



The Aranzabal Family

Family Legacy: The Seed of Entrepreneurship

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The Entrepreneurial Family: Family Background and Trajectory

"When people at home ask if you're well, the answer is usually yes and that the order I was waiting for has arrived from the United States... The fact is that our identities are tied to the company, and the topic of conversation within the family is the company... I'd say that there's a complete symbiosis, both in the case of my grandfather, who lived for the Fundiciones Aranzabal, and now for my father, which fosters a legacy and a continual transmission of behaviours and values," explains Guillermo de Aranzabal Bittner, sixth generation member of the Aranzabal family.

Family Legacy: The Seed of Entrepreneurship

The first generation of this entrepreneurial family dates back to the early 19th century in the figure of Bartolomé de Aranzabal, the second main blacksmith in the village of Gopegi in Alava. Upon learning that the primary blacksmith in Apodaca had died, Bartolomé moved there in 1830 with his wife Fermina to become the main blacksmith in the town. They settled in the hamlet of "La Venta del Grillo", and set up a blacksmith's workshop where, in addition to repairs, they built carts and small farm implements.¹

Fig. 1. Portrait of the Aranzabal family with Venta del Grillo in the background.



Source: Family Archive

¹Part of the information in this section is based on that published by the Auñamendi Eusko Enziklopedia, <https://aunamendi.eusko-ikaskuntza.eus/es/aranzabal/ar-2492/>, accessed in December 2024.

Bartolomé and Fermina had three children: Victoria, Roque, and Segundo de Aranzabal. Segundo, a great lover of reading and drawing, was the only one of the siblings to join the blacksmith's shop. In 1885, several of the shop customers persuaded Bartolomé to allow his son Segundo to attend the School of Arts and Crafts in Vitoria. To do so, Segundo travelled some twenty kilometres (there and back) by mule from Apodaka to Vitoria-Gasteiz to take French and drawing classes. And it was in this context, during a trip organised by the school to the Brabant region of Belgium, that Segundo de Aranzabal had the opportunity to observe the ploughs used in the fields by Belgian farmers and, as he knew French and how to draw, he made the first drawings of the ploughs. On his return, he suggested to his father that he start making them in his own forge.

Shortly after embarking on this business venture and getting married in 1890, Segundo de Aranzabal decided to move to Vitoria against his father's wishes. There, he bought a small machining workshop on credit, where he perfected the plough that he began to manufacture and market under the name "Brabant Model", with which he obtained his first invention patent. In addition to this plough, Segundo created several inventions in agricultural machinery, such as machines for separating grain from straw or uprooting overgrown trees. The latter invention was used in the town halls of various capitals.

The initiative proved to be successful, and as a result of its growth, Segundo needed financial support to continue expanding the business. The Aranzabal ploughs were technically superior to the other alternatives on the market, like those manufactured by Ajuria and Urigoitia and, for this reason, the Ajuria family offered Segundo de Aranzabal the possibility of joining forces and thus complementing each other, forming Ajuria y Aranzabal S.A., a company that manufactured all types of agricultural machinery.

Following the death of Segundo de Aranzabal in 1923, four of his eight sons, Guillermo, Julio, Vicente, and Cosme, the family's third generation, decided to leave their respective jobs at Ajuria y Aranzabal, S.A. and form their own company, the Sociedad Regular Colectiva Hijos de Segundo Aranzabal. Thus, on 23 September 1938, the family set up Aranzabal S.A. with its headquarters in Vitoria and structured into four divisions: cast steel castings; machining of castings for the agricultural tractor industry and others; malleable iron castings, mainly for the automobile industry; and the agricultural machinery division. In addition, its production included numerical control machines and machine tools that were designed and manufactured in-house under the trade name Albertia.

Fig. 2. Advertising poster for Hijos de Segundo de Aranzabal



Source: Family Archive

The fourth generation of the family, represented by Guillermo de Aranzabal Alberdi, joined the company in 1953. The venture developed progressively, reaching 1,200 employees, with exports accounting for 50% of its turnover, selling to large customers that included Caterpillar, G.K.N., and Renault, and with offices worldwide. In 1976, the company had around 7,000 square metres in three foundry plants in Vitoria and one in Miranda de Ebro (Burgos), and in the 1980s, Aranzabal S.A. invested in a new factory in the Júndiz industrial estate where it developed a foundry for stainless and high-alloy steels as well as another for carbon steel castings.

However, the family's fourth generation had to deal with a number of crises associated with their business activity in the socio-labour context of the time, which was very complicated for entrepreneurship. In this volatile environment and with the crisis that affected the foundry sector, the owners made various efforts to save the company, which involved carrying out two capital increases, one of 100 million pesetas (2.4 million euros, discounted) in December 1983 and another of 150 million pesetas (3.3 million euros, discounted) in October 1984. Nevertheless, despite these actions, and after various attempts at restructuring, the company went into receivership on 22 September 1986, and the Aranzabal family handed over its management to third parties and its ownership to the EMESCO Group for one peseta. During this difficult time, Guillermo de Aranzabal Alberdi channelled his entrepreneurial spirit and started work on a winery owned by the family: La Rioja Alta, S.A.

