



LEA-LASCARAY: Fruit of the commitment of a family business for six generations

LEA
1 8 2 3



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Lascaray S.A. is one of the longest-lived manufacturing companies in Spain and the oldest in the Basque Country. In October 2023, Lascaray celebrated its bicentenary, in which both the Lascaray family and the entire community expressed their recognition, respect and sentiment towards everything that this family business has represented throughout its history. In these 200 years of life, the business has been transforming, evolving and, of course, resisting the different challenges that history has thrown at it, thanks to the commitment of a family, the Lascaray family, which has led this industrial project throughout its six generations.

The foundation in 1823 and the role of the first three generations Lascaray

In 1823 Juan Bernardo Lascaray, born in Ciboure (France), settled in Vitoria. Initially, he began to work as a teacher in a factory owned by a businessman, Weidmann, who manufactured candles for illumination based on animal tallow. From the beginning, Mr. Weidmann left the manufacture and production of candles in the hands of Juan Bernardo, leasing him the plant located in the El Prado neighbourhood of Vitoria.

Thanks to the diary that Juan Bernardo wrote and that the Lascaray family has lovingly preserved, we can read:

"I, Juan Bernardo Lascaray, arrived in Vitoria on 19 October 1823 at the house of Mr. Adam Weidmann as a candle maker and first master of his factory" - extract from the handwritten diary of Juan Bernardo Lascaray.

Juan Bernardo had several children. Martina and Juliana, who died at an early age, and finally it was his son Casimiro Lascaray, the second generation of the family, who continued to run his father's business. At that time, the candle business was still thriving and in 1847 the family acquired a plot of land in Calle Castilla de Vitoria, where they built a new factory. With this new factory, which Casimiro finished setting up in 1855, came a new name, La Estrella Alavesa, that is, the LEA brand that has survived to the present day.

Image 1. Casimiro Lascaray (second generation)

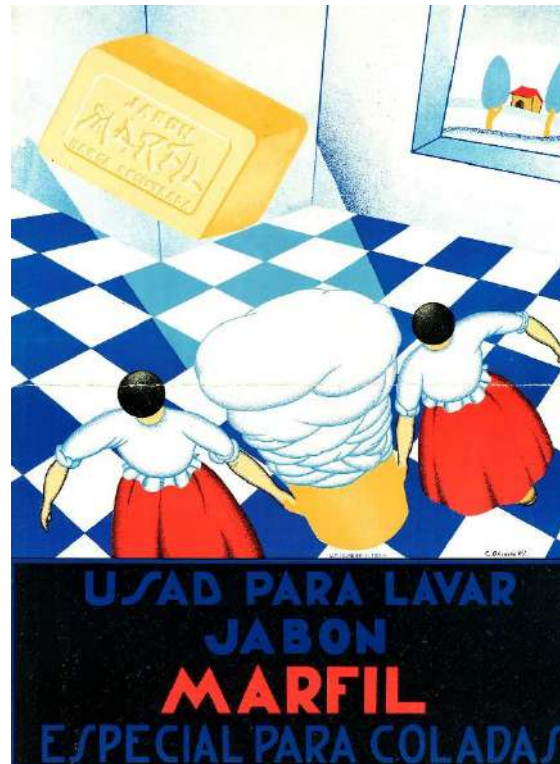


Source: Lascaray, S.A..

In those years, Casimiro found out that in France there was a chemist who had learned to split animal tallow into two components: glycerine and fatty acid, in order to improve the manufacturing process and quality of the candles made by Lascaray. By incorporating this process, the melting point and odour characteristics of Lascaray candles were substantially improved, thus initiating Casimiro's production of candles, also known as stearic candles. In addition, as a result of this splitting, Casimiro has a new by-product, fatty acids, which were generated as these stearic spark plugs were being manufactured. With these fatty acids, Casimiro began to produce its first soaps in this new factory.

