



LACOR-IBILI, growth as an aspiration for two entrepreneurial families

This case study was carried out by Cristina Aragón and Cristina Iturrioz for the Antonio Aranzábal Foundation and Deusto Business School. The authors would like to thank the company for collaborating on this project, and in particular, José Ramón Larrañaga, Miguel Ángel Larrañaga, José Ignacio Igarza, Izaskun Larrañaga, José Javier Larrañaga, Marcos Larrañaga, Mikel Larrañaga, Eva Larrañaga, Iñigo Igarza, Iosu Rodríguez and Joseba Azkargorta. Additionally, they gratefully acknowledge the financial support from the Basque Government Department of Education (IT1429-22). The final version of the case study was approved on 14th December 2023. Translator: BETTERTEXT.

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*talde honen **bihotza** izateagatik*

Antonio Aranzábal Foundation
Donostia-San Sebastián, 2023
ISBN: 978-84-09-11513-6

Please cite only the published version using the following reference:

Aragón, C. and Iturrioz, C. (2023) LACOR-IBILI. *Long-run Family Firms Case Studies - Fourth Collection*, Antonio Aranzábal Foundation, San Sebastián.

The heat was just another travel companion as we drove in the Citroën C3 to the Labor-IBILI facilities in Bergara. So, after parking, we were grateful to enter the facilities in the sunshine and meet Izaskun as she came down the spiral staircase leading to the offices. After greeting us, she escorted us to a meeting room where we could admire the products lining the walls of the room. There, shiny pans, frying pans with colourful ties, elegant aprons and all kinds of kitchenware products were silent witnesses to the interviews we conducted with the family and the managers of this family business group, which has been dedicated to kitchen and catering equipment for more than 80 years.

The origin of this entrepreneurial family

Marcos Larrañaga and his brother-in-law José Igarza, together with three other partners, the brothers Vicente and Francisco Biain, allied with a fifth partner who left the company shortly afterwards, founded IBILI in 1942, the seed of the current LACOR-IBILI group. IBILI was the commercial brand that reflected the initials of this group of founding partners whose initial company name was José Igarza Aramburu.

In those post-Civil War years, in the Leniz valley, the BEROA company, which produced kitchenware from rolled aluminium, employed, among many others, one of the Biain brothers, Vicente, and Marcos Larrañaga, who learnt the process of manual deformation of aluminium, known as "notching" or "repulsing", which allowed the manufacture of these metal utensils.

- *"The work at that time was very physical, grease was used in the carving process, and it splashed on the face, arms and overalls of the workers, who ended up completely black" - remembers José Ignacio Igarza, a member of the second generation of this family business.*

Marcos, after his experience at BEROA, went to work in a sheet metal company in Oñati, where he met Casimira Cortabarria, whom he married to start a family. Both Marcos and the rest of the partners combined their jobs with this incipient business venture in which they poured their knowledge and ambitions.

They started their activity in premises of no more than 200 metres, with one machine and thanks to their know-how they began to manufacture simple aluminium products such as candlesticks, plates, lunch boxes, pots and glasses in response to the great demand in a market hungry for consumer products.

- *"The problem was not selling, but access to raw materials. A warehouseman must have given us money and told us 'make whatever you want', since everything was sold. But the shortage of materials was such that my father once bought a downed plane to use all its aluminium as raw material for our manufacturing process", evokes José Ramón Larrañaga, a member of the second generation of this family business.*

Illustration 1. First location of the LACOR-IBILI Group in the streets of the municipality of Bergara



However, in 1947, the company underwent a major change. Due to disagreements in the vision of the business, Marcos Larrañaga decided to leave IBILI and found Manufacturas Metálicas Marcos Larrañaga (MMML). Marcos was originally from a hamlet in Antzuola and was well known in the surrounding area for his skills in repairing agricultural machinery. He was a true autodidact with a lot of initiative and intuition.

- *“After disagreements between the partners, Marcos Larrañaga decided to leave the IBILI project and start his own project. To do this, the two parties decided to divide the workshop they had into two parts (by putting up a wall in the middle). In this way, my grandfather founded Manufacturas Metálicas Marcos Larrañaga (MMML) which, after a few years, began to operate under the brand name LACOR (from Larrañaga and Cortabarría, my grandmother's surname). Marcos started his own project with four machines and the risk that all this entailed”, recalls Izaskun Larrañaga, current CEO of the group and member of the third generation.*

As a result of this split, IBILI and LACOR followed parallel paths for 50 years. In the 1960s, Marcos Larrañaga clearly saw the growth of tourism in Spain and, consequently, that of the hotel and catering industry and decided to start manufacturing large pieces for this new and expanding market, while IBILI would continue to focus on the household goods market.

Despite the separation of the businesses, the second generation of the Igarza and Larrañaga families were able to maintain a close family relationship. Cousins José Ignacio Igarza and Juan Carlos Larrañaga were the same age, studied together and formed part of the same gang in Bergara in their youth, and in Donostia where they both went to live while studying and where they later maintained their residence.

- *“IBILI and LACOR were separated by a wall, both in Bergara, my grandfather Marcos' sister was married to José Igarza, a partner in IBILI, so there were family ties between the two companies and the relationship was always maintained” - recalls Izaskun Larrañaga, current CEO of the group and member of the third generation.*

This family relationship, so fluid and close between the second generation of cousins José Ignacio Igarza and Juan Carlos Larrañaga, leads to a common history of rapprochement between the two business realities in which the subsequent merger of the two companies was forged.

- *“At home we have always been taught the value of family, we know that generosity nurtures the feeling of family, and we know that sacrifices have to be made, not only for the company, but also for the family”, says José Javier Larrañaga, current member of the third generation of the family.*

In 2000, after a long process, José Ignacio Igarza took over IBILI, which merged with LACOR to form the LACOR-IBILI GROUP.