And thus, it was in the third generation, embodied by the first Guillermo de Aranzabal Ruiz de Zárate, that the origin of these wineries lies, specifically, when he married Teresa Alberdi, owner of the winery. Teresa was the granddaughter of Nicolás Alberdi, son of a shareholder of the Sociedad Vinícola de La Rioja Alta., a company created in 1890. Nicolás was President of the company, and the family's saga, intertwined with the world of wine, was passed down from generation to generation until Guillermo de Aranzabal Alberdi, having finished his time at the foundry, turned his attention to the winery and was appointed, like his grandfather Nicolás, President of the Board of Directors in 1979.

Fig.3. Main Façade of the Winery La Rioja Alta, S.A. in 1890



Source: Family Archive

The Fourth Generation: The Roots of Today's Business

The fourth generation of the family is led by Guillermo de Aranzabal Alberdi, who inherited a legacy of business from his father with the Aranzabal foundry as well as from the Alberdi family, whose great-great-grandfather opened the first Renault car dealership in Vitoria and various businesses in the town, such as the then prestigious Alberdi patisserie and the city's cinemas.

- *"My father always remembered going to the cinemas of his maternal grandfather, who, intending to leave Vitoria, bought a winery in Haro together with other investor friends. Bodegas La Rioja Alta allowed him to go out at weekends to Haro to take care of the winery's business,"* smiles Guillermo de Aranzabal Agudo, fifth generation of the family and current President of La Rioja Alta.

All the biographies about Guillermo de Aranzabal Alberdi describe him as a true businessman with unwavering integrity, who bravely faced up to very difficult situations involving Fundiciones Aranzabal in the adverse social environment that prevailed for many years in the Basque Country.

- *"Tall, stout, and with a deep voice, Guillermo Sr. impressed me a lot and I had a great deal of respect for him. For me, he was a hero. I'd say he was a Basque with a profound love for his land, very deeply rooted despite the difficulties; that's how I remember him. And, although for many, many years he didn't dedicate himself to the winery as a business, but rather as part of his leisure and rest, when the foundry closed, he took over and assumed its transformation,"* recalls Ángel Barrasa, current CEO of La Rioja Alta, S.A. and friend of Aranzabal's family.

Fig. 4. Guillermo de Aranzabal: Third, Fourth, and Fifth Generations



Source: Family Archive

In addition to managing Fundiciones Aranzabal, the fourth generation of the family, specifically, Guillermo de Aranzabal Alberdi, created his own business initiative in 1961, the Agromotor Group, which is still part of the family portfolio. On a personal level, he married Rosa Maria Agudo, a native of Pamplona and doctor in English Philology, who has passed her profound intellectual and social concerns on to their children.

- *"Guillermo's mother is a brilliant woman, with a great ethical and social conscience and, in my opinion, she has had an important influence on the family, which is reflected in her responsibility and social commitment,"* reflects Ángel Barrasa.

Rosa Maria Agudo Huici's family were also entrepreneurs. In fact, both of her grandfathers, Serapio Huici and Domingo Agudo, were great businessmen from Navarre, who founded companies as important as the publishing house Espasa Calpe and the cement manufacturing plant Cementos Olazagutia.

Guillermo and Rosa have raised a family of three: Guillermo de Aranzabal Agudo, who is currently in charge of managing the companies; Beatriz, who is responsible for handling the family affairs; and Maite, a paediatrician, who is dedicated to the family's social work.

- *"My father always said that you only needed to know four things to be an entrepreneur: adding, subtracting, the rule of three, and a popular saying. I remember once having doubts about a proposal that, although it seemed attractive, the potential partner did not invest initially... My father looked at me intently and said only this to me, "You're not a handyman, so what are you waiting for?" In other words, he didn't explain many things to me, but I learned a lot from watching him act and from his advice,"* recalls Guillermo de Aranzabal Agudo.

Fig.5. Guillermo de Aranzabal Agudo and Guillermo de Aranzabal Alberdi



Source: Family Archive

The Fifth and Sixth Generations: Development and the Future

Guillermo de Aranzabal Agudo, a member of the fifth generation, joined La Rioja Alta, S.A. when the winery was almost a century old.

- *"I think I'm being objective when I say that Guillermo is very human; he even treats business issues with humanity and is very close to people. In these times of great anxiety, having someone like Guillermo at the helm instils a great deal of confidence in the organisation. Everyone is well aware of who is at the helm, and it's reassuring to see him adopt an austere approach and work as hard as anyone else. I've never seen any misuse of the company for personal gain,"* says Ángel Barrasa.

Guillermo not only inherited the entrepreneurial spirit and the legacy of the family winery from his father, but there is also a long relationship with the world of wine on his mother's side, Agudo. In fact, his maternal grandfather, Domingo Agudo, won a medal at the Chicago World's Fair in 1893 for the wines he produced in Navarra.

- *"I had the good fortune to be born into a family of entrepreneurs on all four sides, and I've been interested in business from an early age. On my father's side, Guillermo de Aranzabal Alberdi, both the Aranzabal and Alberdi sides were entrepreneurs who set up and developed companies without any financial means; on my mother's side, Rosa Maria Agudo, although her predecessors were great entrepreneurs, the following generations didn't continue in business,"* explains Guillermo de Aranzabal Agudo.