Soap was a new product, which surprisingly did not exist as such until the first half of the 19th century. Before that, there was only a very limited production in Marseilles, the famous Marseilles soap. At that time, the Lascaray family began to manufacture a soap marketed under the brand name Marfil. Shortly afterwards, in 1860, the Tapia family began to manufacture a soap under the brand name Chimbo, Chimbo being the name of a bird common in the region. At the beginning of the 20th century, the Lizarriturri and Rezola families of San Sebastian built a large soap factory which they marketed under the brand name Lagarto.

Image 2. Advertising for Jabón Marfil



Source: Lascaray, S.A.

Over time, candles ceased to be a fundamental element of illumination and were replaced by electric light. In 1879, Thomas Alva Edison managed to improve and commercialise the electric light bulb, which he patented in 1880. The development of electric light was rapid, with the first power station for supply being created in 1882 in lower Manhattan (New York). Starting with the manufacture of soap enabled the Lascaray family to keep up in this new scenario in which the consumption of candles dropped dramatically.

The third generation in the company was led by one of Casimiro's sons, the first Félix Lascaray of the family, Félix Lascaray y Ayala, who succeeded his father at the head of the company in 1885 and consolidated the industrial project. After several years at the head of the factory, an extreme event marked this period, as in 1905 the factory in Calle Castilla was completely destroyed in a single night due to a fire. Despite the harshness of the moment, Félix Lascaray did not stop, and after an intense effort, in 1907 he opened a new factory in the same location, taking advantage of the situation to expand and incorporate a series of pioneering infrastructures in the Spanish chemical industry. These investments made it possible to improve efficiency and quality in processes such as pressure splitting, hydraulic pressing and glycerine recovery.

Félix Lascaray y Ayala and his two sons Ignacio and Lucio (3rd and 4th generation).



Source: Lascaray, S.A.

In addition to his determination in favour of the development of the family business, Félix Lascaray y Ayala was an outstanding personality, a socially recognised gentleman and a man of distinction in the region. Throughout his life he participated in numerous business and social initiatives and held prominent positions such as president of the Chamber of Commerce. One of his most outstanding works was the co-founding in 1900 of the first employers' mutual insurance company for accidents at work in Spain, in order to improve the protection of workers. This first employers' mutual accident insurance company, called La Previsora, was created together with other industrialists from Vitoria, such as, for example, the Fournier family. La Previsora has lasted until 2017, that is, for 117 years, being the seed of the current Mutua.

Re-founding by the fourth generation: Lascaray, a chemical company

Félix Lascaray y Ayala had three sons and two daughters. The daughters, following the customs of the time, were not linked to the company, although they did have ownership of it. In turn, Mr. Ignacio Lascaray and Mr. Lucio Lascaray (two of Felix's three sons) progressively joined the company between 1927 and 1929 and succeeded their father in the management of the company. Félix Lascaray y Ayala, after a full life, finally died in 1943, the different generations having lived together in the company.

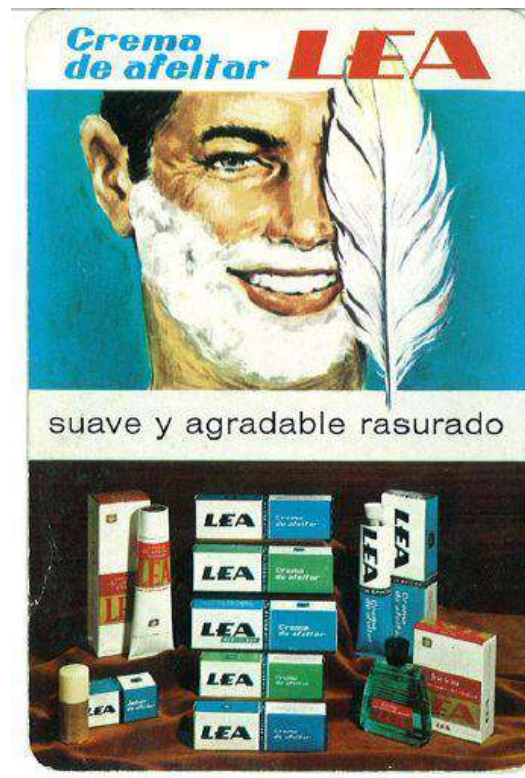
Casimiro, the eldest son, who had no involvement in the company, was disinherited by his father for not following the orthodox moral principles of the time, and distanced himself not only from the company, but also from the family and the city of Vitoria itself. Lucio was sent by his father to Germany at the age of 20, so that, after learning the language, he could attend a Chemical Engineering School in Berlin. Lucio turned out to be a brilliant student and, after graduating as an engineer, he obtained a doctorate in chemistry and specialised in the process of fatty acid splitting, a subject on which he carried out research and published research articles. Appointed president of the Vitoria Scientific Research Centre that bears his name, Lucio, in addition to standing out for his expert knowledge and innovative discoveries in this field, was a sensitive person who throughout his life developed and was recognised for his extensive social work. Finally, Ignacio was sent to Bordeaux to study as an industrial expert and on his return he took charge of the company's financial and accounting matters.