- *“At the beginning, these were complicated times as everything was duplicated and there was a great need to simplify and make the most of the synergies between the two realities” - recalls José Javier Larrañaga, current member of the third generation of the family.*

The parallel development of two-family businesses

Let's go back in time. In the 1950s, MML (later LACOR) developed significantly, covering different markets, and developing a wide range of products.

- *“It even entered the orthodontics segment, and a patent was developed for an aluminium mould to manufacture material for this sector,” recalls José Ramón Larrañaga, a member of the second generation of the family.*

Illustration 2. Catalogue of aluminium household articles and their tariffs

ARTICULO CLASE ESPECIAL SIN BORDE, ACABADO ESMERILADO, ASAS DE ALUMINIO FUNDIDO O NEGRAS		DIMENSIONES Y PRECIOS							
ARTICULOS		De	10	12	14	16	18	20	22
Cacerolas con tapa	De	10	12	14	16	18	20	22	
	A	9,20	11,90	15,50	18,45	23,25	29,40	34,10	
Cazos bombeados	De	10	12	14	16	18	20	22	
	A	6,85	8,20	10,35	14,25	17,70	21,15	24,45	
Coladores esféricos	De	10	12	14	16	18	20	22	
	A	11,55	13,00	15,10	17,25	20,50	23,60	30,10	
Cucharones cacillos	De	8	9	10					
	A	2,95	3,80	4,35					
Herridres (sucuelchos)	De	1	1 1/2	2	2 1/2	3	4	5	
	A	19,25	23,05	25,95	32,15	36,30	39,70	49,00	
Escurridores con pie	De	20	22	24					
	A	27,90	33,45	41,00					
Espumaderas	De	8	9	10					
	A	2,70	3,50	4,00					
Flambreras cierre broche	De	10	11	12	14	16	18	20	22
	A	7,80	8,60	10,00	12,30	15,10	19,65	24,75	30,25
Flaneras con tapa	De	10	11	12	14	16			
	A	9,30	10,35	12,30	15,15	18,45			
Jarras San Juan	De	1	1 1/2	2	2 1/2				
	A	15,00	18,05	21,70	25,10				
Lucheras cónicas T. B.	De	1	1 1/2	2	2 1/2	3			
	A	20,05	23,25	27,50	32,30	45,30			
Ollas bombeadas	De	10	12	14	16	18	20	22	
	A	14,80	18,80	22,70	29,20	37,10	45,30	61,10	
Vasos cilíndricos C. A.	De	8	9	10	11	12	14		
	A	6,25	7,35	9,15	11,30	12,70	17,30		
Vasos cónicos	De	6	7	8					
	A	3,30	3,60	4,25					

NOTA. - Con asas stálenas de INSULTA: 5 % de recargo.
En acabado exterior PULIDO BRILLANTE: 5 % de recargo, excepto en cafeteras, lucheras y topasas.

OBSERVACIONES GENERALES. - Los precios de esta tarifa se entienden netos para mercadería presentada en mi fábrica, siendo de cuenta de los compradores los portes, empaques y embalajes.

Por norma general mis artículos se sirven con asas de hierro barnizado (negras) y los cónicos que deseen recibidos con asas de aluminio fundido (blancas), deberán hacer la correspondiente indicación en la nota de pedido.

Manufacturas Metálicas

MARCOS LARRAÑAGA

ORTUBAR - TELEFONO, 263 VERGARA (GUPUZCOA)

ARTICULOS DE USO DOMESTICO EN ALUMINIO

Tarifa de Precios

Registradas con el núm. S. 3.161.433-41 en la Secretaría General Técnica del Ministerio de I. y C. de acuerdo con la Orden de 19 de Junio de 1.948.

MARZO 1.950.

ARTICULOS ESPECIALES CON BORDE, ACABADO ESMERILADO, ASAS DE ALUMINIO FUNDIDO O NEGRAS DE HIERRO BARNIZADO		DIMENSIONES Y PRECIOS							
ARTICULOS		De	10 <th>12 <th>14 <th>16 <th>18 <th>20 <th>22 </th></th></th></th></th></th>	12 <th>14 <th>16 <th>18 <th>20 <th>22 </th></th></th></th></th>	14 <th>16 <th>18 <th>20 <th>22 </th></th></th></th>	16 <th>18 <th>20 <th>22 </th></th></th>	18 <th>20 <th>22 </th></th>	20 <th>22 </th>	22
Aperitivos de acite	De	8	9	10					
	A	15,50	18,55	22,15					
Azucareros con tapa	De	1/2	1						
	A	6,20	8,20						
Azucareros cónicos con tapa	De	1/2	1						
	A	6,30	8,30						
Bacter papeiras	De	8	9						
	A	1,20	2,10						
Cacerolas con dos asas y tapa	De	10	12	14	16	18	20	22	
	A	5,45	7,00	8,40	10,80	13,20	15,60	19,80	
Cazos bombeados con mango y pie	De	10	12	14	16	18	20	22	
	A	3,90	4,35	5,85	7,30	9,25	10,20	11,25	
Coladores esféricos	De	10	12	14	16	18	20	22	
	A	6,05	6,85	7,70	9,25	11,25	14,25	17,25	
Colador con mango	De	12							
	A	5,30							
Coladores pastiles	De	10	12	14					
	A	6,05	6,85	7,70					
Ollas para arroz	De	20							
	A	8,40							
Sucuelchos	De	1	1 1/2	2	2 1/2	3			
	A	12,30	14,90	17,55	21,40	25,20			
Tableros cuadrados o rectos	De	10	12	14	16				
	A	4,20	4,85	6,20	7,90				
Terceritos con base	De	20	22	24					
	A	14,25	17,15	21,40					
Flambreras cierre a broche o pastiles	De	10	11	12	14	16	18	20	22
	A	6,45	7,15	8,30	10,25	12,00	14,35	16,65	21,40
Flaneras con tapa	De	10	12	14	16				
	A	3,30	3,70	4,40	5,05				
Flaneras individuales	De	5	5 1/2	6	7	8			
	A	1,35	1,45	1,65	2,05	2,65			
Jarras San Juan	De	1/2	1	1 1/2	2	2 1/2			
	A	7,30	9,95	10,95	12,10	15,90			