After his education at the University of Deusto and postgraduate studies in the United States, Guillermo joined La Rioja Alta, S.A. in 1987 as Deputy Managing Director. He found a company that was highly focused on production, with little attention given to commercial activities. At the time of his entry, La Rioja Alta, S.A. was already marked by the vision of becoming a winery that produced high-quality wines, and the family dedicated all its resources to this objective.

- *"The day I joined La Rioja Alta, S.A., the Export Manager left the company, which meant I had to take charge of export issues immediately, and gradually, I also began to handle commercial, marketing, and public relations issues,"* recalls Guillermo de Aranzabal Agudo.

In addition to managing the family businesses, Guillermo de Aranzabal Agudo started his own business in 2011 and founded Albertia, a company in the residential sector for the elderly, which is part of the family group.

Almost a decade later, the sixth generation is following in Guillermo's footsteps and the older of his two sons, Guillermo de Aranzabal Bittner, joined La Rioja Alta, S.A. in 2020, followed by the younger son, Alex.

- *"We're a business family, and not financiers. We're entrepreneurs, and I've always seen this at home; it's always been about creating and developing initiatives and business,"* explains Guillermo de Aranzabal Bittner.

Fig. 6. Guillermo de Aranzabal Bittner and Guillermo de Aranzabal Agudo



Source: Family Archive

La Rioja Alta, the Aspiration to Offer the Finest Wine

La Rioja Alta, S.A. was an initiative of five families, three of whom were from La Rioja, and they provided the vineyards and agricultural know-how, while the other two were of Basque origin and provided the business know-how. The Sociedad Vinícola de La Rioja Alta was founded in 1890 in the Estación district of Haro, and its first president was a woman, Doña Saturnina García Cid y Gárate. Since it was created, the company has been growing; in its early years, one of the founders, Don Alfredo Ardanza, who was also the owner of Bodega Ardanza, was responsible for merging the two wineries in 1904, with the Reserva 1904 being a reminder of this milestone.

Fig. 7. La Rioja Alta, S.A. Vineyards



Source: La Rioja Alta, S.A.

Although the Aranzabal family was not one of the founders, it became shareholders in 1910. It was not until 1941 that the company acquired its current name, La Rioja Alta, S.A. Over time, the shareholding has become dispersed, and of the current 350 shareholders, approximately 300 have a stake of less than 0.01%, motivated by a sense of pride of belonging to the great family that La Rioja Alta, S.A. represents.

The Pursuit of Excellence

Making high-quality wines involves mastering certain fundamental aspects. Firstly, it requires patience, given the lengthy maturation time of the investments. Secondly, it requires the ability to take risks due to all the uncertainty surrounding the agricultural world and the production of a living product such as wine and, above all, it requires a certain obsession for excellence and good workmanship.

- *"Wine has one precious thing: it's a unique product. Moreover, in our case, it depends on us entirely as we are fully involved. We do everything: we plant the vines, prune them, and harvest them when we decide; we age the wine at the time and in the barrels we choose. Therefore, the final product is solely and totally our merit (or demerit). There are no excuses,"* Guillermo de Aranzabal Agudo points out with a smile.

For all these reasons, the world of high-quality winemaking is very well suited to the dynamics of a family business, which is committed to the long term and is always able to take risks linked to making investments that leave a legacy and reputation beyond the economic return.

- *"In this world of high-quality wine, you decide to make investments that are unlikely to bring you profits in your generation but that will remain for your descendants, who, if everything goes according to plan, will be able to reap the rewards. Time is essential for building consistency in the winery business,"* reflects Ángel Barrasa.

Fig. 8. Interior of the La Rioja Alta, S.A. Winery



Source: La Rioja Alta, SA

The aspiration to offer the finest wine has marked the trajectory of La Rioja Alta, S.A., which has opted from the outset to go against the tide on numerous occasions in search of excellence, thus forging an image of prestige in both national and international markets. This aspiration, which has now become a reality, has determined many difficult decisions that the owner family has taken throughout the course of this winery, leading to the worldwide recognition of its wines.

An illustration of this determination was when, at the time of its foundation in 1890, an order was placed in France for 4,000 oak barrels to age the wine, which was something atypical at the time, or when the decision was made to uncork 800,000 bottles of a Viña Ardanza (2002 vintage) because, upon tasting, they were not considered to meet the expectations of excellence. A further instance of this aspiration is the obsession to control the entire winemaking process, fully integrating everything from the grapes in the vineyards owned by the company to the production, maturation, and distribution of the wines and delivery of the final product at the times and places required, like deciding to send a case of the finest wines to a dinner in New York by express courier.

- *"What I see is a true love for the winery, for a well-made product. The aspiration of Guillermo, his father and the family has always been to make the finest possible wine, an objective they have pursued consistently and with resilience even in the not-always-easy moments in the life of the winery. This aspiration has influenced and determined every decision they have made over time, backed by the legitimacy of those who recognise our wine as a luxury product, and this gives us managers a strong sense of consistency,"* reflects Ángel Barrasa.