Both brothers Ignacio and Lucio were hand in hand protagonists of the fourth generation of this family business. Lucio's investigative profile led him to work on improving production processes and launching new products; in particular, he was a pioneer in the generation of shaving cream, which they began to manufacture and sell in 1935. LEA shaving cream was the first shaving cream to be manufactured and marketed in Spain. After its launch, it was a complete success among consumers who, until then, had shaved with soap. It took a couple of years for other companies to start manufacturing similar products, such as La Toja and later multinational brands such as Procter & Gamble and Henkel.

Initially, LEA shaving cream had no competition in the market, but it is also important to note that its quality, unique pearlescent colour and its texture and lathering capacity were difficult to imitate and match for years by its competitors. All this made it an unbeatable product and the Lascaray brothers used the network of non-exclusive Profiden toothpaste representatives to bring LEA cream to every corner of Spain.

- *"I still have a letter from one of the main multinationals in the cosmetics sector where they made my father an offer to buy our formula, and where they told us that we were too small to survive in a multinational sector; but my grandfather did not sell, he kept going. Today, that company that threatened us is not in the Spanish market and we continue to manufacture and sell shaving creams, among other things",* recalls Félix Lascaray Zugaza, fifth generation of the family and president of Lascaray S.A.

Image 4. Shaving cream advertisement (1960s)



Source: Lascaray, S.A.

The fifth generation: rising from the ashes and business development

The fifth generation is made up of a group of brothers and cousins who collaborate in different management positions in the company, two of them in the management and commercial area and the other two in the technical area. Specifically, Lucio has two sons, the Lascaray Zugaza brothers, José Miguel, who studied Chemical Engineering in Switzerland, and Félix, who studied Business Studies at ESTE - University of Deusto - and, on the other hand, Ignacio, has two other successors who have joined the company, the Lascaray Basterra brothers, Juan Ignacio, who studied Chemistry at the University of Salamanca, and Pedro, who studied Economic Law at the University of Deusto. Except for Félix Lascaray Zugaza, who was younger and joined in the 1970s, the rest of the successors joined the company between 1963 and 1965.

Image 5. Félix Lascaray Zugaza (5th generation)



Source: Lascaray, S.A.

The period from the mid-thirties to the seventies was a flourishing one for the company. So when Félix joined the company, his father Lucio was in the middle of moving the factory from Calle Castilla to its current location in the Arriaga Industrial Zone in Vitoria, where work began in 1973. The new plant has more capacity, three times the capacity of its predecessor, and is more modern. Its facilities allowed for improvements in the manufacture of fatty acids and soap in tubes and bars, and it was also where the first shaving foams were manufactured and where Lascaray's cosmetic products were developed. Félix, who had just joined the company, was sent every afternoon to monitor the progress of the work, which was completed in 1975.

Lascaray company under construction



Source: Lascaray, S.A.

"We got along very well. Those were hard years, a lot of things happened, but we managed to move forward. In the 1960s, for example, detergents appeared. Detergents are not soaps, they are chemical products that dissolve well. Pioneering brands such as Ese, Omo and Persil, manufactured by the multinationals Procter & Gamble, Unilever and Henkel respectively, entered Spain. Their arrival swept the Spanish market and soap became a residual consumption" - recalls Félix Lascaray Zugaza, fifth generation of the family and president of Lascaray S.A.

