of total EXPORTS
7.8% own 56.4% of total EQUITY
9.7% make 57.8% of the total ANNUAL INVESTMENT

In short, we can say that large firms have a very considerable share of the total in each of the dimensions analyzed, and that to reach this size huge investments in fixed assets are needed.

With regard to the date of foundation (age of the firm), Tables 10 and 11 show that a large proportion of the sample are young (67% started after 1960), and that there is a correlation between size of firm and age.

Table 10

Foundation year	< 1900	1900 - 1930	1931 - 1960	1961 - 1990	Total
Number of firms and %	30 / 4.4%	58 / 8.5%	137 / 20%	460 / 67.1%	685 / 100%
Average sales per firm (millions of pestas)	4,803	9,140	8,413	4,523	5,705

Table 11

Level of sales (millions of pesetas)	1,000 - 5,000	5,000 -20,000	20,000-50,000	> 50,000	Total
Number of firms and %	650 / 75.7%	160 / 18.6%	42 / 4.9%	7 / 0.8%	859 / 100%
Average age (years)	32	37	46	43	34

As can be seen in Table 12, there are considerable differences –in the dimensions analyzed in this study– between the 19 subsectors of the Food and Beverage industry.

Table 12

SUBSECTOR	Number of firms and %	Sales (billions of pesetas) and %	Workforce and %	Exports (billions of pesetas) and %	Equity (billions of pesetas) and %	Investment* (billions of pesetas) and %	Average age (years)
VEGETABLE OIL AND FAT	50 5.82%	593 12.25%	6,222 4.23%	81 ++ 21.88%	69 8.66%	8 4.17%	29
BOTTLED WATER	10 - 1.16%	33 - - 0.68%	1,543 1.05%	0.037 - - - 0.01%	5 - 0.63%	3 1.56%	35
SUGAR AND HONEY	9 - - 1.05%	191 3.95%	4,356 2.96%	6 1.62%	80 + 10.04%	3 1.56%	30
COFFEE AND TEA	17 1.98%	54 1.12%	1,263 0.86%	0.231 - - 0.06%	23 2.89%	1 - 0.52%	40
MEAT PRODUCTS	190 +++ 22.12%	715 +++14.78%	24,248 +++16.48%	17 4.59%	72 9.03%	30 ++ 15.63%	- - 23
BEER	22 2.56%	292 6.03%	15,783 10.73%	4 1.08%	109 ++13.68%	37 +++19.28%	+++61
FROZEN FOODS	64 7.45%	324 6.70%	11,478 7.80%	28 7.56%	42 5.27%	19 9.90%	- - - 17
CANNED FISH	32 3.73%	96 1.98%	3,941 2.68%	8 2.16%	16 2.01%	3 1.56%	+ 41
CANNED VEGETABLES	57 6.64%	156 3.22%	3.673 2.50%	59 + 15.93%	22 2.76%	6 3.13%	27
SWEETS	38 4.42%	124 2.56%	5.359 3.64%	17 4.59%	14 1.76%	3 1.56%	38
SPICES, SAUCES AND VINEGAR	8 - - - 0.93%	12 - - - 0.25%	296 - - - 0.20%	3 0.81%	1 - - - 0.13%	0.202 - - - 0.11%	- 25
DRIED FRUITS AND SNACKS	25 2.91%	87 1.80%	3,704 2.52%	13 3.51%	4 - - 0.50%	3 1.56%	- - 23
BISCUITS AND INDUSTRIAL PASTRIES	44 5.12%	212 4.38%	13,727 9.33%	2 - 0.54%	44 5.52%	6 3.13%	- 25
FLOUR	26 3.03%	66 1.36%	1,235 - 0.84%	5 1.35%	7 0.88%	0.73 - - 0.38%	33
DAIRY PRODUCTS	86 + 10.01%	645 ++ 13.33%	19,912 ++ 13.54%	9 2.43%	52 6.52%	28 + 14.59%	27
PASTA	25 2.91%	98 2.03%	1,952 1.33%	11 2.97%	21 2.63%	6 3.13%	35
SOFT DRINKS	30 3.49%	479 9.90%	10,845 7.37%	2 - 0.54%	16 2.01%	15 7.82%	- - 23
WINES AND LIQUORS	106 ++ 12.34%	620 + 12.81%	16,396 + 11.15%	99 +++26.74%	195 +++24.47%	17 8.86%	++ 53
CIDERS AND JUICES	20 2.33%	42 - 0.87%	1,165 - - 0.79%	6 1.62%	5 - 0.63%	3 1.56%	- - 23
TOTAL	859 100%	4,839 100%	147,098 100%	370 100%	797 100%	192 100%	

* Yearly fixed asset investment.

Number of firms, sales, workforce, exports, equity, investment

50 / 5.82%

% of the total of each variable

+++ 1st largest value
++ 2nd largest value
+ 3rd largest value

- - - 1st smallest value
- - 2nd smallest value
- 3rd smallest value

As far as «Number of firms» is concerned, some of the subsectors in our sample show definite concentration (a small number of companies with annual sales in excess of 1,000 million pesetas). This is evident in the «Spices, Sauces and Vinegar» subsector as well as in the «Sugar and Honey» and «Bottled Water» subsectors. Other subsectors show strong signs of fragmentation (the opposite of concentration); for example, «Meat Products», «Wines and Liquors» and «Dairy Products». This will naturally lead to very different forms of rivalry and competition between the firms in each subsector (Caves, 1977).

With regard to size of firm, in the sense of sales volume and number of employees, the «Meat Products», «Wines and Liquors» and «Dairy Products» subsectors clearly occupy a prominent position. The extreme opposite can be found in the «Spices, Sauces and Vinegar» and «Juices and Ciders» subsectors, which are characterized by a relatively low level of sales and small workforce.

Exports are important in only three subsectors: «Wines and Liquors», «Oils and Fats» and «Canned Vegetables».

With regard to the aggregate figure for equity, the most important subsectors are «Wines and Liquors», «Beer», «Sugar and Honey» and «Oils and Fats», while «Spices, Sauces and Vinegar», «Dried Fruits and Snacks» and «Bottled Water» are at the opposite end of the scale.

The subsectors with the highest level of investment in fixed assets in 1990 were «Beers», «Meat Products», «Dairy Products» and «Frozen Foods».

As for the average age of the firms in each subsector, there is a big difference between, on the one hand, «Beers» and «Wines and Liquors», both over 50 years old, and, on the other, «Juices and Ciders», «Soft Drinks», «Dried Fruits and Snacks» and «Meat Products», which in 1990 were not yet 25 years old.

Table 13

SUBSECTORS	Sales/ firm (millions)	Sales/ workforce (millions)	Exports/ sales (%)	Equity/ firm (millions)	Equity/ workforce (millions)	Investment*/ firm (millions)	Investment*/ workforce (millions)
VEGETABLE OIL AND FAT	11,860	+++267	27.58%	1,921	+ 17.19	258	+ 4.33
BOTTLED WATER	3,300	- - - 23	- - - 0.36%	846	- 4.34	563	3.32
SUGAR AND HONEY	+++21,333	74	11.13%	1,038	16.85	+ 565	1.77
COFFEE AND TEA	3,118	86	- - 1.87%	1,663	14.05	194	2.47
MEAT PRODUCTS	3,763	57	9.14%	757	- - 4.21	241	2.6
BEER	+ 13,273	- - 25	6.02%	+++ 6,413	12.85	+++ 2,180	2.44
FROZEN FOODS	5,047	60	13.91%	1,433	7.98	376	2.95
CANNED FISH	2,969	- 33	14.15%	779	6.76	- - 118	- - - 1.33
CANNED VEGETABLES	2,737	70	+++ 44.51%	676	14.56	173	2.71
SWEETS	3,263	41	14.52%	565	5.34	135	- 1.69
SPICES, SAUCES AND VINEGAR	- - - 1,500	46	++ 41.59%	- - 386	- - - 4.07	- - - 67	- - 1.67
DRIED FRUITS AND SNACKS	3,480	112	30.74%	- - - 286	9.75	195	2.97
BISCUITS AND INDUSTRIAL PASTRIES	4,841	50	2.59%	1,760	6.02	299	3.91
FLOUR	- 2,538	96	+ 35.49%	621	12.21	- 122	2.37
DAIRY PRODUCTS	7,488	49	9.70%	1,278	5.27	492	3.07
PASTA	3,960	+ 131	12.38%	1,321	++ 19.37	374	++ 10.23
SOFT DRINKS	++ 15,967	++ 135	- 1.98%	+ 1,963	9.17	++ 1,362	+++ 12.77
WINES AND LIQUORS	5,840	75	28.73%	++ 2,668	+++ 21.91	258	3.1
CIDERS AND JUICES	- - 2,100	44	25.20%	- 461	9.53	208	3.97

* Yearly fixed asset investment.

+++ 1st largest value
++ 2nd largest value
+ 3rd largest value

- - - 1st smallets value
- - 2nd smallest value
- 3rd smallest value

Table 13 shows the average sales per firm in each subsector. There are enormous differences (up to 15 times) between the largest firms («Sugar and Honey», «Soft Drinks», «Beer») and the smallest ones («Spices, Sauces and Vinegar», «Juices and Ciders», «Canned Vegetables»). The differences are also significant, although not so pronounced, when we compare sales per employee, which can be regarded as high in some subsectors, such as «Oils», «Soft Drinks» and «Pasta», and low in others, such as «Bottled Water», «Beer» and «Canned Fish».