Strategy and understanding the dynamics of the product are fundamental. During the pandemic, La Rioja Alta, S.A. decided, contrary to what the situation might suggest, to increase production. The family had the strategic vision and the courage to take risks at a time of crisis, and indeed they made the right choices.

- *"I thought it wasn't the right time, and I wouldn't have done it; I would've been less courageous. But Guillermo saw an opportunity. He has that strategic vision and the courage to take the risk that comes with going against the tide; these remarkable qualities, together with his profound commitment and work ethic, make him a great entrepreneur,"* reflects Ángel Barrasa.

Table 1: Accolades of La Rioja Alta S.A.

| | | |
|------|----------------------|--|
| 2024 | EY | Guillermo de Aranzabal Agudo was named the Entrepreneur of the Year |
| 2024 | Peñín Guide | Gran Reserva 890 from 2010, the first wine to be awarded the maximum 100 points |
| 2022 | Drinks International | La Rioja Alta, S.A. was recognised as the most admired winery in the world. |
| 2021 | lomejordel vino.com | La Rioja Alta, S.A. was awarded the best R&D&I project for its innovative quality control system using artificial vision, traceability, and food safety. |
| 2021 | Decanter | La Rioja Alta, S.A., the only winery in the world with two wines recognised in the selection of the 50 best wines in Decanter Wines of the Year 2021 |
| 2020 | Wine Markets | La Rioja Alta, S.A. was awarded Best Exporter |
| 2020 | Verema | 2011 Gran Reserva 904, voted Best Red Wine in Spain |
| 2017 | Verema | La Rioja Alta, S.A. was awarded the "Winery with the best track record". |

The family's love for the world of wine led them to expand their investments in other designations of origin beyond La Rioja. In 1988, La Rioja Alta, S.A. acquired the Pontevedra-based winery Fernández Cervera Hermanos S.L., keeping the brand name Lagar de Cervera in honour of the founders. The continuous improvement of these wines led to the Albariño Lagar de Cervera being classified as one of the "100 best wines in the world" by the specialised magazine Wine Spectator in 2004.

A few years after entering Galicia, in 1990, the family chose the Ribera del Duero appellation, planting the first vines for the new Aster winery, which was built in 2000. As in the case of the Galician wineries, the aspiration to produce the finest possible wine resulted in Finca El Otero by Bodegas Aster being recognised as the "Best Red Wine in the World" by Top Merchant (UK) in 2016.

Fig. 9. Bodegas Aster's El Otero Estate



Source: La Rioja Alta, S.A.

In addition, they expanded their activity in Rioja with the acquisition of the Torre de Oña winery in 1995, which meant incorporating not only the winery into the group, but also the Casa Palacio, the chapel, and the 45 hectares of vineyards, with the aim of maintaining the essence of this Rioja-Alava winery.

Building a Community, the Club de Cosecheros

The Club de Cosecheros (Harvesters' Club) is one of the best reflections of this aspiration to share the finest wine and create a community around it. The first vintage of the Club de Cosecheros of La Rioja Alta S.A. was in 1976, which began by adopting a pioneering approach to the relationship of trust between the winery and the customer. In subsequent years, this initiative was scaled up to Torre de Oña in 1997 and to Aster in 2002.

This project was born out of necessity, as the winery was losing contact with the end customer and the wine lover, who was only reached through intermediaries. It was José Ramón, Guillermo de Aranzabal Alberdi's brother, who identified that relying on intermediaries caused a loss of control of messages, communication, and positioning of the wines, prompting him to work on a model that established direct relations with the end consumers and wine lovers. And thus, the first wine harvesters' club in Spain was born, the Club de Cosecheros de La Rioja Alta S.A.

Fig. 10. Venue for the Club de Cosecheros of La Rioja Alta, S.A.



Source: La Rioja Alta, S.A.

Today, the sixth generation of the family, specifically Guillermo de Aranzabal Bittner, is responsible for the Club. Guillermo joined La Rioja Alta, S.A. in 2020 as Management Assistant, supporting the work of the CEO, and in 2022 and 2023, he took charge of the Latin American market. He has recently expanded his duties and is responsible for public relations, private sales, and wine tourism. In May 2025, he will become General Manager when Ángel Barrasa retires.

- *"The Club de Cosecheros is very important for us at La Rioja Alta, S.A. and also at Aster and Torre de Oña. The Club's members are fundamental communities for our purpose. They trust us, and we commit to providing an excellent and exclusive Reserva for them after two years, which they can personalise with their chosen text on the label. They're also a community with whom we have a close relationship, and they enjoy our events and exclusive facilities in the cellars, where they have priority access. The challenge is to transmit this love of wine to the younger generations, and we're working on this,"* explains Guillermo de Aranzabal Bittner.