In the 1970s, shaving foams and gels began to arrive from the United States which, because of their ease of use, gradually replaced shaving creams. Until then, Lascaray had sold a lot of shaving cream, which was its star product; but, as with candles, its founding activity, and then soap, when in the 1960s it began to lose momentum in the face of the new detergents, shaving cream also lost momentum. Throughout its history, Lascaray's flagship products - candles, soap, shaving cream, etc. - have been replaced by new consumer trends and Lascaray has gradually evolved and changed.

Of this fifth generation, Félix Lascaray Zugaza was the visible face and the one who led the project, navigating through the hard times the company went through during this period. Born in 1945, he studied Business Administration and Management at the former EUTG, now the University of Deusto, and joined the family business and took over its management. At the proposal of SEA, the employers' association of Alava, he was awarded for his career at the head of a company that in 2017 had 75 workers, recognising his commitment to the territory in difficult times, maintaining its headquarters in Vitoria, despite its intense activity throughout the national territory with sales offices in Madrid and Barcelona.

"When I started working, millions of tubes of shaving cream were sold. Shaving foam, which is not the same as shaving cream, arrived from the United States in the first half of the 1970s. It was a new product, which had nothing to do with the one we manufactured" - recalls Félix Lasscaray Zugaza, fifth generation of the family and president of Lasscaray S.A.

In short, and looking back, we find a Lasscaray family that since 1935 has been developing its industrial activity linked to cosmetics, first it was a product, then a range was formed, and progressively the cosmetics division was generated. The factory inaugurated in 1973 allowed the company to meet these new needs, but suddenly, one night in 1986, everything was on the verge of being lost when an explosion in the factory left it in ruins.

"It was never clear whether it was an explosion or a fire. After two or three years the insurance paid some, but not all of it. I had to figure out how to rebuild the factory. It was a very, very difficult time". - recalls Félix Lasscaray Zugaza, fifth generation of the family and president of Lasscaray S.A.

In the midst of such a dramatic situation, and faced with the inability to produce and attend to his customers, Felix decided to call a Belgian company, OLEOFINA, to ask for help so that they could maintain the supply of the products that Lasscaray marketed. Therefore, Felix, together with his cousin Pedro, went to the Belgian offices in the hope of obtaining support so that, during the time the factory was not operational, the supply to their customers would not be discontinued.

"When the general manager met me, he asked me how he could help me and I explained the critical situation we were in. I told him that we needed our products to be manufactured. Not only did we receive the lorries with the products and we were able to supply our customers without losing any, but they also considered us distributors of their products in Spain and we continued to do so for several years" - recalls Félix Lasscaray Zugaza, fifth generation of the family and president of Lasscaray S.A.

This agreement allowed Lasscaray not only not to lose customers, but to remain profitable. OLEOFINA did not know the Spanish market and the agreement allowed the Belgian chemical company to enter the Spanish market. In this way, all parties won. This commercial alliance lasted for four years, from 1986 to 1990. Indeed, the Lasscaray family even considered the possibility of ceasing to be manufacturers. The fire had been a major setback for this business family, so much so that for a moment they considered abandoning their industrial activity and focusing solely on distribution.

"We wanted to guarantee the sustainability of the family business over time, and to act only as a distributor, although it worked very well in the short and medium term, did not guarantee the long term. I quickly discarded the idea of not producing, I threw the blanket over my head and began to look for financing, installers, etc. to rebuild the factory", says Félix Lasscaray Zugaza, fifth generation of the family and president of Lasscaray S.A., with great emotion.

After evaluating different proposals and visiting other factories, they finally had to choose between an offer from a German and an Italian company. The family's financial situation was very delicate and this forced them to choose the latter because of the difference in the price of the project to set up the new factory.

The new factory was built, the new infrastructure and machinery were installed, but there were many problems, and it took more than two years to get it working properly. There were two years of constant improvements and tests to solve everything that did not work, new engineers were hired, a lot of money was spent, but finally in 1993, the factory was operating normally. The process had

been complicated, but the plant was highly automated and this increased efficiencies and tripled its production capacity.