ARTICULOS	DIMENSIONES Y PRECIOS								
Lucheras cónicas con tapa y mango	De	1	1 1/2	2	2 1/2	3			
	A	12,00	14,55	17,15	19,80	24,70			
Lucheras con tapa sencilla	De	1	1 1/2	2	2 1/2	3			
	A	11,05	13,55	16,15	18,80	23,70			
Lucheras forma solitaria	De	2	2 1/2	3	4				
	A	19,80	24,90	29,80	37,65				
Ollas bombadas con dos asas y tapa	De	10	12	14	16	18	20	22	24
	A	9,25	11,70	15,90	20,65	24,20	30,00	35,60	44,25
Ollas	De	18	20	22	24				
	A	14,90	16,85	20,60	24,10				
Polipastos	De	12	14	16	18	20	22	24	26
	A	2,65	3,35	4,10	4,85	5,85	7,05	8,35	9,60
Polipastos redondos	De	10	12	14	16	18	20	22	24
	A	10,25	11,15	13,60	14,80	17,25	22,45	29,30	
Platos bandas y flanes	De	13							
	A	3,70							
Platos chicos con dos asas	De	16	18	20	22	24			
	A	3,65	4,65	5,50	6,25	7,75			
Platos chicos con dos asas	De	22							
	A	10,90							
Platos cuadrados	De	10	11	12					
	A	8,60	11,30	12,15					
Platos rectos	De	12	14	16	18				
	A	30,85	48,60	64,20	88,20				
Sopas rebolador con dos asas	De	14	18	20	22	24	26	28	30
	A	4,70	8,70	9,45	10,55	12,70	13,90	15,55	18,25
Tapan con asa	De	10	11	12	13	14			
	A	5,40	3,55	3,85	4,05	4,85			
Tapan sin asa	De	10	11	12	13	14			
	A	2,90	3,05	3,35	4,00	4,35			
Vasos cilíndricos con asa	De	7	8	9	10	11	12	14	
	A	3,15	3,80	4,45	5,25	6,20	7,25	10,10	
Vasos cónicos	De	6	7	8					
	A	1,85	2,85	3,00					

Gradually, the national market matured and in the 1970s distribution was already monopolised by a few stockists who had large agreements with the main manufacturers such as BRA or MAGEFESA, compared to which LACOR was a small manufacturer. However, its size and family management allowed it to make decisions in a very agile way, taking advantage of the opportunities that arose and introducing technical innovations that enabled it to remain in the market. In those years, fryers played a fundamental role and the minigrill that LACOR developed and patented was a great success.

- *“My father listened to a friend when he told him about a portable oven he had seen in Argentina, and without hesitation, after a few drawings made by my brother Miguel Ángel, then an engineering student, he developed it completely; he even had to go to Galerías Preciados to give demonstrations. He was very successful, but after a few years, he sold the patent to a company that offered him a good deal”, recalls José Ramón Larrañaga, a member of the second generation of the entrepreneurial family.*

It was at that time that Marcos' sons gradually joined the company, Juan Carlos in 1969, Miguel Ángel in 1971 and then José Ramón, almost 10 years later.

- *“After studying engineering, I joined the company where my brother Juan Carlos was already working. He was in charge of general management and sales, and I was in charge of all the technical and production development”, says Miguel Ángel Larrañaga, a member of the second generation of the family.*

These were years in which LACOR developed new, technically advanced products, incorporating innovations that emerged on the market. One of the most important innovations was the incorporation of the "Difus" diffuser base in its products.

- *“We were the pioneers in Spain in the manufacture of large-sized deep-drawn stainless-steel parts for the catering industry with a diffuser bottom, under the registered trademark Chef”, recalls Miguel Ángel Larrañaga, a member of the second generation of the family.*

Illustration 3. Marcos Larrañaga with his three sons: Juan Carlos, Miguel Ángel and José Ramón



Following technological developments in kitchens and innovating to ensure that kitchenware could adapt to new requirements was a constant. Thus, LACOR marketed "Vitrocor", cookware that could work with glass ceramic, and later, in the 90s, introduced ferritic aluminium, which allowed them to adapt to induction glass ceramic.

In addition to the household consumer segment, both Juan Carlos and Miguel Ángel worked to target the hotel and catering industry.

- *"My brother Juan Carlos managed to maintain very good relations with different clients such as MAKRO. These links allowed us to grow in the hotel and catering business to become a very well-known brand,"* says Miguel Ángel Larrañaga, a member of the second generation of the family.

For its part, IBILI also evolved. Leveraging on its knowledge of aluminium handling, it began to manufacture new product ranges, from washing machines to the well-known IBILI tumble dryers that flooded the local market.

- *"In Bergara, there was an IBILI dryer in every house. However, tackling these new products came at a significant cost for the company, involved investments and entailed the incorporation of new knowledge and processes such as painting. We learned how to do it and this allowed us to have new capabilities that later proved to be valuable"-* says José Ignacio Igarza, a member of the second generation of the family.