International Recognition

La Rioja Alta, S.A. has made an enormous effort to gain international recognition for its wines. Since the incorporation of the fifth generation of the family, with Guillermo de Aranzabal Agudo at the head, it has gone from exporting barely a quarter of its turnover to selling two-thirds of its production on international markets, all while continuously expanding its production with the incorporation of wineries and designations of origin in the group. This advancement has been

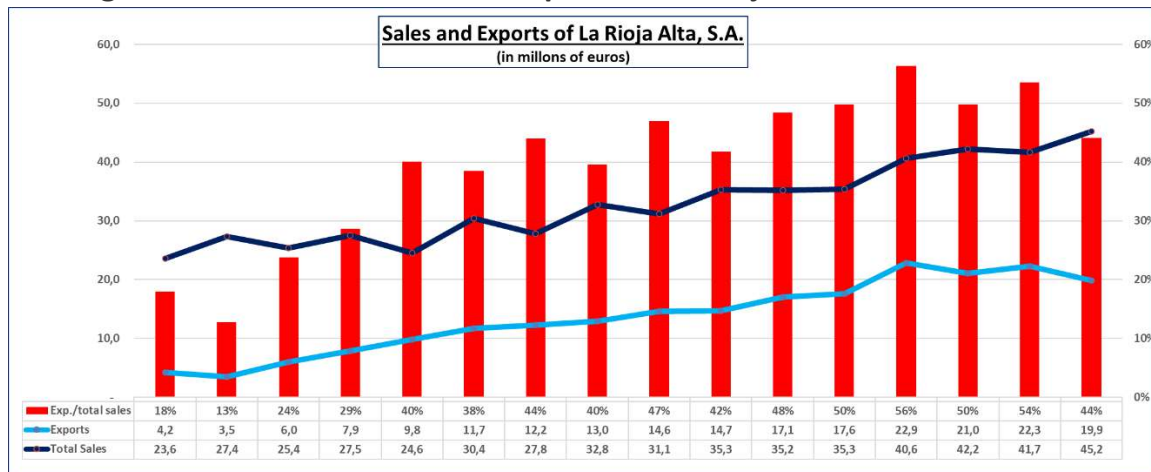
the result of the winery's own drive along with the joint effort with other wineries in Haro, with which many international promotional activities have been carried out.

- *"My father has a very powerful global business vision, perceiving the implications beyond any decision, and works relentlessly. He anticipates risks, and where everyone else sees pitfalls, he sees opportunities, and that's how he forged the company's international development. I remember my father filling his car with samples and going on trips to France, Holland... and only returning when he ran out of all the samples he had loaded the car with,"* recalls Guillermo de Aranzabal Bittner.

To properly establish La Rioja Alta, S.A.'s wine as being of a high quality that warranted a different price level, it was essential to attract new customers. For this reason, the 1980s were a period of transition, of change in the positioning of the wines of this winery at an international level, opening channels with new distributors who understood the new positioning of the product. The international venture was not free of barriers, such as the Nordic markets, which were dominated by state monopolies, or the entry into Latin America, with a very solid presence of wines for Chili and other origins.

- *"In 1987, we were exporting 22% of our turnover, but 50% of all exports went to a single customer, Sainsbury's supermarkets. I had a meeting with the manager one day and explained that I couldn't sell him everything he wanted to buy because I had other international clients. To tell the truth, I remember that he didn't understand at the time, but later he did, and he agreed with me,"* recalled Guillermo de Aranzabal Agudo.

Fig. 11. Evolution of Sales and Exports of La Rioja Alta, S.A. 2009-2024



Source: La Rioja Alta, S.A.

To meet these challenges, Guillermo opted for a two-pronged strategy: on the one hand, strengthening personal relationships with distributors and, on the other hand, implementing a more detailed approach to managing each market. Creating a network of sales representatives around the world was a fundamental step in establishing a closer and more personalised presence.

- *"The new positioning required a different type of distribution. We used to work with an agent in Bordeaux who was in charge of selling our wines and those of several other wineries. Customers found this model convenient, as they could source a variety of brands from a single supplier. But we wanted greater control of the process, so we gradually abandoned this channel and, with a great deal of effort, we began forging agreements with importers in each region; now, for example, we practically have an agent in each state of the United States,"* explains Guillermo de Aranzabal Agudo.

In addition to this structure of regional agents, La Rioja Alta, S.A. has been creating a team of sales representatives in recent years. The sixth generation of the family has been taking the baton in this international development, travelling the world and opening markets, such as South America and Central America, where turnover has more than quadrupled.

- *"Selling on the international market at a high level for a relatively small winery like ours requires relentless dedication. Building brand prestige involves countless tastings with sommeliers and critics, as well as many visits and many commercial actions with prestigious restaurants... It's a very personal sale, based on good service and attention to detail,"* says Guillermo de Aranzabal Agudo.

Diversifying, Creating, and Developing a Family Portfolio.

Patient and deep-rooted capital, an entrepreneurial vocation in each generation, and an orderly succession that gives continuity to family values are some of the constants that have allowed this business family to successfully govern a diverse business group over six generations.

"Business is our business, my grandfather's, my father's, and mine. Although there have been family initiatives that have disappeared, the culture of entrepreneurship and continuing to develop businesses and social initiatives in this family hasn't died; it's linked to our identity and family legacy," explains Guillermo de Aranzabal Agudo.

Fig. 12. Logos of the Aranzabal Family's Three Business Groups



Agromotor, a Fourth Generation Initiative

Agromotor, Agricultura y Motorización, S.A. was founded in 1961 as a result of Guillermo de Aranzabal Alberdi's decision to enter the emerging motorisation sector by distributing Barreiros Trucks in Vitoria. Barreiros Diesel, S.A., a lorry manufacturer that began operations during the Franco era, was a client of Fundiciones Aranzabal, and the new business activity was born from this relationship.