The differences are much greater when we look at exports as a percentage of sales. Certain subsectors can be regarded as export-oriented («Canned Vegetables», «Spices, Sauces and Vinegar», «Flour»), while others are more local («Bottled Water», «Soft Drinks», «Coffee and Tea».

smaller. (Average equity per firm is high in «Beer», «Wine and Liquor» and «Soft Drinks», and low in «Dried Fruits and Snacks», «Spices, Sauces and Vinegar» and «Juices and Ciders». Equity per employee is high in «Wine and Liquor», «Pasta» and «Oils», and low in «Spices, Sauces and Vinegar», «Meat Products» and «Bottled Water».)

The obvious differences between the various subsectors, not only in their overall dimensions (Table 12) but also in the different ratios (Table 13), may help to explain why FBs are more active in certain subsectors than in others. Nevertheless, it should not be forgotten that the data have not been obtained from a longitudinal study that analyzes a longer period of time, but relate exclusively to the year 1990. In order to interpret the structure of a subsector, however, and the type of firm that survives in it, it is extremely important to know the circumstances these firms have been through, the changes they have undergone, and so on (Haman, M. and Freeman, J., 1989).

Table 14 segments the data geographically by Autonomous Community. The three Communities with the highest values for each variable and the three with the lowest values have been marked out. We can see that, in terms of numbers, the FBs in our sample are clearly concentrated in Catalonia, Andalusia and Madrid. These three Communities account for more than 63% of the total workforce, sales and exports of the industry.

Finally, Table 15 shows how the firms in each subsector are distributed across the Autonomous Communities. It is notable that some subsectors, such as «Oils», «Sugar and Honey», «Canned Fish», «Canned Vegetables», «Sweets», «Dried Fruits», «Pasta» and «Juices and Ciders», tend to be concentrated in just a few Communities, whereas others are present in all or nearly all of the Communities.

Table 14

AUTONOMOUS COMMUNITY	Number of firms and %	Sales (billion pesetas) and %	Workforce and %	Exports (billion pesetas) and %	Average ages (years)
ANDALUSIA	121 ++ 14.09%	749 + 15.48%	23,353 + 15.88%	106 +++ 28.67%	38
ARAGON	29 3.38%	80 1.65%	2,503 1.70%	5 1.35%	- 26
ASTURIAS	20 2.33%	166 3.43%	4,139 2.81%	10 2.71%	+ 37
BALEARIC ISLANDS	9 - - 1.05%	31 - 0.64%	1,131 - 0.77%	0.055 - - - 0.01%	34
CANARY ISLANDS	17 1.98%	65 1.34%	3,354 2.28%	0.625 - - 0.17%	34
CANTABRIA	8 - - - 0.93%	14 - - - 0.29%	559 - - 0.38%	1 - 0.27%	++ 41
CASTILE AND LEON	51 5.94%	166 3.43%	6,097 4.14%	2 0.54%	27
CASTILE LA MANCHA	43 5.01%	132 2.73%	2,969 2.02%	10 2.71%	- - 21
CATALONIA	182 +++21.19%	1,146 + + 23.68%	38,618 +++ 26.25%	74 ++ 20.02%	29
MADRID	109 + 12.69%	1,287 +++26.60%	31,283 ++ 21.27%	53 + 14.34%	28
NAVARRE	28 3.26%	70 1.45%	1,906 1.30%	8 2.16%	27
VALENCIA	84 9.78%	300 6.20%	10,391 7.06%	29 7.84%	29
EXTREMADURA	10 - 1.16%	24 - - 0.50%	537 - - - 0.37%	3 0.81%	- - - 17
GALICIA	56 6.52%	237 4.90%	9,520 6.47%	17 4.60%	31
LA RIOJA	19 2.21%	40 0.83%	1,258 0.86%	7 1.89%	++ 41
BASQUE COUNTRY	26 3.03%	173 3.58%	5,191 3.53%	6 1.62%	+++ 47
MURCIA	47 5.47%	159 3.29%	4,289 2.92%	38 10.28%	27
TOTAL	859 100%	4,839 100%	147,098 100%	370 100%	31

Number of firms, sales, workforce, exports

121 / 14.09%

% of the total for the Community

+++ 1st largest value
++ 2nd largest value
+ 3rd largest value

- - - 1st smallest value
- - 2nd smallest value
- 3rd smallest value

Table 15. Number of firms per community and subsector

	Vegetable oil and fat	Bottled water	Sugar and honey	Coffee and tea	Meat products	Beer	Frozen foods	Canned fish	Canned vegetables
ANDALUSIA	16 (1) 32.00%	1 10.00%	1 11.11%	1 5.88%	17 (3) 8.95%	6 (1) 27.27%	7 10.94%	4 (2) 12.50%	14 (2) 24.56%
ARAGON	0 0.00%	0 0.00%	0 0.00%	0 0.00%	7 3.68%	1 4.55%	1 1.56%	0 0.00%	1 1.75%
ASTURIAS	1 2.00%	1 10.00%	0 0.00%	0 0.00%	3 1.58%	2 9.09%	0 0.00%	0 0.00%	0 0.00%
BALEARIC ISLANDS	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 1.05%	1 4.55%	0 0.00%	0 0.00%	0 0.00%
CANARY ISLANDS	1 2.00%	1 10.00%	0 0.00%	1 5.88%	2 1.05%	2 9.09%	1 1.56%	1 3.13%	0 0.00%
CANTABRIA	0 0.00%	0 0.00%	0 0.00%	1 5.88%	3 1.58%	0 0.00%	2 3.13%	1 3.13%	0 0.00%
CASTILE AND LEON	0 0.00%	1 10.00%	1 11.11%	1 5.88%	17 (3) 8.95%	0 0.00%	2 3.13%	1 3.13%	1 1.75%
CASTILE LA MANCHA	5 10.00%	1 10.00%	0 0.00%	0 0.00%	9 4.74%	0 0.00%	0 0.00%	0 0.00%	1 1.75%
CATALONIA	8 (2) 16.00%	4 (1) 40.00%	1 11.11%	2 (3) 11.76%	62 (1) 32.63%	2 9.09%	14 (1) 21.88%	1 3.13%	0 0.00%
MADRID	13 (3) 26.00%	0 0.00%	5 (1) 55.56%	5 (1) 29.41%	21 (2) 11.05%	4 (2) 18.18%	12 (2) 18.75%	2 6.25%	2 3.51%
NAVARRE	1 2.00%	0 0.00%	0 0.00%	0 0.00%	4 2.11%	1 4.55%	3 4.69%	1 3.13%	6 (3) 10.53%
VALENCIA	1 2.00%	0 0.00%	1 11.11%	3 (2) 17.65%	15 7.89%	1 4.55%	8 (3) 12.50%	1 3.13%	5 8.77%
EXTREMADURA	1 2.00%	0 0.00%	0 0.00%	0 0.00%	2 1.05%	0 0.00%	0 0.00%	0 0.00%	1 1.75%
GALICIA	1 2.00%	1 10.00%	0 0.00%	0 0.00%	13 6.84%	1 4.55%	12 (2) 18.75%	17 (1) 53.13%	0 0.00%
LA RIOJA	0 0.00%	0 0.00%	0 0.00%	1 5.88%	4 2.11%	0 0.00%	0 0.00%	0 0.00%	6 (3) 10.53%
BASQUE COUNTRY	1 2.00%	0 0.00%	0 0.00%	2 (3) 11.76%	3 1.58%	0 0.00%	1 1.56%	3 (3) 9.38%	0 0.00%
MURCIA	1 2.00%	0 0.00%	0 0.00%	0 0.00%	6 3.16%	1 4.55%	1 1.56%	0 0.00%	20 (1) 35.09%
TOTAL	50 100%	10 100%	9 100%	17 100%	190 100%	22 100%	64 100%	32 100%	57 100%

(1): First largest value (2): Second largest value (3): Third largest value

Number of firms

16
32.00%

% of the total
of firms in each
subsector

Table 15. Number of firms per community and subsector (Continued)

	Sweets	Spices and sauces	Dried fruits	Biscuits, ind. pastries	Flour	Dairy products	Pasta	Soft drinks	Winers and liquors	Juices and ciders
ANDALUSIA	1 2.63%	2 (2) 25.00%	0 0.00%	3 6.82%	6 (1) 23.08%	7 8.14%	5 (2) 20.00%	3 10.00%	27 (1) 25.47%	0 0.00%
ARAGON	2 5.26%	0 0.00%	0 0.00%	3 6.82%	6 (1) 23.08%	2 2.33%	0 0.00%	2 6.67%	2 1.89%	2 10.00%
ASTURIAS	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	8 9.30%	1 4.00%	1 3.33%	2 1.89%	1 5.00%
BALEARIC ISLANDS	0 0.00%	0 0.00%	0 0.00%	1 2.27%	1 3.85%	3 3.49%	0 0.00%	1 3.33%	0 0.00%	0 0.00%
CANARY ISLANDS	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 3.85%	3 3.49%	0 0.00%	3 10.00%	1 0.94%	0 0.00%
CANTABRIA	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	1 1.16%	0 0.00%	0 0.00%	0 0.00%	0 0.00%
CASTILE AND LEON	2 5.26%	0 0.00%	2 (3) 8.00%	5 (3) 11.36%	2 7.69%	11 (2) 12.79%	3 (3) 12.00%	0 0.00%	2 1.89%	0 0.00%
CASTILE LA MANCHA	2 5.26%	0 0.00%	0 0.00%	0 0.00%	1 3.85%	9 (3) 10.47%	1 4.00%	0 0.00%	14 (3) 13.21%	0 0.00%
CATALONIA	13 (1) 34.21%	2 (2) 25.00%	11 (1) 44.00%	11 (1) 25.00%	6 (1) 23.08%	15 (1) 17.44%	8 (1) 32.00%	3 10.00%	17 (2) 16.04%	2 10.00%
MADRID	3 (3) 7.89%	0 0.00%	2 8.00%	5 11.36%	0 0.00%	15 (1) 17.44%	2 8.00%	9 (1) 30.00%	7 6.60%	2 10.00%
NAVARRE	1 2.63%	0 0.00%	0 0.00%	3 6.82%	2 7.69%	1 1.16%	0 0.00%	0 0.00%	4 3.77%	1 5.00%
VALENCIA	9 (2) 23.68%	1 12.50%	9 (2) 36.00%	7 (2) 15.91%	1 3.85%	2 2.33%	5 (2) 20.00%	3 10.00%	8 7.55%	4 (2) 20.00%
EXTREMADURA	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	2 2.33%	0 0.00%	1 3.33%	3 2.83%	0 0.00%
GALICIA	1 2.63%	0 0.00%	0 0.00%	1 2.27%	0 0.00%	7 8.14%	0 0.00%	1 3.33%	1 0.94%	0 0.00%
LA RIOJA	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	8 7.55%	0 0.00%
BASQUE COUNTRY	2 5.26%	0 0.00%	0 0.00%	3 6.82%	0 0.00%	0 0.00%	0 0.00%	3 10.00%	7 6.60%	1 5.00%
MURCIA	2 5.26%	3 (1) 37.50%	1 4.00%	2 4.55%	0 0.00%	0 0.00%	0 0.00%	0 0.00%	3 2.83%	7 (1) 35.00%
TOTAL	38 100%	8 100%	25 100%	44 100%	26 100%	86 100%	25 100%	30 100%	106 100%	20 100%