Illustration 4. Technical information about IBILI tumble dryers

SECADORAS

IBILI

alto 60

DATOS TECNICOS:
Mueble de aluminio (sin soldadura) pintado y secado al horno.
Equipadas con motor para corriente alterna de 50 periodos, de 1.6 HP., en los voltajes de 110, 125, 150 ó 220 V. s; pedido, con suspensión flotante.
Cesto de aluminio reforzado, suspendido sobre eje de motor, con rotación de 3.000 r. p. m.
Capacidad de 4 kgs. de ropa seca.
Dimensiones: 68 cms. Alto y 39 cms. de Diámetro.

modelo DS-3.301
Freno automático al abrir la tapa
P. V. P. 5.200 PTAS.
alto 60
30% - 35%

modelo DS-2.201
Desconector de red "Sin-cronizado con la tapa" y regulador minútero de tiempo de secado (sin freno)
P. V. P. 4.850 PTAS.

modelo DS-1.501
Regulador minútero de tiempo de secado (sin freno)
P. V. P. 4.100 PTAS.

modelo DS-1.101
(sin freno)
P. V. P. 3.800 PTAS.

After the death of Francisco Biain, his widow asked to sell her share of the company and IBILI was left with only two partners, Vicente Biain and José Igarza, and in 1971 his son José Ignacio Igarza joined the company after finishing his business studies at ESTE.

- *“Those were hard times, I started with the costs, the timing of the production processes and the review of the product portfolio. There were products that were not competitive due to their manual production, such as washing machines, and we had to eliminate them from the portfolio”, recalls José Ignacio Igarza, a member of the second generation of the family.*

In this renewal of the portfolio, the incorporation of aluminium baking moulds stands out, and later tin-plated iron moulds which, although of lower quality, allowed them to offer a low-price product that was competitive in the market. IBILI also incorporated technical innovations such as the non-stick coating on IBILI frying pans. Thanks to their knowledge of the painting process, they were able to incorporate it quickly, offering a renewed product to the national market.

- *“At a fair I saw the first non-stick pans and we quickly bought the oven and paint booths and made an agreement with Dupont, which was the Teflon supplier, to offer our non-stick pans to the market”, explains José Ignacio Igarza, a member of the second generation of the family.*

After all these years of working in parallel, at the beginning of the 1980s, the two companies began to join forces to enter the international market. The two cousins, Juan Carlos Larrañaga and José Ignacio Igarza, shared the concerns of two small manufacturers facing a market increasingly dominated by the big companies and decided to join forces to tackle the international market. Specifically, they created an export consortium that ended up taking the form of a company together with other small manufacturers in the region with which they formed a portfolio of complementary products. These included RADAR and DECOR, both manufacturers of steel and aluminium pressure cookers respectively, ESAZA, a manufacturer of small accessories, CUNCIAL, which made tents, and, finally, IBILI and LACOR.

- *“We created the MENEX company, hired staff and took the first steps, but it didn't quite work out, although it allowed us to get to know what was being produced abroad and although the aim was to export, it allowed us, at least for us, to start importing production to market in Spain”, recalls José Ignacio Igarza.*

Illustration 5. José Ignacio Igarza (IBILI) and José Ramón Larrañaga (LACOR) sharing a stand at a fair in Japan.



After the extinction of MENEX S.A., on the initiative of José Ignacio Igarza, a new company is created together with a warehousing company from Valencia: CONTINENTAL DE COMERCIO S.A. The aim of this company is to import products complementary to the catalogue of both companies to be marketed in Spain. It is an initiative that Juan Carlos Larrañaga joins and allows them to increase the links between LACOR and IBILI.

- *“For years, every two months we would go to Valencia together on Friday afternoon, we would arrive in the early hours of the morning, the Council would meet all Saturday morning, then we would eat paella and Juan Carlos and I would return to Bergara”, recalls José Ignacio Igarza nostalgically.*

This new business adventure continues to the present day, although since 1989 it has been called METALTEX Iberia. The reason for the change was that the Italian-Swiss multinational manufacturer, of which CONTINENTAL DE COMERCIO S.A. is the exclusive representative for Spain, acquired 50% of the company's capital. This alliance was a total success.

- *“Representing METALTEX has opened many doors for us, as it has given us a name in international markets and has given us access to agreements with many other suppliers,” says José Ignacio Igarza.*

Finally, in 1984, José Igarza Sr. died, and José Ignacio remained in charge of a company that he shared with his sister and Vicente Biain's daughters until the end of the nineties. The situation was complicated and when Miguel Ángel Larrañaga called him to meet and talk about synergies, the decision was made to bring the two companies together again.

- *"It wasn't easy, it took me two or three years to buy the company from the rest of the IBILI partners, but in the end, it was achieved and now we are a single family business group", says José Ignacio Igarza.*

The "new" LACOR-IBILI: consolidating the joint Project

As a result of the merger, IBILI moved to LACOR's premises, where an extension was made to the back of the building to gain more space and accommodate IBILI's members. Manufacturing was simplified, with no need for two manufacturing plants or two warehouses. Purchasing, logistics and warehousing were integrated, gaining potential synergies from the merger. Critical to the future growth of the group was the transfer of the warehouse to the town of Alegría-Dulantzi in Alava and its renovation and complete automation.

- *"We went from having orders sent down to the paper warehouse to having an automated warehouse. We gained in space and in putting the focus on the importance of logistics management" - recalls Iosu Rodríguez.*

Finally, in 2006, the business group GRUPO MARCOS LARRAÑAGA was structured into five companies that made up the new LACOR-IBILI group:

- The parent company, MARCOS LARRAÑAGA y cía S.L., which provides general services to the group (manager Carmelo Sampedro).
- LACOR INDUSTRIA DEL MENAJE S.L. dedicated to the manufacture of both brands, seeking synergies and industrial efficiencies (manager José Javier Santorcuato).
- Two commercial units:
 - LACOR MENAJE PROFESIONAL S.L (manager Joseba Azkargorta).
 - IBILI MENAJE S.A. (manager Iosu Rodríguez)
- LOGISTICA DE MENAJE, S.L. which was the only new unit, for which land was purchased in Alegría-Dulantzi and the warehouses were unified to improve efficiency (manager Yolanda Ocio).