In 1962, Guillermo de Aranzabal Alberdi took the lead in the territorial expansion of the business, initially extending it to La Rioja and, somewhat later, to Vizcaya in the 1970s. Alongside their geographical expansion and having to face a very complicated situation caused by the tight margins in car sales and purchases, the family ventured into new lines of business, entering the car leasing business and real estate investment linked to the real estate owned by Agromotor.

- *"It was my father who diversified Agromotor by starting to rent cars to companies and individuals, which is a business that requires financial skills, and also developing the real estate business. Agromotor was my father's creation; he founded and developed it,"* says Guillermo de Aranzabal Agudo.

The real estate business includes the rental of premises and warehouses, mainly in the Basque Country and Navarre, where the family intended to establish its activity, as well as the purchase of land and the construction of buildings for clients who rent them on a long-term basis. From an economic point of view, the real estate business helped to maintain the rest of Agromotor's activities, allowing it to continue contributing to the family group.

- *"After some bad experiences leasing industrial facilities, with clients failing to pay, we started renting real estate with our own buildings when we closed a dealership and rented the premises to a supermarket. From that point on, we began purchasing to rent or to construct, with the latter case involving 15-20-year contracts,"* - explains Guillermo de Aranzabal Agudo.

Although the company was initially in the hands of both the Aranzabal family, as main shareholder, and the Barrientos family, as minority shareholder, the Aranzabal family acquired the whole company in the early 1970s in order to redirect a difficult situation the company were confronted with. *"I always try to apply long-term reasoning in my way of thinking, which isn't always obvious, as sometimes business management makes decisions focused on the short term. We try to broaden this approach and guide them with a long-term perspective,"* explains Guillermo de Aranzabal Agudo.

Today, Agromotor is a company with approximately ten family shareholders, which in 2024 reached 280 employees, most of whom are engaged in the business of buying, selling, and repairing cars.

Fig.13. Agromotor Group Dealership in Vitoria-Gasteiz.



Source: Agromotor

Albertia, a Fifth Generation Initiative

Just as Agromotor was an initiative of the fourth generation, specifically Guillermo de Aranzabal Alberdi, Albertia Servicios Sociosanitarios S.A. was founded in 2011 on the initiative of Guillermo de Aranzabal Agudo, the fifth generation of the business family.

- *"Álvaro Bilbao, a trusted employee of La Rioja Alta, S.A., asked me to meet a friend of his with a lot of experience in the residential sector who was looking for an investor to create a residence for the elderly in Vitoria. After hearing him out, I explained that I wasn't a lender but an entrepreneur, and that if he wanted support, we'd go into business together."* - recalls Guillermo de Aranzabal Agudo.

And thus, Albertia began as a La Rioja Alta, S.A. subsidiary. However, after a few years, as the business expanded with several residences, it became clear that the two businesses had to be separated to mitigate risks. Consequently, an extraordinary dividend was offered to the shareholders of La Rioja Alta, S.A., allowing them to buy the shares of Albertia. These operations were separate, and an independent company was set up, the current Albertia Servicios Sociosanitarios, S.A., where a few other shareholders remained in addition to the Aranzabal family.

- *"The COVID pandemic was a tragic period we endured with horror. The uncertainty was extremely high, with nobody knowing for sure what to do and, in addition, the activity was frenetic. I remember long conversations every Friday with the then seventeen*

directors of Albertia residences (now there are 24). The employees were the best, and most of them behaved exceptionally. It was a very delicate time for everyone, and we spent a lot of resources of all kinds to keep the activity in the best possible conditions," recalls Guillermo de Aranzabal Agudo.

With significant growth and development, Albertia now stands as the leading family-owned group in the nursing home management sector in Spain.

- *"What I enjoy about my job is that I'm in charge of three very different businesses. Diversifying risks is fundamental not only for the family, but also for the companies themselves, as not having all our eggs in one basket makes us more flexible and resilient. Specifically, Albertia has made us stronger, and it requires other capabilities; it's a service company, and staff motivation and service orientation are key," says Guillermo de Aranzabal Agudo.*

Fig. 14. Albertia Group's Residence in Lugo



Source: Albertia

Today the de Aranzabal family holds the absolute majority of the shares in La Rioja Alta, S.A. and Agromotor (with 95% of the shares) and Albertia Servicios Sociosanitarios, S.A. (87%).

Governance of a Family in the Sixth Generation

Of this great business family, only Guillermo de Aranzabal Agudo and his two sons and a niece, members of the sixth generation, currently work in the companies of the family group. By adopting a professional management approach, the family makes its mark at the General

Shareholders' Meetings and on the Boards of Directors of each of the three companies (La Rioja Alta, S.A., Agromotor, and Albertia) that make up the family portfolio. Advised by independent directors, the family members are involved in the companies' governance as proprietary directors, which allows them to transmit the family's guidelines to the companies.