(1): First largest value (2): Second largest value (3): Third largest value

3. Comparison between FBs and NFBs

Table 16 compares the total number of firms, sales, workforce, annual investment, equity and exports of FBs and NFBs, calculated as the sum of the figures for the individual firms in each group.

Table 16

	FB	NFB	TOTAL
Number of firms	440 / 51.22%	419 / 48.78%	859 / 100%
Total sales (billion pesetas) *Data from 859 firms FB: 440 NFB: 419*	1,998 / 41.29%	2,841 / 58.71%	4,839 / 100%
Total workforce (number of people) *Data from 838 firms FB: 428 NFB: 410*	58,213 / 39.57%	88,885 / 60.43%	147,098 / 100%
Total exports (billion pesetas) *Data from 446 firms FB: 242 NFB: 204*	179 / 48.34%	192 / 51.66%	371 / 100%
Total equity (billion pesetas) *Data from 485 firms FB:248 NFB: 237*	281 / 35.25%	516 / 64.75%	797 / 100%
Total yearly fixed asset investment (billion pesetas) *Data from 532 firms FB: 256 NFB: 276*	70 / 36.50%	122 / 63.50%	192 / 100%

Table 17 compares the values of a number of significant ratios, expressed as the average of the ratios of all the firms in each group.

The above data, while showing the considerable importance of FBs in the sector in 1990, both in number and in sales, workforce and exports, also reveal that FBs differ significantly from NFBs in having noticeably lower sales per employee and equity per employee.

Table 17

	FB	NFB	ALL THE SAMPLE
Sales/workforce (millions of pesetas) *Data from 838 firms* *FB: 428 NFB: 410*	59.29	93.77	76.16
Exports/sales *Data from 445 firms* *FB: 242 NFB: 203*	22%	21%	21.47%
Equity/workforce (millions of pesetas) *Data from 478 firms* *FB: 245 NFB: 233*	8.79	13.19	10.94
Yearly fixed asset investment/ workforce (millions of pesetas) *Data from 529 firms* *FB: 256 NFB: 273*	3.25	3.29	3.27

Comparison by sales and size of workforce

In order to explore the similarities and differences between the two types of firm, the data were broken down still further.

Table 18 (5) segments the sample according to sales volume. It can be seen that FBs are concentrated in the 1,000-5,000 million pesetas per year sales band, and that they are well represented, compared with NFBs, in the 5,000-20,000 range. However, their presence declines in the 20,000-50,000 band and is very small at the top of the scale.

Table 18

Sales level (millions of pesetas)	1,000-5,000		5,000-20,000		20,000-50,000		> 50,000		Total	
Number of firms	650 (100%)		160 (100%)		42 (100%)		7 (100%)		859 (100%)	
Total sales (billion pesetas)	1,427 (100%)		1,474 (100%)		1,326 (100%)		612 (100%)		4,839 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	348	302	77	83	14	28	1	6	440	419
%	53.5%	46.5%	48.1%	51.9%	33.3%	66.7%	14.3%	85.7%	51.2%	48.8%
Sales	739	688	722	752	454	872	83	529	1,998	2,841
%	51.8%	48.2%	49%	51%	34.2%	65.8%	13.6%	86.4%	41.3%	58.7%

Table 19 (6) segments the firms according to number of employees. It shows that FBs have a strong presence in the 1-100 employee band; they are also well represented in the 101-500 and in the 501-1,000 bands. Their presence is less marked, however, in the >1,000 segment.

Table 19

Workforce level (number of people)	1 - 100		101 - 500		501 - 1,000		> 1,000		Total	
Number of firms	534 (100%)		239 (100%)		39 (100%)		26 (100%)		838 (100%)	
Total workforce (number of people)	24,056 (100%)		50,435 (100%)		26,735 (100%)		45,872 (100%)		147,098 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	294	240	107	132	19	20	8	18	428	410
%	55.1%	44.9%	44.8%	55.2%	48.7%	51.3%	30.8%	69.2%	51.1%	48.9%
Workforce	13,278	10,778	21,783	28,652	12,856	13,879	10,296	35,576	58,213	88,885
%	55.2%	44.8%	43.2%	56.8%	48.1%	51.9%	22.4%	77.6%	39.6%	60.4%

Table 20 segments the firms according to sales per employee. We find that FBs have a strong presence up to the 200 million pesetas per employee mark, beyond which their presence declines rapidly, particularly in the highest segment (over 500 million pesetas per employee).

Table 20

Sales/workforce (millions of pesetas)	< 50		50-100		101-200		201-500		> 500		Total	
Number of firms	554 (100%)		172 (100%)		72 (100%)		26 (100%)		14 (100%)		838 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	280	274	93	79	42	30	10	16	3	11	428	410
%	50.5%	49.5%	54.1%	45.9%	58.3%	41.7%	38.5%	61.5%	21.4%	78.6%	51.1%	48.9%

In the light of these last three tables we can say that FBs and NFBs are quite similar, both in sales and in number of employees, up to a certain size, beyond which the presence of FBs declines considerably compared with that of NFBs.

On closer examination, the 28 largest firms in the sector (8 FBs and 20 NFBs; see Exhibit 2), that is to say, the seven with sales of more than 50,000 million pesetas (Table 18) and the 26 with more than 1,000 employees (Table 19), can be seen to be mainly:

- NFBs that operate in subsectors in which one finds a strong business concentration on a global scale and in which various multinationals have entered the Spanish market by way of acquiring old FBs (i.e. beer, soft drinks, wines and liquors)

- NFBs that have come into being as a result of mergers between FBs, sometimes with the participation of financial institutions.

- FBs which have followed high growth strategies, making large investments in brand image, property, plant and distribution systems and strengthening their management teams.

The 14 firms (3 FBs and 11 NFBs) with sales of more than 500 million pesetas per employee (Exhibit 3), which with one exception are not among the largest firms in the sample, are mainly:

- NFBs that act as intermediaries for exporting or local marketing.

- Second level cooperatives (or associations of cooperatives) geared towards sharing resources for distribution and sales.

- Firms which act as «flagships» in the property and brand management etc. of a group of companies.

Comparison by level of exports (7)

According to the data shown in Table 21, there are more FBs than NFBs in the 100-1,000 million peseta range, whereas the two types of firm are equally represented in the segments below 100 million pesetas and above 1,000 million pesetas.

Table 21

Exports level (millions of pesetas)	< 100		100 - 1,000		1,000 - 5,000		> 5,000		Total	
Number of firms	111 (100%)		227 (100%)		97 (100%)		11 (100%)		446 (100%)	
Total exports (millions of pesetas)	5,176 (100%)		93,225 (100%)		191,079 (100%)		81,499 (100%)		370,979 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	58	53	135	92	46	51	3	8	242	204
%	52.2%	47.8%	59.5%	40.5%	47.4%	52.6%	27.3%	72.7%	54.3%	45.7%
Exports	2,694	2,482	58,030	35,195	95,022	96,057	23,567	57,932	179,313	191,666
%	52%	48%	62.2%	37.8%	49.7%	50.3%	28.9%	71.1%	48.3%	51,7%

Table 22 analyses the data for exports as a percentage of sales and shows the distribution of FBs and NFBs across a number of bands. It can be seen that, with the exception of the >75% band, FBs seem to be more geared towards exporting than NFBs since their presence is much higher in the 25-50% and 50-75% bands.

In part this may be explained by the fact that the multinationals established in Spain tend to exploit local brands belonging to the Spanish firms that they have acquired, that they tend not to export the Spanish subsidiaries’ production of their global brands, and that they limit the export of unbranded goods. This situation may change as economic integration in Europe proceeds and multinationals turn some of their regional plants into production platforms for the rest of Europe.

The 11 firms with exports of over 5,000 million pesetas (Exhibit 4) are large companies in terms of sales, workforce or sales per employee. Several are multinationals and all are geared towards the sale abroad of local products such as olive oil, sherry or seafood.