It was decided that the group's guidelines, as a company, would be dictated by the Board of Directors, made up of members of the family and an external director, Fermín del Río, so that each company would subsequently be managed on a day-to-day basis by a manager.

Both in the design of the merger and in the creation of the group, Fermín, who was first a tax advisor to the Larrañaga family and then an independent director, spared no commitment and involvement, ensuring the success of the project. He was involved in underlining and enhancing the soul of the family business, always seeking that difficult balance between the rational and the emotional. Fermín's guidance has been deeply appreciated by the current management team.

- *“He has been as concerned about the company as we have been ourselves. He has brought order and clarified situations. He has been my mentor, my guide. My working father at LACOR is Fermín” - says Izaskun Larrañaga.*

His influence and role as a hinge between the family branches and the second and third generations has been fundamental. His proposals, always seeking common ground, encouraging the exchange of impressions, nurturing generosity in understanding and respecting the other and contributing to the height of vision, have been key to the success of these delicate processes.

- *“Without Fermín we would be a different company. He has been a man who has always been attentive, interceding and connecting with everyone. He has acted as a hinge and has helped us with his strategic vision in complex moments. That's why the word that comes to mind when we think of him is 'gratitude'”. - agree Marcos and Izaskun Larrañaga, National Sales Director at LACOR and CEO respectively and members of the third generation.*

Despite the uncertainty associated with any merger process, at that time, the people in the teams of both companies were confident that they would be able to count on them, although they did not know in what role, given that there were family members who could occupy the management position. In this context, the second generation decided to put their trust in their managers and, by retiring, they agreed, together with the third generation, to opt for internal promotion and for managers from outside the family to occupy the management positions in the five companies that made up the group.

- *“None of the managers they established were family members, all of them, such as Joseba Azkargorta or José Javier Santorcuato, were senior people in the organisations in which they had full confidence, home-grown professionals who had been taking on responsibilities all their lives in the company”, stresses José Javier Larrañaga, current member of the third generation of the family.*

In fact, throughout their parallel existence, LACOR and IBILI had been led by two businessmen who had people they trusted from outside the family. On the one hand, in LACOR, Joseba Azkargorta, a young man from Bergara who, from the age of 19, started working first in the warehouse and, as a result of a leave of absence, in the offices, where he evolved. From an operational job, managing orders and attending to representatives, Joseba moved on to the financial department, where he began to provide more comprehensive support to Juan Carlos Larrañaga, the group's manager.

- *“I started in shorts when I was 19 years old in 1988. I was studying administration and my uncle, who was a supplier and sold cardboard to LACOR as a representative of Cartonajes Cartija, told me about the company. I started as an intern in the warehouse and soon after I was also helping in the office because someone asked for a leave of absence”. - recalled Joseba Azkargorta, current manager of LACOR.*

On the other hand, José Ignacio Igarza had a salesman on his team who had been proving his worth since 1999. Iosu Rodríguez had moved from the department store area to the national market as a whole and finally to developing the international market. The manager was

convinced of the potential of the product and a salesman capable of seeing and developing market opportunities for IBILI.

- *"In December 1999 I joined IBILI, because I liked their style and I saw myself in a sales position like the one they were offering in the department store channel. At that time IBILI was a company with a project to develop, but I saw that they were people with common sense, good people, and I had a good vibe. There was a lot to do, the project was interesting and with possibilities for growth" - Iosu Rodríguez, current manager of IBILI.*

The merger did not entail a structural change on the commercial side, where the historical brands, LACOR and IBILI, were maintained independently.

- *"The two companies have evolved very well independently, and although there is some friction from time to time between the salespeople, on the whole, the model works. That is why this commercial strategy has been deliberately maintained, and to overcome the drawbacks, we work with the teams explaining that we are part of a group and that these conflicts can make sense within this framework" - agree Joseba Azkargorta and Iosu Rodríguez, current managers of LACOR and IBILI, respectively.*

Trust in the team was a common mark of the second generation of both families that the teams particularly valued.

- *"They let us take risks, even if the probability of the project succeeding was not high and significant efforts had to be made. José Ignacio used to say 'no, never'. He always let us have our say and try out ideas", recalls Iosu Rodríguez, IBILI's current manager.*

The decision to entrust the group's management to professionals from outside the family embodied the desire to give continuity not only to a style and managers, but also to the values and the way of doing things of a second generation that had brought the two families back together in a single company.

- *"In the change from the second to the third generation, my aita and my uncles were both very clear about the professionalisation of the company. As owners, we have the right to participate on the board, but outside the board, in the day-to-day management of the different companies, we are there to reach a consensus, to align ourselves, to support, rather than to decide" - explains Mikel Larrañaga, a member of the third generation of the family.*

Once the merger was consolidated, in 2010 the second generation decided to start retiring. José Ignacio and Juan Carlos did so that same year, as they were turning 65, and Miguel Ángel, who was a year younger, followed in the same footsteps as his partners the following year. Despite having retired, the owners continued to exercise their leadership from the board of directors and even sporadically visited the offices and met in a family office they had at their disposal on the top floor of the LACOR-IBILI headquarters. At the same time, they incorporated the active business members of the 3rd generation of the family into the board of directors.