The Aranzabal family has established a complete family protocol that governs aspects such as the matrimonial regime, loans to family members, the transfer of shares or access to the company by descendants and in-laws, in order to ensure the family principle of keeping companies within the family. In addition, they also prioritise the "policy of detail" implemented by the family to care for both family and non-family shareholders; and the ethical issues that aim at transmitting a discreet family style to future owners, consistent with that of their predecessors.

- *"Ours is a stable, loyal shareholding. I have attended the boards for 37 years and have chaired them since I was 45, and all decisions have been taken unanimously. There is a great deal of trust, and this is achieved by building trust and taking care of the details. My father did this very well, and he passed on to me the importance of taking care of the 'afectio societatis', which is at stake in managing emotions, parallel to business results and ensuring liquidity for shareholders,"* recounts Guillermo de Aranzabal Agudo.

Fig. 15. Reunion of Three Generations of de Aranzabal family.



Source: Family Archive

Corporate governance requires leadership that manages risks, anticipating contingencies that could jeopardise the work of many years, making decisions with careful consideration and temperance, with a long-term perspective, and navigating the ups and downs of the day-to-day. When the company is facing headwinds, this type of leadership is fundamental, as it creates serenity in the shareholder base, allowing it to provide the company with the stability it needs and maintain the course set without expecting immediate results.

- *"For example, we face many risks in the world of wine. Not only those inherent to the field, but also to the enormous maturation times and the fact that we have eight years of inventoried sales and millions of litres stored, all of which imply risks that only responsible ownership with a long-term vision can bear. That's why it's difficult for a type of ownership, such as funds, which acquire companies in many sectors, to do what we are doing,"* reflects Ángel Barrasa.

The eleven members of the three generations of the Aranzabal Agudo family meet in a family assembly twice a year. This Assembly manages the protocol and the family's values and business philosophy, which are translated into specific decisions like distributing dividends or reinvestments. It is the Family Council, made up of the four largest shareholders with the occasional participation of external shareholders, which takes the decisions adopted by the Assembly. However, the main mission of the Family Council is always respected, which is to nurture and ensure a harmonious family environment.

Finally, they also have a private *family office* for dealing with family matters, internally known as "Bea's Office" since Beatriz de Aranzabal manages it, advising the family on tax, investment, and financial issues.

- *"Shareholder management is very important, and Guillermo treats each and every one of them with great care. What binds the shareholder to the winery is not the economic dividend but the psychological one. Guillermo treats people very well, and his sisters are no exception. There's a clearly established and accepted leader who's earned this legitimacy by taking care of people,"* explains Ángel Barrasa.

More than a Business Group

For the Aranzabal family, the survival and development of business activities take precedence over the ambition of immediate results. Therefore, due to this long-term culture, a large part of the profits of these companies are reinvested to guarantee that the companies can continue to be competitive and sustainable over time. Moreover, the social conscience of this family ensures that every initiative under their leadership actively contributes to economic growth and community well-being.

- *"The family's social awareness is evident in many ways. In this matter, the roles are divided: Guillermo focuses on bringing this social awareness to the companies and on creating jobs; Maite is involved in NGOs, channelling both family and company donations; and Beatriz, as secretary of the board, transmits the family's social decisions to the different companies. They've all internalised it,"* explains Ángel Barrasa.

Creating employment in the environment and fair labour relations are two of the maxims of La Rioja Alta, S.A. To this end, Guillermo de Aranzabal has promoted measures such as the reconciliation of work and family life, which, among other benefits, facilitates the training and education of people. Furthermore, the family advocates for the social and labour integration of individuals with disabilities, resulting in 3% of Albertia's workforce today having some degree of disability. In addition, among other issues, equality plans are implemented in the companies of the family group and training is promoted to guarantee the employability of the workers.

Alongside caring for people, social awareness translates into respect for and protection of the environment beyond what is legally required. Besides the measures introduced in La Rioja Alta, S.A., which include organic vineyards and biotechnological alternatives to control pests using natural methods, Albertia has been the first group in the sector to implement ISO 50.001 energy management standards across all its centres, successfully reducing its carbon footprint by more than 20% annually. Meanwhile, Agromotor has introduced the distribution and sale of automotive spare parts from reconditioned components, LEV vehicles, and a commitment to treating and recycling batteries, lubricants, and used tyres.

Fig. 16. Solar Panels in Torre de Oña



Source: La Rioja Alta, S.A.

However, the scope of the family's commitment to sustainability extends beyond the limits of the companies it owns. Led by the initiative of Maite Aranzabal and approved by the Board of Directors of La Rioja Alta, S.A. in 2007, the "Viña Ardanza Solidario" project embodies an awareness of the serious problems of injustice, poverty, and disease. Through this project, the company undertook to allocate 0.7% of its consolidated net profit to various social projects. After the first decade of the project, in 2017, the family decided to increase the annual contribution to the project to 1%, with a guaranteed minimum of 100,000 euros. In 2017, the rest of the companies in the family group, including employees, shareholders, and executives, joined this project. Thus, in the 15 years between 2008 and 2022, the total amount donated amounted to 1,700,000 euros.

- *"Viña Ardanza Solidario is managed through an Allocation Committee made up of two employees, Roberto and Idoia, shareholders, and my sister, Maite. They establish the criteria for the selection, allocation, and monitoring of projects. The idea is that the feeling of solidarity is spread throughout the winery and among the family,"* explains Guillermo de Aranzabal Agudo.