The 33 firms whose exports exceed 75% of sales (Exhibit 5) are mostly not very large in terms of sales and are basically oriented towards exporting local products such as olives, wine, saffron, etc.

Table 22

Exports/sales (%)	< 5%		5% - 25%		25% - 50%		50% - 75%		> 75%		Total	
Number of firms	157 (100%)		156 (100%)		62 (100%)		37 (100%)		33 (100%)		445 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	81	76	83	73	43	19	22	15	12	21	241	204
%	51.6%	48.4%	53.2%	46.8%	69.3%	30.7%	59.5%	40.5%	36.4%	63.6%	54.2%	45.8%

Comparison by level of equity

There are difficulties in comparing the level of equity of the firms in the sample owing to the consolidation of the various subsidiary companies under the parent. We run into a further problem when comparing FBs with other types of firm since we do not know exactly how reliable the information on the equity of FBs is. This is because FBs are particularly affected by capital gains and inheritance tax and so might conceivably tend to understate the figure for equity.

Table 23 interprets the information available in the Alimarket yearbook. As we can see, FBs and NFBs are more or less equally represented at all levels of equity, except among large firms with equity of over 10 billion pesetas.

According to Table 24, however, FBs tend to be concentrated in the group of firms with equity per employee of less than 10 million pesetas. And they have very little presence in the over 50 million pesetas per employee segment.

Table 23

Equity level (millions of pesetas)	< 1,000		1,000 - 5,000		5,000 - 10,000		> 10,000		Total	
Number of firms	342 (100%)		105 (100%)		20 (100%)		18 (100%)		485 (100%)	
Total equity (millions of pesetas)	126,895 (100%)		221,056 (100%)		144,548(100%)		304,716 (100%)		797,215(100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	191	151	45	60	5	15	7	11	248	237
%	55.8%	44.2%	42.9%	57.1%	25%	75%	38.9%	61.1%	51.1%	48.9%
Equity	68,013	58,882	93,118	127,938	31,728	112,820	88,187	216,529	281,046	516,169
%	52%	48%	62,2%	37.8%	49.7%	50.3%	28.9%	71.1%	48.3%	51.7%

Table 24

Equity/workforce (millions of pesetas)	< 10		10 - 25		25 - 50		> 50		Total	
Number of firms	309 (100%)		128 (100%)		30 (100%)		11 (100%)		478 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	180	129	54	74	9	21	2	9	245	233
%	58.2%	41.8%	42.2%	57.8%	30%	70%	18.2%	81.8%	51.3%	48.7%

When we take a closer look at the 18 firms with equity of over 10 billion pesetas (Exhibit 6), we find more or less the same as when we looked at the firms with the highest sales and the largest workforce. In many cases they are the same firms.

When we look at the 11 firms with equity per employee of over 50 million pesetas (Exhibit 7), we see how this ratio is influenced by whether or not casual or seasonal workers are included in the calculation. Without further information, therefore, we cannot draw any conclusions comparable to those we obtained for firms with high levels of sales and exports per employee

Comparison by level of annual investment in fixed assets

In making this comparison we have to take into account not only the possible bias for tax reasons but also the fact that the data are for 1990 only.

Tables 25 and 26 show that FBs and NFBs make similar investments in fixed assets, not only in actual amount up to the 5,000 million peseta mark, but also in terms of amount per employee up to a level of 25 million pesetas.

Table 25

Yearly fixed asset investment (millions of pesetas)	< 500		500 - 1,000		1,000 - 5,000		> 5,000		Total	
Number of firms	443 (100%)		37 (100%)		48 (100%)		4 (100%)		532 (100%)	
Yearly total investment (millions of pesetas)	56,437 (100%)		24,783 (100%)		88,001 (100%)		23,622 (100%)		192,843 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	224	219	13	24	19	29	0	4	256	276
%	50.6%	49.4%	35.1%	64.9%	39.6%	60.4%	0%	100%	48,1%	51,9%
Yearly investment	27,314	29,123	9,292	15,491	33,788	54,213	0	23,622	70,394	122,449
%	48.4%	51.6%	37.5%	62.5%	38.4%	61.6%	0%	100%	36.5%	63.5%

Table 26

Yearly fixed asset investment /sales (millions of pesetas)	< 5		5 - 10		10 - 25		> 25		Total	
Number of firms	435 (100%)		64 (100%)		26 (100%)		4 (100%)		529 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	209	226	33	31	13	13	1	3	256	273
%	48.1%	51.9%	51.6%	48.4%	50%	50%	25%	75%	48.4%	51.6%

Exhibit 8 gives data for the 4 firms with annual investment in fixed assets of more than 5 billion pesetas. As can be seen, three of them are large firms in the Beer subsector and one is a public firm in the Dairy Products subsector. On the other hand, of the 4 firms with investment per employee of over 25 million pesetas (Exhibit 9), three were holding companies or distributors with few employees, and one was a firm with a large proportion of casual workers.

Comparison by year of foundation and age of firm

In this comparison, it is important to bear in mind that a firm which in 1990 was classified as a NFB may have started out as a FB. For this reason, the following comments refer to the firms as they were in 1990, either FBs or NFBs, regardless of what they may have been at an earlier stage.

Looking at Table 27 and specifically at the firms founded since 1900, we can say that the difference in size between FBs and NFBs increases as time goes by, since NFBs are comparatively larger than FBs in terms of average sales (those founded between 1900 and 1930 are 283% larger; those founded between 1930 and 1960 are 189% larger; while those founded after 1960 are only 7% larger).

Table 28 shows that, on average, FBs are older than NFBs in the various sales bands, particularly in the >50,000 million peseta band.

Exhibit 10 gives data on the 30 firms in the sample that were founded before 1900. It is worth noting that 17 of them (56.7%) belong to the Wines and Liquor subsector and that hardly any of them are among the largest in terms of sales or size of workforce.

Table 27

Foundation year	< 1900		1900 - 1930		1931 - 1960		1961 - 1990		Total	
Number of firms	30 (100%)		58 (100%)		137 (100%)		460 (100%)		685 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	24	6	31	27	74	63	233	227	362	323
%	80%	20%	53.4%	46.6%	54%	46%	50.7%	49.3%	52.8%	47.2%
Average sales per firm (millions of pesetas)	5,438	2,264	4,932	13,972	5,961	11,295	4,379	4,671	4,820	6,696

Table 28

Sales level (millions of pesetas)	1,000 -5,000		5,000-20,000		20,000-50,000		> 50,000		Total	
Number of firms	650 (100%)		160 (100%)		42 (100%)		7 (100%)		859 (100%)	
Type of firm	FB	NFB	FB	NFB	FB	NFB	FB	NFB	FB	NFB
Number	348	302	77	83	14	28	1	6	440	419
%	53.5%	46.5%	48.1%	51.9%	33.3%	66.7%	14.3%	85.7%	51.2%	48.8%
Average age (years)	35	29	41	33	52	43	58	40	36	31

Comparison by subsectors

Table 29 shows the weight of FBs in each dimension (number of firms, sales, workforce, exports, equity and investments) in each of the 19 subsectors. It also indicates where FBs are significantly above or below the average for the firms in the subsector in any given dimension.

It can be seen that FBs have a «very large» (VL) share of the «Canned Fish», «Sweets», and «Flour» subsectors. These three subsectors (see Tables 12 and 13) have a comparatively small volume of sales (total sales of the subsector) and are made up of medium-sized firms (in terms of sales) with significantly (around 50%) lower levels of equity than the average for the sample.

Historically, they are subsectors without significant entry barriers, so that a large number of local businesses were able to establish themselves. At the same time, they have not been drastically affected by economic crises nor by changes in processing technology. In other words, compared with other subsectors of the Food and Beverage industry, they do not generally offer great opportunities for growth or expansion, either for the firms that already operate in these subsectors or for new entrants.

It is also noticeable that the FBs in these three subsectors have a relatively high average age. We may conclude that most have successfully survived the difficulties of transferring power from the first to the second generation and therefore do not suffer from the structural weaknesses associated with the generational change. At the same time, it is likely that they have had time to gain strength and compete successfully.

FBs have a «large» (L) presence in the following subsectors:

– «Canned Vegetables», which is similar in characteristics to the three subsectors described above, though with a higher overall volume of sales.

- «Meat Products», which is made up of young firms with lower than average sales and equity, and which does not yet have any «large» firms. This subsector has no significant entry barriers in terms of capital or technology, but it does require experience given the regulatory complexities and the labor-intensive methods. On the other hand, it is one of the subsectors with the greatest variety of flavors, formats, etc., and is greatly influenced by local traditions. This is also the subsector with the highest sales and largest workforce and is present in most of the Autonomous Communities. Although there is surplus capacity at present, there may be opportunities for growth and acquisition, given that the average age of the FBs in this subsector suggests that they are probably still run by their founder and are therefore likely to come up against the problems of succession in the next few years.

The presence of FBs is «very small» (VS) in the following subsectors:

- «Sugar and Honey», where there is a high degree of concentration and the firms are among the largest in the sample in terms of sales and equity.

- «Beer», which has a small number of firms, some basically regional, others market leaders in Spain that are minority owned or have been acquired by multinationals. This subsector requires large investments in production processes to keep up to date and in advertising to gain brand loyalty.

FBs also have a very small (VS) presence in the «Oils and Fats» and «Dairy Products» subsectors. Both have a high total volume of sales and neither is as concentrated as the two subsectors described above. They can be characterized as follows:

- «Oils and Fats» is made up of firms of above average size for the sample in terms of sales and equity. There is a constant need for investments in plant and marketing, with major economies of scale that favor the larger firms. The subsector has been through a concentration process that was influenced by changes in government policy, the growing importance of distribution companies, and the emerging export opportunities.