The companies were headed by people from outside the family and, with the support of family members in different positions in the company and on the board of directors, the business continued. The project was growing and, together with the creation of the warehouse in Alegría-Dulantzi, a real automaton for receiving and sending products to the different distributors and customers, in 2015-2016 the offices were remodelled to achieve an environment more in line with the company's new image.

- *"In the face of the super-individualistic moment we are living in, we demand the encounter between people, which creates a completely different dynamic, where we can look the people we work with in the eye and teamwork works better". - explains Izaskun Larrañaga.*

On the verge of turning 75 in 2016, the succession at the highest level materialised with the appointment of Izaskun Larrañaga, niece of the former Chairman of the Board of Directors, Juan Carlos Larrañaga, as Chief Executive Officer of the LACOR-IBILI Group.

- *"There are few companies that last 75 years. This represents a clear value for the territory". - says Mikel Larrañaga, a member of the third generation of the family.*

A year later, one of the architects and promoters of the merger, Juan Carlos Larrañaga, passed away with his aspiration fulfilled of giving continuity to a family project with roots in the territory.

- *"Juan Carlos, my father, I suspect, very aware that he had something big on his hands, on which many depended, always took his decisions with rectitude, without showing favouritism towards family members. She was someone special, she made an effort not to let problems show at home and, with time, you realise the weight she had to carry for years". - recalls Marcos Larrañaga, National Commercial Director of LACOR and member of the third generation.*

The evolution of LACOR-IBILI: from producer to supplier of kitchenware solutions

LACOR's current catalogue has more than 4,000 references and IBILI's is around 3,300. However, this has not always been the case. Until the 2000s, IBILI's strategy was to sell a large volume of product at low prices to large supermarkets and discount stores, manufacturing an important part of the product they sold themselves.

This strategy, which had been valid until then, began to show weaknesses in facing the opportunities and threats derived from changes in consumption patterns. One of the triggers was when Carrefour cancelled the acquisition of a very important collection. As a result, it decided to change its strategy and began to target a customer segment that values attributes other than price. In this way, IBILI began to offer more added value, speed of service, quality assurance and also began to work on improving the design and presentation of the product.

- *“Fortunately, it worked very well from the beginning and in 2010 we managed to enter El Corte Inglés. They were restructuring their suppliers to optimise their management and we arrived with an improved catalogue with 300 references that we enriched with their help because they demanded a lot from us in terms of product appearance. Thus, we entered into many chains and shops. It was an important change of channel”. - Iosu Rodríguez, Manager of IBILI*

Something similar happened at LACOR. Faced with an increasingly sophisticated market, the company has been adapting its product to changes in distribution: from sales in hardware stores where the salesperson prescribed the product to the "self-sale" of the product displayed on a shelf or on the shelves of a large supermarket, alone in front of the competition.

- *“Each of us is strong in different things. LACOR has learned from IBILI about the presentation of the product and IBILI learned from LACOR that it was possible to bet very strongly, its courage to go to the market and raise the price”. - share Joseba Azkargorta and Iosu Rodríguez, current managers of LACOR and IBILI, respectively.*

For this reason, since 2010, product design and packaging have become crucial to the company's success, and in these areas, the company relies on university-industry collaboration. For example, since 2014, the company has been organising a one-week seminar with the Faculty of Industrial Design Engineering in which students, organised in groups, are faced with various challenges related to product design and creation.

- *“We collaborate with the university to develop our own product. Out of 10 creations we launch, two may actually work, but we give an image of an innovative company, with our own design, and this has helped us to open up to new clients with our own product. It's a way of differentiating ourselves from the competition” - Iosu Rodríguez, current manager of IBILI.*

Thus, the layer cutter for square cakes, which did not previously exist on the market; the cutter for Russian salad, which tackled the difficulty of cutting cooked vegetables; the kit for croquettes, which was one of the first to propose that the dough be arranged in the shape of a churro that would then be cut into croquettes, are some examples in which IBILI was a pioneer in the market.

- *“New ideas are collected, filtered in a team and a decision is made whether or not to pursue them. The aim is usually to innovate products and complement lines. If they pass this first filter, we ask suppliers for a sample and if the quality is considered acceptable and the price is competitive, we move on to the next stage, which is to improve the design and packaging of the product... photos, packaging and the concept of the new product is developed” - Iñigo Igarza, Director of LACOR-IBILI and Director of IBILI's Export Department and member of the third generation of the family.*

In this way, the catalogue is constantly renewed, introducing new references at two times of the year: normally in January and September for IBILI, and 3 times a year for LACOR. This is the result of a continuous search process, in which the business manager and the commercial department are fundamentally involved, seeing the needs and passing them on.

- *“Even though we are 80 years old, we are a young company, with young, dynamic and lively people. We are constantly evolving, reformulating ourselves and very much in touch with society. Twenty years ago, 90% of today's products were unthinkable. The company is getting younger and that is not done by machines, it is done by people” - explains Izaskun Larrañaga, the group's managing director and a member of the third generation of the family.*

The issue of health and environmental friendliness is also critical for LACOR-IBILI. For this reason, all frying pans are now PFOA-free and there is a plan to eliminate plastics from the manufacture and packaging of products. The market has evolved and today kitchenware is not only a product of necessity, but also a leisure product. In this transformation, the brand has been strengthened. Having a current, complete and high-quality product portfolio together with excellent service are key to the brand, which is part of the legacy that the second generation has left to the successors.

LACOR-IBILI, and its way out into the world

The first generation had the courage to set the business machinery in motion and the second generation was very brave in entering the international market. Not only to sell, but also to start buying internationally from the 90s onwards. This second generation opened sales offices first in France and then in 2000 in Germany.