"For example, in the fatty acid factory, we established continuous production, as opposed to the previous discontinuous production. This made us more efficient, the quality was also higher and we were able to design a more versatile production process and triple the capacity, which has allowed us to successfully face new demands for customised products, with specific formulations, from our customers. With the previous factory, we would not have been able to do this efficiently", explains Félix Lascaray Zugaza, fifth generation of the family and president of Lascaray S.A.

Image 7. LEA aftershave advertising (1980s)



Source: Lascaray, S.A.

Progressively, Lascaray adapted and began to promote cosmetics, and with it, they were able to increase the weight of exports in their business. Creams were followed by *aftershaves* and other products, not only for men, but also new products for women. At that time, when the boom in large-scale distribution took place. Félix Lascaray Zugaza strengthened his relationship with this channel and began to manufacture private labels for them, a line that is today the company's most important.

"It was not easy to enter the private labels, not all the members of the family agreed, they were afraid that we were going to lose our knowledge and ways of doing things, but in the end I convinced them and this has allowed us to stay in the market and grow", says Félix Lascaray Zugaza, the fifth generation of the family and president of Lascaray S.A.

The sixth generation: a renewed Lascaray-Lea

In 2013, Félix Lascaray Palacios, a member of the sixth generation of the owner family and son of Félix Lascaray Zugaza, after graduating from ESTE, University of Deusto, and acquiring a professional background in the world of strategic consulting, joined the company at the age of 26. At the call of his predecessor, Félix got involved in the business and began by drawing up a strategic plan for Lascaray.

"I didn't know I was going to work in the family business, my father never told me. During my degree I already liked strategy, in fact, I took the Speciality Module in Strategic Management in which I remember that we did a reflection and strategic plan for a real company. At university I signed up for an internship programme they offered, I remember it was called 'Strategos'. But I must have signed up too early, as it was for students in the last year of their degree and I was told that they would call me back in two years, which they did. The selection was tough, we had many hours of interviews. However, a lot of what I saw in the strategy module of the degree gave me elements and I was selected. Before I went to Richmond on an international exchange to finish my studies, I was already selected to join Deloitte's Strategy Consulting department. I returned from the United States in August and in September I started working first in Bilbao and then in Madrid. I travelled a lot, I participated in the implementation of strategic plans for different companies, which gave me invaluable experience for my current work", recalls Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Image 8. Félix Lascaray and Pedro Lascaray (6th and 7th generation)

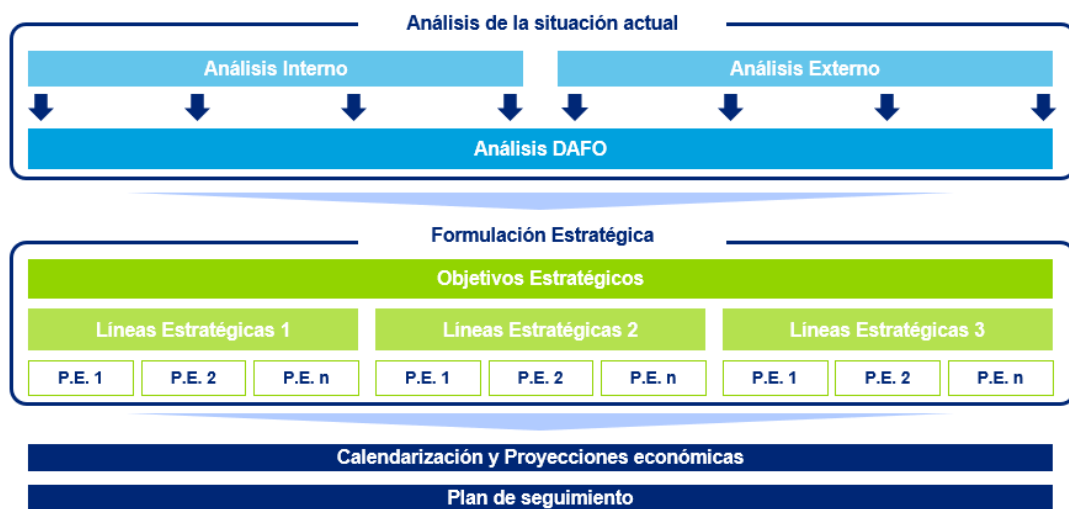


Source: Lascaray, S.A.