- «Dairy products» is dominated by three firms (one of which is publicly owned). The other firms are undergoing a process of rationalization and concentration, partly due to the unavoidable need to cut costs among producers without a recognized brand since the product is somewhat in the nature of a commodity, and partly to the effort on the part of the firms that do have a recognized brand to extend their product range.

Among the subsectors in which FBs have a «small» (S) presence are «Bottled Water», «Coffee and Teas» and «Juices and Ciders». All of these have relatively low total sales and a small workforce. They are made up of a fairly small number of firms with average sales and equity 50% below the average for the Food and Beverage industry as a whole:

The presence of FBs is also «small» (S) in the «Biscuits and Industrial Pastries» subsector. The number of FBs is smaller in the «Biscuits» business, where large investments in production processes and advertising are needed, and larger in «Pastries», where the firms tend to be local, do not need to make major investments in plant or distribution, and are close in size to the average for the sector.

Finally, the presence of FBs is more or less «equal» (E) to that of NFBs in the following subsectors:

- «Wines and Liquors», which is one of the most important subsectors of the Food and Beverage industry in terms of number of firms, sales volume and size of workforce. There are noticeable differences between «Wines» and «Liquors» in that the «Liquors» business demands large advertising investments and has become concentrated at a global level in a very small number of companies, whereas the «Wines» business, rather than advertising investment, requires years of tradition and gradual brand building, as the technology is relatively simple. The mean sales of the firms in this subsector are close to the average for the sample as a whole, yet their average level of equity is twice that of the sample and their average age is over 63 years. In other words, these firms have entered the third generation and have had time (Haman and Freeman, 1989) to grow to considerable size in terms of sales and equity.

- «Frozen Foods and Ice-Cream», which has a relatively large number of firms, high total sales and a large workforce within the Food and Beverage industry. The firms in this subsector are comparable in size (sales and equity) to the mean of the sample, but their average age is the lowest of all the subsectors. The «Ice-Cream» segment is very concentrated, with five firms (three of which belong to multinationals) representing 80% of the market. These firms require large investments in logistics and cold storage, as well as in brand building. The «Frozen Foods» segment is less concentrated. It has seen a trend towards more highly processed and ready-cooked products and an internationalization of the markets.

- «Soft Drinks», a relatively young subsector with a large average size of firm due to the importance of Coca Cola and Pepsi Cola, which to a certain extent rely on concessionaires that are FBs, and Schweppes, which has a different concession policy. The influence of private label and the need for investment in plant and advertising may lead to greater concentration in this subsector.

- «Pasta», which is not a big volume subsector. Most of the firms are local and there are few nationally recognized brands. There is a trend towards greater concentration by means of acquisitions and the restructuring of plants and distribution warehouses as a result of changes of policy on the part of the distributors.

- «Dried Fruit and Snacks», which, particularly in the Dried Fruit segment, requires intense personal contact with the primary producing sector, a fact that would seem to favor FBs. However, the tendency towards «packaging», «brand name» and exports encourages greater concentration.

- «Spices, Sauces and Vinegar», which is not a large subsector in total sales or size of workforce. It is made up of relatively small firms (in terms of sales and equity).

Table 29. Presence and share of FBs in each subsector

SUBSECTOR		Number of firms and %	Sales (billion pesetas) and %	Workforce and %	Exports (billion pesetas) and %	Equity (billion pesetas) and %	Investment* (billion pesetas) and %	Average age
VEGETABLE OIL AND FAT	(US)	19 - 38.00%	163 - 27.49%	1,658 - 26.65%	22 - 27.16%	19 - 27.54%	3 37.50%	30
BOTTLED WATER	(L)	4 - 40.00%	8 - 24.24%	476 - 30.85%	ND	0.851 - 17.02%	1 33.33%	34
SUGAR AND HONEY	(US)	2 - 22.22%	3 - 1.57%	64 - 1.47%	0,578 - 9.63%	0.329 - 0.41%	0.085 - 2.83%	18
COFFEE AND TEA	(S)	8 47.06%	20 - 37.04%	532 42.12%	NA	4 - 17.39%	0.348 - 34.80%	53
MEAT PRODUCTS	(I)	116 + 61.05%	399 55.80%	12,697 52.36%	9 52.94%	47 65.28%	16 53.33%	24
BEER	(US)	2 - 9.09%	9 - 3.08%	598 - 3.79%	NA	3 - 2.75%	1 - 2.70%	73
FROZEN FOODS	(S)	34 53.13%	162 50.00%	6,102 53.16%	17 60.71%	16 - 38.10%	10 52.63%	16
CANNED FISH	(VI)	23 + 71.88%	77 80.21%	3,229 81.93%	6 75.00%	14 + 87.50%	2 66.67%	46
CANNED VEGETABLES	(I)	31 54.39%	97 62.18%	2,132 58.05%	34 57.63%	12 54.55%	3 50.00%	32
SWEETS	(VI)	26 + 68.42%	84 67.74%	3,643 67.98%	14 + 82.35%	12 + 85.71%	2 66.67%	39
SPICES, SAUCES AND VINEGARS	(S)	3 - 37.50%	6 + 50.00%	157 + 53.04%	3 + 100.00%	0.67 + 67.00%	0.047 - 23.27%	39
DRIED FRUIT AND SNACKS	(S)	16 + 64.00%	39 - 44.83%	589 - 15.90%	11 + 84.62%	3 75.00%	1 - 33.33%	22
BISCUITS AND INDUSTRIAL PASTRIES	(L)	18 40.91%	92 43.40%	5,083 37.03%	1 + 50.00%	18 40.91%	2 33.33%	34
FLOUR	(VI)	20 + 76.92%	55 83.33%	1,017 82.35%	5 + 100.00%	5 71.43%	0.61 83.56%	36
DAIRY PRODUCTS	(VI)	33 - 38.37%	251 38.91%	5,852 - 29.39%	3 33.33%	24 + 46.15%	8 - 28.57%	27
PASTA	(S)	13 52.00%	50 51.02%	1,091 55.89%	2 - 18.18%	7 - 33.33%	2 - 33.33%	35
SOFT DRINKS	(S)	16 53.33%	182 - 38.00%	5,874 54.16%	1 50.00%	7 43.75%	8 53.33%	26
WINES AND LIQUORS	(S)	48 45.28%	285 45.97%	6,893 42.04%	47 47.47%	88 45.13%	10 + 58.82%	63
CIDERS AND JUICES	(L)	8 - 40.00%	16 38.10%	526 45.15%	3 + 50.00%	0.873 - 17.46%	0,67 - 22.33%	37

* Yearly fixed asset investment

(The percentages are over the total of each subsector)

Number of firms, sales, workforce, exports, equity, investment (of FBs)

19
38.00%

% of the total for the subsector

• In the dimension «Number of firms»

Symbol	Meaning
+	% > 60%
-	% < 40%

• In the other dimensions

Symbol	Meaning
+	it is 20% higher than the % of «Num. of firms»
-	it is 20% lower than the % of «Num. of firms»

Comparison by Autonomous Communities

Table 30 displays information regarding the presence of FBs in the 17 Autonomous Communities.

In view of this information, we can say that the FBs in Catalonia, Andalusia and Madrid represent the largest part of the FBs in the Food and Beverage industry (close to 50% in number and 60% in sales). They are particularly prominent in Catalonia, where their age is close to the average for the sample, and in Andalusia, where they are, on average, older.

Galicia, Murcia and Valencia are also important (nearly 30% of the total number of FBs and around 25% of total FB sales). The average age of the firms suggests that they are at the stage of the changeover from the first to the second generation. They rely on the competitive advantages they have in their local market.

At the opposite extreme, FBs have a very small presence in Navarre, despite the existence of tax legislation that favors inheritances and a relatively large agricultural sector.

Finally, it is worth pointing out the presence of FBs in Castile La Mancha and Extremadura, since these are, on average, young firms whose founders are probably still fully active.

Table 30. Presence and share of FBs in each autonomous community

AUTONOMOUS COMMUNITY	Number of firms and %	Sales (billion pesetas) and %	Workforce and %	Exports (billion pesetas) and %	Average age
ANDALUSIA	62 51.24%	305 - 40.72%	7,958 - 34.08%	39 - 36.79%	40
ARAGON	13 44.83%	31 38.75%	936 37.40%	0.96 - 19.20%	21
ASTURIAS	7 - 35.00%	18 - 10.84%	536 - 12.95%	0.557 - 5.57%	43
BALEARIC ISLANDS	4 44.44%	10 - 32.26%	290 - 25.64%	ND	27
CANARY ISLANDS	8 47.06%	31 47.69%	1,985 + 59.18%	0.409 + 65.44%	45
CANTABRIA	5 + 62.50%	9 64.29%	314 56.17%	0.027 - 2.70%	49
CASTILE AND LEON	30 58.82%	70 - 42.17%	3,396 55.70%	1 50.00%	31
CASTILE LA MANCHA	25 58.14%	82 62.12%	1,934 65.14%	6 60.00%	19
CATALONIA	98 53.85%	577 50.35%	15,042 - 38.95%	57 + 77.03%	30
MADRID	37 - 33.94%	325 - 25.25%	8,882 28.39%	10 - 18.87%	29
NAVARRE	8 - 28.57%	12 - 17.14%	331 - 17.37%	2 25.00%	30
VALENCIA	49 58.33%	176 58.67%	5,340 51.39%	12 - 41.38%	30
EXTREMADURA	7 + 70.00%	17 70.83%	504 + 93.85%	2 66.67%	17
GALICIA	29 51.79%	131 55.27%	5,120 53.78%	11 + 64.71%	37
LA RIOJA	11 57.89%	19 47.50%	592 47.06%	3 - 42.86%	51
BASQUE COUNTRY	13 50.00%	56 - 32.37%	1,760 - 33.90%	4 + 66.67%	66
MURCIA	34 + 72.34%	130 81.76%	3,293 76.78%	31 81.58%	31

(The percentages are over the total of each autonomous community)

Number of firms, sales, workforce, exports (of FBs)

62 / 51.24%

% of the total of each variable in each community

• In the dimension «Num. of firms»

Symbol	Meaning
+	% > 60%
-	% < 40%

• For the other dimensions

Symbol	Meaning
+	it is 20% higher than the % of «Num. of firms»
-	it is 20% lower than the % of «Num. of firms»

4. Concluding remarks

As we said in our Introduction, the purpose of this study is to expand our knowledge of the role of FBs in the Spanish economy and help us understand any differences of behavior there may be between FBs and NFBs.