The Viña Ardanza Solidario programme was recognised with the National Solidarity Award from CaixaBank Banca Privada in 2021 and the Social Responsibility Award from the Mundo Ciudad Foundation in 2017. However, this is merely the visible part of a profoundly supportive family that organises its donations from "Bea's Office", the *family office* where Beatriz de Aranzabal manages the donations made by the family following Maite de Aranzabal's proposals.

- *"My sister Maite is a paediatrician and is dedicated to collaborating with NGOs, and we, the siblings and our children, follow her criteria in terms of the donations we make personally and from Apodaca, the company in which our mother is the owner. From there, we have financed, for example, a school and a hospital in Benin,"* says Guillermo de Aranzabal Agudo.

The Art of Transferring the Family Business²

Renewing the business project and taking advantage of the opportunities that arise over time, all while maintaining the integrity of the family legacy, is an art similar to that of wine racking. In both cases, if done correctly, what is transferred improves and enhances its essence. However, this is a delicate and unique process that requires patience, attention, and commitment from the transferor and the recipient.

Guillermo de Aranzabal Alberdi and Rosa Maria Agudo Huici belonged to business families, and each in their own field had acquired complete training in their professional vocation, one as a businessman and the other as an academic. As parents, they raised and educated their children with a sense of austerity and rigour, both exemplifying exigency and discipline in this respect. For instance, they ensured that their children were able to fend for themselves, which implied a more reserved approach to praise or gifts. Aware of the responsibilities their three offspring would have to assume in the future, the parents encouraged them to spend time abroad, learn languages, and receive vocational training.

Influenced by a solid background in family values and the empowerment of entrepreneurial talent, Guillermo, Maite, and Beatriz de Aranzabal Agudo each developed their professional vocation in a different area -law, medicine, and political science, respectively- which they completed with professional or training experiences in different countries. Although their career paths are diverse, they all exhibit the same traits: all three ventured into entrepreneurship in their youth using their own resources, and share a personal style and ethics inherited from their parents, which is the family's trademark. Carrying forward the family legacy is a challenge, and to succeed in this endeavour, having role models like Guillermo de Aranzabal Alberdi was for his

² Some of the information in this section is based on González Inchaurrega, I. (2008).

children is fundamental, a benchmark of commitment, integrity, and responsibility, from whom they learned through careful observation. Watching what he did —decanting, like good wine.

- *"Of course we've been through very difficult times; in the case of my father with Fundiciones Aranzabal, and later in the 1960s when some important shareholders sold and the family had to take the risk of buying their shares, or more recently with COVID... but I firmly believe that if you're reasonably prepared, crises can be great opportunities. In fact, La Rioja Alta, S.A. took the leap due to the phylloxera crisis that forced French winegrowers to come to us and from there, we were reborn,"* explains Guillermo de Aranzabal Agudo.

The transmission of values and business talent has also been the work of the three Aranzabal siblings, who make up the fifth generation of this business family. Thanks to this, today, all the successors are linked in some way to managing their own or family projects and share the same commitment to the family business.

Fig. 17. Reunion of Three Generations of the Aranzábal family



Source: Family Archive

The seven cousins of the sixth generation, the children of Guillermo, Maite, and Beatriz, are developing business projects related to the family business. Thus, Guillermo's two sons, Guillermo and Alex, are currently involved in managing the family businesses, the former as Deputy General Manager and Public Relations Director and the latter as Deputy General Manager. The two brothers have been trained in business management and law both nationally and internationally. Meanwhile, their cousins, Gabriela and Mikel, Maite de Aranzabal's children, have ventured into the world of marketing (Gormaran) and landscaping (Ormaran Paisajismo), respectively. Gabriela works in digital marketing for La Rioja Alta, S.A. and Agromotor, and Mikel is in charge of designing and maintenance of the gardens of the Albertia residences. Beatriz de Aranzabal's successors, Oihana and Martin, work inare engaged in different social organisations such as ALBOAN and also in the hotel sector, with the youngest member of this sixth generation, Ignacio, still studying law at the University of Deusto. Each one is pursuing their professional project with enthusiasm, fully aware of the shared legacy that is in their hands and that, from different positions, they must understand, adopt, and carry forward. As for the 7th generation, Guillermo de Aranzabal Bittner's daughter Nora, born in 2024, is already visiting the winery.

- *"Our aita is in our day-to-day work and is a reference point for us. Although each of us is involved in different projects, the seven cousins share a very similar love for the company. All seven of us identify strongly with La Rioja Alta, S.A. and the other family projects, and we feel part of them,"* - says Guillermo de Aranzábal Bittner.

"It is undeniable that "from a good vine comes a good wine", as the Spanish saying goes, but it is also true that from the vine to the wine, there is a series of steps, from cultivation and harvesting to crushing, pressing, fermentation, fining, ageing and bottling, each of which is critical to making a great wine. Here's to many more years of excellent work by entrepreneurial families!

Fig. 18. Members of the Fourth, Fifth, Sixth, and Seventh Generation of the Aranzabal family.



Source: Family Archive

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