- *“Currently, the image of the LACOR brand in Europe is very good. In Spain, Portugal, France... we are leaders, and few companies have such a strong international presence. We export 50% of our sales. It is part of the legacy we have received” - explains Joseba Azkargorta, current manager of LACOR.*

Indeed, when José Ramón Larrañaga was in export, he did a phenomenal job for years. Once he started to retire, members of the third generation have followed in his wake, deepening these international trade relations to this day.

- *“I have known the company from the bottom up, since I was young, I spent weekends helping out in the plant or wherever I was needed. In 1993 I joined the sales area, first in Gipuzkoa and finally in the sales management of Spain, when there were 32 representatives throughout the peninsula. After spending a year working in England to learn the language, my uncle asked me if I had a valid passport and sent me straight to the United States and then to Israel... and that was the start of my international adventure. That's when my brother started to take care of the domestic market and I was left with Asia Pacific, South America and black Africa. Those have been very intense years”, recalls José Javier Larrañaga, a member of the third generation of the family.*

Both LACOR and IBILI are characterised by having maintained stable and trusting relationships with their partners, whether they are customers, distributors, or international suppliers. Many of them are companies that have grown in parallel, with personal and family relationships in some cases. Links established by the second generation and maintained by the third generation have made it possible to maintain commercial relations in times of trouble or upheaval.

- *“We have long-standing relationships and a lot of trust with many of our distributors, in Uruguay, Australia, etc. Sometimes they are relationships of more than 30 years; in these periods everything has happened, they have had their credit cut off and we have continued selling to them; they have called us and the problems have been solved, trusting, giving in, we know that the last thing they are going to do is stop paying you, we are almost family”, explains José Javier Larrañaga, a member of the third generation of the family.*

As a result of the human closeness that LACOR-IBILI maintains with its employees, their loyalty to the brand is very high.

- *“We have historical distributors that we have inherited from my uncle, in Greece or currently in Ukraine, for example, we have long-lasting and trusting relationships that allow us to solve temporary problems and uncertainties”, says Eva Larrañaga, a member of the third generation.*

This understanding of the business as more than a transaction is shared not only by the entrepreneurial family, but also by the entire management team of the group.

- *“Every operation is more than a transaction. It is a way of dealing with the customer and this is a family advantage. We have this reputation in the market, to last longer, to give continuity to the relationships we inherited. It also happens with suppliers, for example, we still keep LACOR's first international supplier as a supplier”. - says Joseba Azkargorta, current manager of LACOR.*

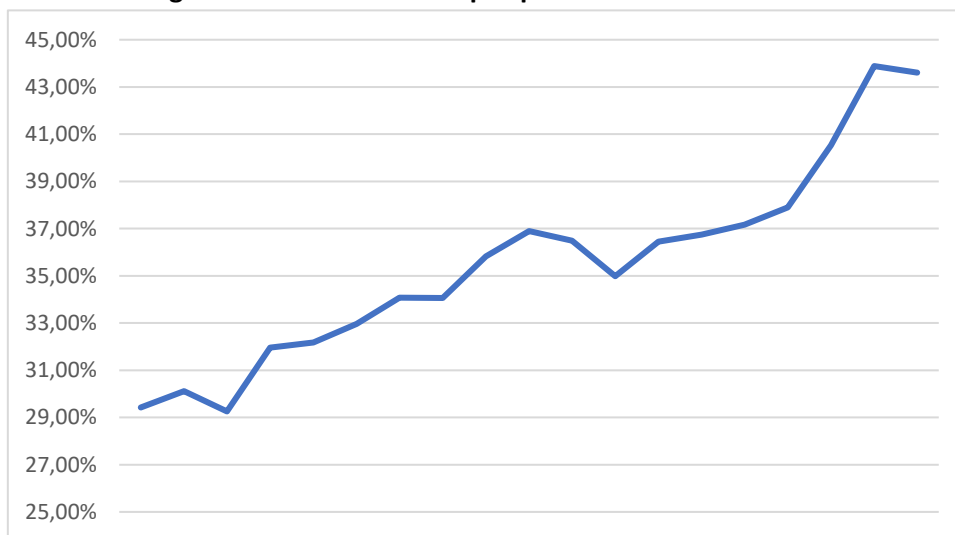
Illustration 6. Second and third generation with an international supplier that has been supplying the company for decades.



As a result, the company has experienced a remarkable evolution of its international presence.

- *“The first international fair I attended was in 2010, the Frankfurt fair, and I remember that at that time we had a stand of about 60 metres, in a second-tier hall. Although we had an outstanding position at a national level, at that fair I understood the complexity of competing in an international market. We have clearly progressed a lot since then, now, at the same fair we have a complete island, some 140 metres, just for our product, a product with design, and supported by the work of a marketing department that adds value to our proposal”.* - stresses Marcos Larrañaga, LACOR's National Sales Director and member of the third generation.

Figure 7. LACOR-IBILI Group Export Evolution 2004-2022



Values: the witness between generations

The second generation of the family has been concerned about generational change for a long time. Already in the 2000s, when this second generation was in its fifties, the concern about generational handover was a reality.

Although it is never easy to combine the interests, perceptions, and situations of the different members of a family business (children, cousins, non-family professionals...), at LACOR-IBILI they tried to fit everything in so that everyone had their place and felt comfortable with the whole. The second generation was clear that the business came first, and at the time of the management succession they counted on the professionals who had been their right hand for years, people of great confidence who they appointed to the different management positions in the company, over and above the family.

- *“Juan Carlos was always committed to me. Gradually, without formal power, I took on responsibilities at his side. I have always felt supported by him”. - Joseba Azkargorta, current manager of LACOR.*

After the succession, it is decided that the members of the second generation and the six members of the third generation who are working in the company, in addition to Fermín, the external advisor who has always accompanied the family, and Maite, the non-family professional who acts as secretary to the Board of Directors, will form the new Board of Directors of the business group. The managers are usually invited to the board meetings.