As far as previous studies by other authors regarding the impact of FBs on the economy is concerned, it has to be stressed how important it is that the analysis be done by breaking the sample down into different levels of sales, workforce, etc. and different subsectors. Studies carried out on a broad range of firms merely yield «averages», in which, as we have seen, a small number of «exceptional» companies can have a disproportionate influence, distorting the comparison between FBs and NFBs and the final conclusions.

This study has revealed, with more clarity than previous research, that FBs have difficulty in reaching the same size as NFBs over the same period of time. In other words, FBs have difficulty growing. In view of this, research into FBs should place greater emphasis on identifying the reasons for these difficulties and finding ways of overcoming them. Our study of the Food and Beverage industry allows us to identify the following reasons:

- There are FBs that do not grow because they do not have the sort of corporate culture that makes growth the «driving force» of strategy and «sacrifices» other things such as security, ownership, etc. to the objective of becoming a large company.

- Some FBs do not grow because they do not have the capacity to develop their organization, that is to say, to change their responsibility structure, management systems and governing bodies. This incapacity is due in part to the fact that family members remain in their jobs for too long (even for life) and in part to the tendency to wait for a new generation to join the firm before making changes, without realising that the period of time between two generations may be too long to wait.

- There are FBs that do not grow because they do not have the necessary financial resources. In some cases this lack may be due to their not having had time to «accumulate» resources fast enough. In other cases it may be due to a wish to spread the risk, not always successfully, by investing in other business activities that are mistakenly regarded as straightforward and turn out to require far more money than expected. The lack of resources may also be due to an unwillingness to accept new partners who would take a share of the ownership out of the hands of the family, or to an exclusive reliance on particular banks, which end up recommending «conservative» strategies in order to protect their investments (Leach, 1990).

We need to increase our knowledge of how and why FBs survive, and of the reasons why a very small number of them achieve very high growth and can even appear «invincible», while the majority not only grow slowly, but also remain relatively small. Our analysis of the different subsectors of the Food and Beverage industry shows that:

- FBs are more active in «young» subsectors, or in subsectors whose evolution has been relatively slower, giving them time to reach a competitive size.

– FBs are also more active in subsectors where the «local» content (ranging from contacts with suppliers and customers to the format and flavors of the products) is more important.

– FBs are more active in market niches where general brand prestige is not as important as custom service.

– FBs are more active in subsectors that have high entry barriers and slow growth rates, where firms with relatively low sales, equity, investment, etc. are still «viable».

– FBs are more active in subsectors that are less sensitive to cyclical swings in the economy.

– FBs are less active in globalized, highly concentrated subsectors where large investments are needed to obtain scale economies and achieve brand recognition.

– Finally, the analysis of the firms in the upper ranges of the various dimensions and ratios provides further evidence that FBs are more active in sectors where production and behavior are more traditional than in the service sectors, where a more innovative organizational approach is often required (Gallo and Estapé, 1992; Leach, 1990), which suggests that FBs resist strategic alliances, mergers and acquisitions. □

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(1) The Food and Beverage industry comprises the following subsectors:

Food
– Oils and Fats
– Sugar and Honey
– Coffee and Tea
– Meat Products
– Frozen Foods
– Canned Fish
– Canned Vegetables
– Sweets
– Spices, Sauces and Vinegar
– Dried Fruit and Snacks
– Biscuits, Industrial Pastries and Breakfast Cereals
– Flour
– Dairy products
– Pasta, Rice and Legumes

Beverages
– Bottled Water
– Beer
– Soft Drinks
– Wines and Liquors
– Juices, Ciders and Grape Juice.

(2) Alimarket does not provide data in all these dimensions for every firm. The number of firms for which information is available for each dimension as well as its status as a FB or NFB is as follows:

– Sales: 867 firms (440 FB, 419 NFB, 8 could not be classified)
– Workforce: 845 firms (428 FB, 410 NFB)
– Exports: 449 firms (242 FB, 204 NFB)
– Imports: 69 firms (41 FB, 28 NFB)
– lnvestment: 536 firms (256 FB, 276 NFB)
– Equity: 487 firms (248 FB, 237 NFB)
– Profit 176 firms (66 FB, 108 NFB)

(3) The industry consisted of 40,327 firms in 1990. 22,614 of these belonged to the «Bread Stores, Biscuits and Confectionery» subsector.

(4) All data relating to workforce refer to permanent workforce.

(5) Exhibit 1 presents a comparison between FBs and NFBs using data from the USA, showing a much stronger presence of FBs among firms with sales of over 500 million dollars (approximately equivalent to 50 billion pesetas).

(6) Merino and Salas (1993), using information from ESEE (Business Strategy Survey «Panorama de la industria española», Ministry of Industry, Commerce and Tourism, 1993), with data from 1990, point out that 55.8% of the firms with fewer than l00 employees are FBs; the proportion drops to 22.6% in the l00-500 employee range and to 10.1% of firms with over 500 employees.

If the firms that contribute data to ESEE are representative of the Spanish economy, we can say that the Food and Beverage industry has a significantly greater number of FBs among larger firms.

(7) It should be pointed out that the information in this section is for only 532 firms instead of the 859 that were used for «Sales» or the 838 used for «Workforce». The fact that many firms in the Food and Beverage sector are local players with no international activities leads one to suspect that the reason why Alimarket has no information on the exports of some 300 firms from the sample is simply that these firms do not export, although we cannot be sure of this.

Exhibit 1

FAMILY BUSINESSES IN THE USA

Taking as a universe the 9.5 million firms in the Dun & Bradstreet database, and considering the ones that in 1991 had sales of over 25 million dollars per year (1 dollar = 104 pesetas), the comparison between FBs and NFBs is as follows:

Level of sales (millions of dollars)	25 - 50		50 - 100		100 - 250		250 - 500		> 500		Total	
Type of firm	FB	NFB	FB	NFB	FB	NBF	FB	NFB	FB	NFB	FB	NFB
Number of firms	23,784	3,008	11,422	2,451	6,478	2,506	2,047	1,235	1,796	2,037	45,527	11,237
%	89%	11%	82%	18%	72%	28%	62%	38%	47%	53%	80%	20%

Dirk Dreux, «The Family Business Advisor», January 1993.

Exhibit 2

FIRMS WITH SALES OF OVER 50,000 MILLION PESETAS

Firm	**Type**	**Subsector**	**Sales (million ptas.)**
CIA. SERV. BEBIDAS REFRESCANTES,S.A.	NFB	SOFT DRINKS	145,000
* PEDRO DOMECQ, S.A. (GRUPO)	NFB	WINES AND LIQUORS	111,959
CARGILL, ESPAÑA, S.A.	FB	VEGETABLE OIL AND FAT	82,586
* ELOSUA, S.A. (GRUPO)	NFB	VEGETABLE OIL AND FAT	77,837
* EBRO, CIA. AZUC., S.A. (GRUPO)	NFB	SUGAR AND HONEY	75,918
* DANONE, S.A.	NFB	DAIRY PRODUCTS	66,500
* SCHWEPPES, S.A.	NFB	SOFT DRINKS	51,500

FIRMS WITH A WORKFORCE OF OVER 1,000 PEOPLE

Firm	**Type**	**Subsector**	**Workforce (num. of people)**
* DANONE, S.A	NFB	DAIRY PRODUCTS	4,098
* PEDRO DOMECQ, S.A. (GRUPO)	NFB	WINES AND LIQUORS	3,931
CRUZCAMPO (GRUPO)	NFB	BEER	3,017
S.A. EL AGUILA	NFB	BEER	2,703
BIMBO, S.A.	NFB	BISCUITS AND IND. PASTRIES	2,671
PRODUCTOS PEPSICO, S.A.	NFB	DRIED FRUITS	2,145
* EBRO, CIA. AZUC., S.A. (GRUPO)	NFB	SUGAR AND HONEY	2,072
* SCHWEPPES, S.A.	NFB	SOFT DRINKS	1,946
KNORR ELORZA, S.A. (KESA)	NFB	SOFT DRINKS	1,656
LECHE PASCUAL, S.A.	FB	DAIRY PRODUCTS	1,616
PESCANOVA, S.A.	FB	FROZEN FOODS	1,607
CONSERVERA CAMPOFRIO, S.A.	FB	MEAT PRODUCTS	1,547
MAHOU, S.A.	NFB	BEER	1,500
UNIASA	NFB	DAIRY PRODUCTS	1,316
UNION CERVECERA, S.A.	NFB	BEER	1,298
S.A. DAMM	NFB	BEER	1,275
SAN MIGUEL, S.A.	NFB	BEER	1,248
OMSA ALIMENTACION, S.A.	NFB	MEAT PRODUCTS	1,235
LA CRUZ DEL CAMPO, S.A.	NFB	BEER	1,230
OSBORNE Y CIA., S.A. (GRUPO)	FB	WINES AND LIQUORS	1,204
* ELOSUA, S.A. (GRUPO)	NFB	VEGETABLE OIL AND FAT	1,188
HIJOS DE ANDRES MOLINA, S.A.	FB	MEAT PRODUCTS	1,179
CASBEGA, S.A.	FB	SOFT DRINKS	1,074
AVIDESA LUIS SUÑER, S.A.	FB	FROZEN FOODS	1,069
BODEGAS Y BEBIDAS, S.A. (GRUPO)	NFB	WINES AND LIQUORS	1,047
COBEGA, S.A.	FB	SOFT DRINKS	1,000

* Firms belonging to both groups.