In the 2013-2016 strategic plan, Felix addressed the internal and external analysis and spent two months interviewing each of the company's employees. Based on the strategic diagnosis of the company's situation, he identified the objectives and strategic lines and defined a large number of projects to be developed. This exercise was repeated for the 2016-2020 and 2020-2024 periods.

"In all these years, the strategic lines initially proposed have been addressed and developed, and progressively, the expected objectives have been met. There has been a strong transformation process in the management of the company", explains Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Figure 9. Strategic planning process followed by Lascaray



Source: Lascaray, S.A.

One of the strategic lines consisted of organisational restructuring and the redefinition of responsibilities to address management more in line with the company's needs. On the one hand, at the head of the oleochemical division, Félix Lascaray Zugaza, assumes management duties, coordinating the production, commercial, quality, plant and maintenance managers. On the other hand, Joaquín Pérez Otero, head of the cosmetics division, is in charge of a sales manager and a logistics manager. As a result of the reorganisation and transformation of management in recent years, the workforce has doubled from 60 to 130 employees. There was also a redefinition of the processes of each department. The current structure of Lascaray, S.A. today incorporates new areas such as purchasing and marketing in the cosmetics division, which enable the company to respond to the challenges of the market.

The oleochemical division: obsession with continuous improvement

One of the challenges that arose within the oleochemicals division was to provide an outlet for the factory's installed capacity, as only 70% of the plant's production capacity was being covered. For this reason, the intensification of commercial work was addressed and this led to the exploration of new market opportunities.

"We saw that there was a market opportunity to improve the quality of the product for certain customers. This required improving the process and adapting it to a customer who already knew us. My father had a very good relationship with them and they were willing to buy from him, if we were able to adjust to their requirements. We invested in the facilities, for example, in filters to deodorise the fatty acids, and after a year and a half of tests and a million euros of investment, which at that time was a huge amount, we were able to win new customers and increase sales" - recalls Félix Lasscaray Palacios, a member of the sixth generation of the Lasscaray family.

Improvements in the production area have been constant in recent years. Lasscaray has applied continuous improvement to adapt and make its processes more flexible in order not only to improve efficiency, but also to make progress in complying with environmental requirements. Examples of this are the installation of new tanks to switch from 100% animal fat to vegetable fats, the installation of solar panels and the definition of a system of environmental indicators to measure issues such as the carbon footprint and monitor CO2 emissions.

"Every day we see how we can improve our environmental performance. For example, we recently changed the production circuit because Lasscaray and three nearby companies were emitting odours. We spent three years studying the process to avoid this damage and in collaboration with the Vitoria City Council and the Provincial Council of Araba, we invested heavily to achieve this". - says Félix Lasscaray Palacios, a member of the sixth generation of the Lasscaray family.

Currently, the oleochemical division manufactures and sells glycerin as well as fatty acids, stearic and oleic, of both animal and vegetable origin, all of which are raw materials for manufacturers in different sectors.

"The oleochemical division continues to be one of the pillars of the group, thanks to the innovations that have been progressively incorporated in such a way that we have adapted to the demands of the environment and our customers", explains Félix Lasscaray, sixth generation and CEO of the oleochemical division.

Fatty acids are sold to detergent and fabric softener manufacturers; oleic acid is used for liquid detergents and stearic acid for powder detergents, but is also sold to paint and building material manufacturers.

"We have to realise that fatty acids make up 50% of the composition of a fabric softener and in Spain there are large manufacturers of detergents and fabric softeners that have grown and we have grown with them. There are big challenges that we have been tackling as these products are a commodity, which forces us to improve our competitiveness to stay in the market", explains Félix Lasscaray, sixth generation of the family and CEO of the oleochemical division.

Moreover, glycerine is a necessary raw material for many sectors, including cosmetics, and LASCARAY uses 5% of its own production in its cosmetics division, selling 95% of it abroad (see Table 1).

Table 1. Distribution of the oleochemical division's production.