- *“El aita has been an example for us, he managed the appointment of the current managing director based on criteria of merit, as well as the rest of the non-family managers. He always acted with honesty, and this is a source of pride for all of us. The generational handover is not easy, egos have to be managed, but he took care and managed to get us all to agree with the decision; always seeking the good of the company above all else”, acknowledges Eva Larrañaga, a member of the third generation.*

Thus, when Juan Carlos Larrañaga passed away in 2017, he had already left the organised company.

- *“My father was not a big talker, he was a doer. He did a lot of things for and for everyone, without saying so, and the worries were handled by him alone. I remember when I finished my studies, I looked at my father and he said to me, there is nothing for you in the company. Not joining the company was a disappointment for me at that time, but I understood that my father had always led by example, and it was not going to be any different with his daughter”, recalls Eva Larrañaga with nostalgia.*

The third generation has witnessed the work, effort, and dedication of its predecessor to move forward what is now in its hands. Therefore, this third generation lives the company as a present and future responsibility, the company must continue to grow, it is the legacy to the future fourth generation.

- *“My father, Juan Carlos, was the manager and worked as a salesman and always worked as a team with my uncle Miguel Ángel, who was in charge of design and production. They both had a strong character, but I always saw them as very cohesive, never one word louder than the other. I think that this complicity has been one of the secrets of everything going well in the company” - reflects Marcos Larrañaga, National Commercial Director of LACOR and member of the third generation.*

This source of inspiration crystallises in the family values: a taste for a job well done; honesty in business, always being honest; being grateful, valuing others and what has been received; being generous with the team. LACOR-IBILI is a collective project, of all its participants.

- *“This is a collective project, and it is important that everyone feels identified with it. That's why it's important to make them feel part of it and proud to work here. We are proud of how well our team's work. I do my job, but it's great to give value to others” - Mikel Larrañaga, head of purchasing and design at LACOR Industrial del Menaje.*

This family wants to be characterised by its values, aspiring to be a company with soul, a collective soul that rather than saying what it is going to do, it does it and fulfils its commitments and responsibilities as a company and a family, *'gutxi esan eta asko egin'*.

- *"The company does not belong to the family, to do what the family wants; we have been taught this at home, it is a commitment to all the people who make it up and are fighting for it, our values are of a family nature, caring for people, the effort to get ahead, sacrifice, collaboration, humility and responsibility"- emphasises Izaskun Larrañaga.*

For example, in 2020, COVID brought the whole world to a standstill. The hospitality industry suddenly found itself with no turnover: no income, as the only trade that was allowed was that of basic necessities. It is in difficult times that leadership and values are needed more than ever. The CEO, therefore, gathered the entire management team and organised a crisis meeting where the priority was to protect people, proceeding to save the business, offering all its customers facilities and longer payment terms, and even collaborating with competitors.

- *"We had financial muscle and we worked with customers who were in a difficult economic situation. We also talked to our closest competitors to see if we could support them in any way. We are in different boats, but we are all sailing in the same sea, and at that time the tide was more than strong..., we came out stronger" - shares Izaskun Larrañaga.*

Today's company leaders want to respect, nurture, and pass on these values to future generations. For this reason, family ties are now also nurtured in a natural way. The family, made up of 13 cousins, 6 of whom work in the company, maintains its links with each other and with the company through family meals and other frequent meetings.

- *"When the companies are united and IGARZA AND LARRAÑAGAs stay together, they are not considered two companies, they have conveyed to us that we are all LACOR-IBILI, there is no separation, and also the families are united. A family company for all the people who form part of LACOR and IBILI"- Izaskun Larrañaga points out.*

A family group committed to its roots and its context

This family pursues growth in order to continue to maintain market value and the family legacy. It is a commitment expressed, but above all felt, as a collective responsibility to the future of the LACOR-IBILI collective and the community in which they are rooted.

- *"We do business, but honestly, in order to do something for posterity and for the development of the local community. We contribute to creating jobs for the 170 people who work there and their families. Unfortunately, society does not sufficiently value the drive and sacrifice behind the companies" - Iñigo Igarza, Director of LACOR-IBILI and Director of IBILI's Export Department.*

Currently, LACOR and IBILI products are sold in more than 80 countries with a high degree of internationalisation and a strong digital sales strategy. In 2023, the LACOR-IBILI Group will have around 170 employees and a turnover of more than 75 million euros.

- *"I would highlight the sacrifice of previous generations and we don't want to be less. We want to evolve, we want to grow, but not as an end in itself, but because you are doing well. We want to keep on doing it and keep on growing steadily over time, so that the growth is digestible, and if opportunities come from complementary companies and that will give you more size, well and good too, but calmly, without losing the essence, without madness, with prudence and without exaggerated risks. With the values of a family business"* - Iñigo Igarza, Director of LACOR-IBILI and Director of the IBILI Export Department.

The LACOR-IBILI group from Bergara was awarded in 2022 as 'Gipuzkoa Company' of the year by the Chamber of Commerce, for "its commitment to investment in logistics infrastructure to achieve rapid delivery of products adapting to the requirements and times of online sales", for "its dynamism in product development, design and innovation", for its market positioning and for its response to the pandemic crisis, despite which it has beaten its turnover record.

- *"We are evolving a lot, our family business is deeply rooted, it has roots and identity. We have been in Bergara for more than eighty years and that gives us legitimacy, a track record and experience in our business environment".* - concludes Izaskun Larrañaga, current CEO of the group and member of the third generation.

Illustration 8. Current staff of the LACOR-IBILI Group