Exhibit 3

FIRMS WITH A SALES/WORKFORCE RATIO OF OVER 500 MILLION PESETAS

Firm	Type	Subsector	Sales/ workforce (million ptas.)	Sales (million ptas.)	Workforce (number of people)	Casual workforce (number of people)
FRINT ESPAÑA, S.A.	NFB	VEGETABLE OIL AND FAT	3,999	31,993	8	N.A.
ESPAÑOLA DE ALIMENTACION	NFB	VEGETABLE OIL AND FAT	2,456	12,278	5	N.A.
ENCO IBERICA, S.A.	NFB	MEAT PRODUCTS	2,000	6,000	3	N.A.
AGRUP. COOPERATIVAS EXTREMEÑAS	NFB	WINES AND LIQUORS	1,925	3,850	2	2
COOPERATIVA VETA LA MORA	NFB	PASTA	1,400	1,400	1	3
UNION DISTRIBUIDORA PASTELERIA,S.A.	NFB	BISCUITS AND IND. PASTRIES	1,249	2,497	2	4
SEVEN-UP ESPAÑA, S.A.	NFB	SOFT DRINKS	1,167	3,500	3	N.A.
CIA. SERV. BEBIDAS REFRESCANTES,S.A. (1)	NFB	SOFT DRINKS	863	145,000	168	N.A.
KAS, S.A. (GRUPO)	FB	SOFT DRINKS	850	13,600	16	2
COCDE, S.A.	NFB	FLOUR	750	1,500	2	N.A.
CORDOLIVA, S. COOP.	NFB	VEGETABLE OIL AND FAT	668	4,008	6	6
AGRO SEVILLA, S. COOP.	NFB	VEGETABLE OIL AND FAT	655	5,891	9	N.A.
COMPRE Y COMPARE, S.A.	FB	CANNED VEGETABLES	553	1,660	3	90
CORN-FRIT, S.A.	FB	DRIED FRUITS	500	1,000	2	3

N.A.: Not available.

(1) Has sales of more than 50,000 million pesetas (Exhibit 2).

Exhibit 4

FIRMS WITH EXPORTS OF OVER 5,000 MILLIONS PESETAS

Firm	Type	Sector	Exports (million ptas.)	Sales (million ptas.)	Workforce (num. of people)	Casual workforce (num. of people)
ESPAÑOLA DE ALIMENTACION (3)	NFB	VEGETABLE OIL AND FAT	12,278	12,278	5	N.A.
CARGILL, ESPAÑA, S.A.	FB	VEGETABLE OIL AND FAT	8,130	82,586	971	123
ELOSUA, S.A. (GRUPO) (1) (2)	NFB	VEGETABLE OIL AND FAT	8,000	77,837	1,188	1,395
FREIXENET, S.A. (GRUPO)	FB	WINES AND LIQUORS	7,937	28,400	698	N.A.
JOHN HARVEY, S.A.	NFB	WINES AND LIQUORS	7,872	8,381	217	63
FRIO CONDAL, S.A.	FB	FROZEN FOOD	7,500	25,000	800	N.A.
PEDRO DOMECQ, S.A. (GRUPO) (1) (2)	NFB	WINES AND LIQUORS	7,000	111,959	3,931	N.A.
BODEGAS Y BEBIDAS, S.A. (GRUPO) (2)	NFB	WINES AND LIQUORS	6,241	20,824	1,047	N.A.
AGRO SEVILLA, S. COOP. (3)	NFB	WINES AND LIQUORS	5,631	5,891	9	N.A.
CIA. ENVASADORA LORETO, S.A.	NFB	CANNED VEGETABLES	5,476	5,993	134	665
MINERVA, S.A.	NFB	VEGETABLE OIL AND FAT	5,434	8,037	40	36

N.A.: Not available.

(1) Sales of more than 50,000 million pesetas (Exhibit 2).
(2) Workforce of more than 1,000 people (Exhibit 2).
(3) Sales/workforce ratio of over 500 million pesetas (Exhibit 3).

Exhibit 5

FIRMS WITH EXPORTS OF MORE THAN 75% OF SALES

Firm	**Type**	**Subsector**	**Exports/ sales**	**Sales (million ptas.)**	**Workforce (num. of people)**	**Casual workforce (num. of people)**
GRUPO HARVEY, S.A.	FB	WINES AND LIQUORS	100%	1,788	N.A.	N.A.
EUROLIVA, S.A.	FB	CANNED VEGETABLES	100%	2,000	48	175
JOHN HARVEY AND SONS (ESPAÑA), S.A.	FB	WINES AND LIQUORS	100%	2,081	118	N.A.
TE-PE, S.A.	FB	CANNED VEGETABLES	100%	2,200	39	150
GOYA EN ESPAÑA, S.A.	NFB	CANNED VEGETABLES	100%	1,000	35	15
OILEX, S.A.	NFB	VEGETABLE OIL AND FAT	100%	1,200	16	N.A.
LUIS PAEZ, S.A.	NFB	WINES AND LIQUORS	100%	1,325	20	N.A.
HISPANOLIVA, S.A.	NFB	VEGETABLE OIL AND FAT	100%	1,504	10	N.A.
ESPAÑOLA DE ALIMENTACION (3) (4)	NFB	VEGETABLE OIL AND FAT	100%	12,278	5	N.A.
JOSE MEDINA Y CIA., S.A.	FB	WINES AND LIQUORS	98%	2,700	64	25
SANCHEZ POLAINA, S.A.	FB	FLOUR	98%	3,209	40	15
AGRO SEVILLA, S. COOP. (4)	NFB	VEGETABLE OIL AND FAT	96%	5,891	9	N.A.
ACEITUNAS DE MESA CORDOBA, S.C.L.	NFB	CANNED VEGETABLES	94%	1,474	16	31
JOHN HARVEY, S.A. (4)	NFB	WINES AND LIQUORS	94%	8,381	217	63
CONSERVAS SANFRUTAS, S.A.	NFB	CANNED VEGETABLES	92%	1,300	20	102
PRODUCTOS MENCEY, S.A.	FB	SPICES AND VINEGARS	92%	1,800	16	4
CIA. ENVASADORA LORETO, S.A. (4)	NFB	CANNED VEGETABLES	91%	5,993	134	665
CONSERVAS Y FRUTAS, S.A. (COFRUSA)	NFB	CANNED VEGETABLES	91%	4,800	100	400
AGRO SEVILLA ACEITUNAS, S. COOP. (3)	NFB	CANNED VEGETABLES	90%	2,064	28	100
CIA. COLOME DE ACEITES, S.A.	FB	VEGETABLE OIL AND FAT	90%	1,300	10	5
C. AUGUSTO EGLI, S.A.	NFB	WINES AND LIQUORS	90%	1,050	38	3
BODEGAS SCHENK, S.A.	NFB	WINES AND LIQUORS	90%	2,000	40	3
IND. PIMENTONERA MURCIANA, S.A.	FB	SPICES AND VINEGARS	88%	1,467	51	36
ZETA ESPECIAL, S.A.	NFB	SWEETS	88%	1,150	51	17
CROFT JEREZ, S.A.	NFB	WINES AND LIQUORS	88%	4,000	90	N.A.
AROTZ, S.A.	NFB	FROZEN FOODS	86%	3,159	38	193
GREXAVAL, S.A.	FB	DRIED FRUITS	82%	1,693	18	50
UNICHAMP, S.A.T.	NFB	CANNED VEGETABLES	82%	1,100	12	130
FRIO INDUSTRIAL CEÑO, S.A. (FRICENSA)	FB	FROZEN FOODS	80%	2,100	28	22
VICENTE GANDIA PLA, S.A.	NFB	WINES AND LIQUORS	80%	2,848	38	12
INDUSTRIAS VIDECA, S.A.	NFB	CANNED VEGETABLES	79%	1,107	26	480
AGRAZ, S.A.	NFB	CANNED VEGETABLES	77%	2,600	95	N.A.
BODEGAS INTERNACIONALES,S.A.	FB	WINES AND LIQUORS	76%	2,900	135	N.A.

(3) Sales/workforce ratio of over 500 million pesetas (Exhibit 3).
(4) Exports of more than 5,000 million pesetas (Exhibit 4).