Target sectors	% total production of the division
Own consumption	5%
Detergents and similar products sector	60%
Tyre and similar sector	20%
Construction and similar sector	15%

Source: Lascaray S.A.

The rise of the cosmetic division

The sixth generation has played a leading role in the recovery of the own brand. On his arrival at the company, Félix found an own brand which, although it was a success in the seventies, had lost strength and consumer recognition after twenty years. Faced with this situation, the management decided to bring it back and also to open the doors to new channels.

"As a result of the strategic reflection, we started to dedicate commercial resources to large-scale distribution and selective perfumery. We recovered the original brand image and aesthetics, in order to attract those consumers who knew LEA as what my grandfather used to shave with. Finally, to realise this new vision, we reorganised the commercial structure", says Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

In order to focus on the new channels, it was decided to withdraw the sales force from the multi-price and *discount* channel where both the LEA and BEA brands were sold (created in the 1980s to meet the demand of *discount* and "all a 100" shops without harming the LEA brand). During the first two years, the company suffered greatly as turnover in this part of the business was halved, but at the same time, this decision allowed it to intensify its commercial strength in other areas, such as large-scale distribution.

"We suffered initially, in fact, as a result of this strategy, the multi-price market went from 70% of turnover to the current 10%. Until we managed to grow in the new channels, we had some difficult times", says Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Progressive progress was also made in the internationalisation of the company, more focused on the cosmetics division than on oleochemicals.

"In the oleochemical division, internationalisation is very complicated because the cost of transport has a major impact on the competitiveness of commodities, so this division has focused on customers located mainly in Spain and neighbouring countries, such as France and Portugal," says Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Pedro Lascaray, a member of the seventh generation of the family and export director of LEA, the cosmetics division, is successfully leading this internationalisation strategy. All the effort in brand differentiation and customer adaptation has been accompanied by growing exports to other countries, mainly in Latin America. Peru, Colombia, Chile, Cuba and Costa Rica are markets where Lascaray products can be purchased. Thanks to this constant effort, and driven by its headquarters in Peru and Colombia, the company now exports 30% of its turnover.

Image 10. Trade fair stand



Source: Lascaray, S.A.

The new Lascaray as an end-to-end solution provider: digitalisation and cultural change.

With the agreement of the previous generation, the new management team hired a creative and marketing agency in 2015, which improved the communication of its own brand LEA, which, for the first time, was also carried out on social networks. A dedicated sales team was also created for the LEA own brand, separate from the sales team dedicated to the private label. A new product development team was added to these two teams to support them in the development of new products to offer to these large customers.

"We also hired a new sales person, who we call "hunter", whose mission is to attract new integrated projects, both private label and own brand. All these teams, both the sales team and the product development team, have to coordinate with the marketing department, which has a LEA project manager for the new LEA product lines and a private label project manager," explains Miguel Hernández González de Langarica, head of LEA's Cosmetics division and Secretary of the Board of Directors.

The strategic renewal of this business unit required more than the aforementioned reorganisation and expansion of the teams. Lascaray in the last ten years has gone from being a paper-based company to the digitalisation of all its key processes.

"We invested in the first ERP in 2012 and the implementation was gradual due to the effort of adaptation and cultural change it required. The process was extremely hard, not only were we unable to invoice for days, the cost data for the first year was crazy, so we had to lower our expectations and carry out processes by hand, giving up on digitising all the processes due to user resistance. First it was the economic-financial area, then the commercial area, and that's how we got the first reporting. But yes, it was very hard", recalls Miguel Hernández González de Langarica, head of LEA's Cosmetics division and Secretary of the Board of Directors.

Progressively thanks to the generational change the progressive implementation has been possible, and in 2023 both the manufacturing, orders, production and quality; as well as the warehouses and the relations with the external company in charge of the logistics and storage of the product that Lascaray manufactures, are totally digitalised.

"There was no data to manage the company, how much foam we sell, to which segments they are growing,... A huge effort has been made to digitise processes to optimise management operations and business decisions. We now have data to make decisions. This has changed our management, we have two BI modules, one for each division. The next step will be Peru and Colombia," says Miguel Hernández González de Langarica, head of LEA's Cosmetics division and Secretary of the Board of Directors.