Exhibit 6

FIRMS WITH EQUITY OF OVER 10,000 MILLION PESETAS

Firm	Type	Subsector	Equity (million ptas.)	Sales (million ptas.)	Workforce (num. of people)	Casual workforce (num. of people)
EBRO, CIA. AZUC., S.A. (GRUPO) (1) (2)	NFB	SUGAR AND HONEY	34,651	75,918	2,072	N.A.
PEDRO DOMECQ, S.A. (GRUPO) (1) (2) (4)	NFB	WINES AND LIQUORS	30,609	111,959	3,931	N.A.
LA CRUZ DEL CAMPO, S.A. (2)	NFB	BEER	29,729	33,821	1,230	168
S.A. EL AGUILA (2)	NFB	BEER	22,825	43,762	2,703	N.A.
CIA. DE INDUSTRIAS AGRICOLAS, S.A.	NFB	HONEY AND SUGAR	18,269	33,073	979	840
SDAD. GRAL. AZUCARERA DE ESPAÑA, S.A.	NFB	HONEY AND SUGAR	16,121	32,671	578	469
S.A. DAMM (2)	NFB	BEER	15,030	25,695	1,275	N.A.
LARIOS, S.A. (GRUPO)	FB	WINES AND LIQUORS	14,693	30,102	152	98
OSBORNE Y CIA., S.A. (GRUPO) (2)	FB	WINES AND LIQUORS	13,562	41,511	1,204	N.A.
CODORNIU, S.A. (GRUPO)	FB	WINES AND LIQUORS	13,490	23,723	765	N.A.
KOIPE, S.A. (GRUPO)	NFB	VEGETABLE OIL AND FAT	13,151	44,431	605	61
CONSERVERA CAMPOFRIO, S.A. (2)	FB	MEAT PRODUCTS	12,980	40,529	1,547	326
SAN MIGUEL, S.A. (2)	NFB	BEER	12,526	30,697	1,284	N.A.
CARGILL, ESPAÑA, S.A. (1) (4)	FB	VEGETABLE OIL AND FAT	12,242	82,586	971	123
BIMBO, S.A. (2)	NFB	BISCUITS AND IND. PASTRIES	12,197	25,083	2,671	N.A.
KOIPE, S.A.	NFB	VEGETABLE OIL AND FAT	11,421	41,382	459	N.A.
FERNANDO A. DE TERRY, S.A.	FB	WINES AND LIQUORS	10,725	9,971	358	55
LECHE PASCUAL, S.A. (2)	FB	DAIRY PRODUCTS	10,495	46,071	1,616	N.A.

N.A.: Not available.

(1) Sales of more than 50,000 million pesetas (Exhibit 2).
(2) Workforce of more than 1,000 people (Exhibit 2).
(4) Exports of more than 5,000 million people (Exhibit 4).

Exhibit 7

FIRMS WITH AND EQUITY/WORKFORCE RATIO OF OVER 50 MILLION PESETAS

Firm	Type	Subsector	Equity/ workforce (million ptas.)	Sales (million ptas.)	Workforce (num. of people)	Casual workforce (num. of people)
AGRICULTURA Y CONSERVAS, S.A.	NFB	CANNED VEGETABLES	179	1,000	7	350
DIEZ MERITO, S.A.	FB	WINES AND LIQUORS	163	1,200	36	N.A.
COOPERATIVA VETA LA MORA (3)	NFB	PASTA	129	1,400	1	3
LARIOS, S.A. (GRUPO) (6)	FB	WINES AND LIQUORS	97	30,102	152	98
CROFT JEREZ, S.A. (5)	NFB	WINES AND LIQUORS	69	4,000	90	N.A.
AROTZ, S.A. (5)	NFB	FROZEN FOODS	60	3,159	38	193
INTERMALTA, S.A.	NFB	BEER	58	6,100	32	N.A.
COOPERATIVA VIRGEN DE LAS VIÑAS	NFB	WINES AND LIQUORS	58	1,817	14	40
SAIMAZA, S.A.	NFB	COFFEE AND TEA	57	5,550	145	N.A.
ACEITES RUMOLIVA, S.A.	NFB	VEGETABLE OIL AND FAT	55	1,800	16	12
UNION DISTRIBUIDORA PASTELERIA, S.A. (3)	NFB	BISCUITS AND IND. PASTRIES	51	2,497	2	4

N.A.: Not available.

(3) Sales/workforce ratio of over 500 million pesetas (Exhibit 3).
(4) Exports/sales ratio of over 75% (Exhibit 5).
(6) Equity of more than 10,000 million pesetas (Exhibit 6).

Exhibit 8

FIRMS WITH A YEARLY FIXED ASSET INVESTMENT OF OVER 5,000 MILLION PESETAS

Firm	Type	Subsector	Investment (million pesetas)	Sales (million pesetas)	Workforce (num. of people)
MAHOU, S.A. (2)	NFB	BEER	6,486	34,933	1,500
CRUZCAMPO (GRUPO) (2)	NFB	BEER	6,087	47,617	3,017
S.A. EL AGUILA (2) (6)	NFB	BEER	5,905	43,762	2,703
UNIASA (2)	NFB	DAIRY PRODUCTS	5,144	29,907	1,316

(2) Workforce of more than 1,000 people (Exhibit 2).
(6) Equity of more than 10,000 million pesetas (Exhibit 6).

Exhibit 9

FIRMS WITH AN INVESTMENT/WORKFORCE RATIO OF OVER 25 MILLION PESETAS

Firm	Type	Subsector	Investment/ Workforce (million pesetas)	Sales (million pesetas)	Workforce (num. of people)	Casual workforce (num. of people)
KAS, S.A. (GRUPO) (3)	FB	SOFT DRINKS	122	13,600	16	2
COOPERATIVA VETA LA MORA (3) (7)	NFB	PASTA	100	1,400	1	3
UNION DISTRIBUIDORA PASTELERIA, S.A. (3) (7)	NFB	BISCUITS AND IND. PASTRIES	60	2,497	2	4
RAMON PUIG, S.A.	NFB	MEAT PRODUCTS	26	1,092	35	70

(3) Sales/workforce ratio of over 500 million pesetas (Exhibit 3).
(7) Equity/workforce ratio of over 50 million pesetas (Exhibit 7).

Exhibit 10

FIRMS FOUNDED BEFORE 1900

Firm	Type	Subsector	Year of foundation	Sales (million ptas.)	Workforce (num. of people)	Casual workforce (num. of people)
ALVEAR, S.A.	FB	WINES AND LIQUORS	1729	1,541	57	25
OSBORNE Y CIA., S.A. (GRUPO) (2) (6)	FB	WINES AND LIQUORS	1772	41,511	1,204	N.A.
SANCHEZ ROMATE HNOS., S.A.	NFB	WINES AND LIQUORS	1781	1,050	59	N.A.
ANTONIO BARBADILLO, S.A.	FB	WINES AND LIQUORS	1821	1,718	74	14
GONZALEZ BYASS, S.A.	FB	WINES AND LIQUORS	1835	19,972	410	N.A.
BODEGAS FAUSTINO MARTINEZ, S.A.	FB	WINES AND LIQUORS	1860	2,200	87	100
VINOS HEREDEROS MARQUES RISCAL, S.A.	FB	WINES AND LIQUORS	1860	1,150	68	23
BERNARDO ALFAGEME, S.A.	FB	CANNED FISH	1870	9,432	212	75
HIJOS DE CARLOS ALBO, S.A.	FB	CANNED FISH	1870	5,100	280	135
CHOCOLATES ELGORRIAGA, S.A.	NFB	SWEETS	1870	4,880	154	60
ANIS DEL MONO, S.A.	FB	WINES AND LIQUORS	1870	3,487	19	N.A.
BODEGAS RIOJA SANTIAGO, S.A.	FB	WINES AND LIQUORS	1870	1,100	36	N.A.
ANTONIO FERNANDEZ Y CIA, S.A.	FB	COFFEE AND TEA	1872	2,100	62	N.A.
JUAN Y TEODORO KUTZ, S.A.	NFB	BEER	1873	3,618	260	62
JOHN HARVEY AND SONS (ESPAÑA), S.A. (5)	FB	WINES AND LIQUORS	1875	2,081	118	N.A.
HIJOS DE ANTONIO BARCELO, S.A.	NFB	WINES AND LIQUORS	1876	1,037	53	N.A.
WILLIAMS & HUMBERT LTD.	NFB	WINES AND LIQUORS	1877	1,800	101	N.A.
BODEGAS FRANCO ESPAÑOLAS, S.A.	FB	WINES AND LIQUORS	1880	1,450	40	N.A.
GALLETAS FONTANEDA, S.A.	FB	BISCUITS AND IND. PASTRIES	1881	9,454	748	N.A.
FERNANDO A. DE TERRY, S.A. (6)	FB	WINES AND LIQUORS	1883	9,971	358	55
INDUSTRIAS CARNICAS CABO, S.A.	FB	MEAT PRODUCTS	1886	6,000	270	N.A.
MAZAPANES DE TOLEDO, S.A.	FB	SWEETS	1886	1,450	10	200
MAXIMINO MORENO, S.A.	FB	CANNED VEGETABLES	1890	1,800	40	100
TURRONES LA FAMA, S.A.	FB	SWEETS	1890	1,400	41	99
LA RIOJA ALTA, S.A.	NFB	WINES AND LIQUORS	1890	1,200	56	14
CHOCOLATES TRAPA, S.A.	FB	SWEETS	1891	1,200	100	22
FLO, S.A.	FB	PASTA	1896	1,950	105	N.A.
CONSERVAS CERQUEIRA, S.A.	FB	CANNED FISH	1898	1,724	96	100
FEDERICO PATERNINA, S.A.	FB	WINES AND LIQUORS	1898	1,600	90	N.A.
BODEGAS ROQUETA, S.A.	FB	WINES AND LIQUORS	1898	1,100	42	10

N.A.: Not available.

(2) Workforce of more than 1,000 people (Exhibit 2).
(6) Exports/sales ratio of over 75% (Exhibit 5).
(5) Equity of more than 10,000 million pesetas (Exhibit 6).

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