In addition, in 2015, Lascaray pulled down the factory where the own brand was produced and built a new one to increase production capacity, adapt to market demands and be able to serve future customers.

"People thought they were wasting their time with strategic planning, but then this division was based on merchandise, we had space, but we didn't use it. We were making barely half of what we were selling. We needed structures, processes and coordination. Now we manufacture 80% of what we sell and the goal is to reach almost all sales and in the last six years the turnover of this division has tripled". - says Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Figure 11: New Lascaray plant



Source: Lascaray, S.A.

With all this, in 2017 Lascaray was ready to make the leap from being a mere producer to become a provider of comprehensive solutions and meet the demands of product customisation, strict timeframes and growing environmental requirements, such as increasing the vegetable origin of product components, the elimination of chemical components or the reduction of plastic in *packaging* and its recyclability.

"In 2017, a person I knew and worked in a large company in the household sector contacted me because they wanted to start making product collections with an agile company. It meant designing and producing many developments of few units, which forced us to create a project development team that would coordinate with the purchasing department, with the commercial department that negotiates the price, with the R&D department where there is a team for formulations and with the logistics department. It also required certifications that we would not have obtained without the clean room, the new profiles and the technological and process equipment required. This experience has taught us a lot and we are now ready to provide the customer with a comprehensive service," says Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Figure 12: Laboratory of the new LEA cosmetics plant



Source: Lascaray, S.A.

The family, Lasscaray's stronghold

The owners of Lasscaray, a large group of twenty partners belonging to the fifth generation of the family, are organised into three family branches with representation on the Board of Directors in proportion to their shareholding weight: the branch of Lucio Lasscaray Ayala, that of his brother Ignacio and those of his sisters. Thus, the Board of Directors is made up of five family members and the CEO of the company sits on it for information purposes without voting power. The Board of Directors has a consultative and decision-making function, but formal voting takes place at the level of the General Meeting of Shareholders.

"To be a member of the General Shareholders' Meeting, it is not necessary to have had experience in Lasscaray, but it is required that its members are able to understand the dynamics of the business and the investment decisions. There has always been a majority of capital that has got along well and this has made things easier," says Félix Lasscaray Palacios, a member of the sixth generation of the Lasscaray family.

Since the fifth generation, thanks to the impulse of Félix Lasscaray Zugaza, the family has had a written protocol, although in some ways there has always been an "oral protocol". This protocol addresses issues such as the criteria for incorporating a family member into the company's management or the process to be followed when a shareholder leaves in order to prevent third parties from entering and thus protect the company. Over the years, this agreement has been regularly updated.

"The protocol states that, if a person wants to sell, the first potential buyer is their own family branch; then the rest of the family branches; thirdly, the company; and only if these options are exhausted can the outgoing person sell to a third party. For us, it is a way of protecting the business and, therefore, it is necessary to review and update it so that it responds to the reality of each generation," says Félix Lasscaray Palacios. - says Félix Lasscaray Palacios, a member of the sixth generation of the Lasscaray family.

Likewise, also in the fifth generation, a greater formalisation of the governing bodies was adopted, incorporating the figure of a non-family member as secretary of the Board of Directors and of the General Shareholders' Meeting since 2012. This arrangement of the Board facilitated management succession and the transition of executives to the Board in 2015, allowing the new generation, with profiles more oriented towards making proposals for business development, to reach positions of responsibility in the company.

"I believe that the presence of a person from outside the family can bring a higher level of reporting and provide a certain formality in the treatment of issues in the Board and in the Meeting" - Miguel Hernández González de Langarica, Head of the Cosmetics division of LEA and Secretary of the Board of Directors.

A source of pride for the entrepreneurial family is the longevity of the company. In October 2023, Lasscaray celebrated two centuries of life, since Juan Bernardo Lasscaray started manufacturing and selling candles in Vitoria. To mark the occasion, a gala event was held in the La Azucarera building in Vitoria, attended by institutions, family members, employees, customers, suppliers, friends, etc. In total, more than two hundred and fifty people accompanied the Lasscaray family on this special day, where there was space for testimonies from significant people and interviews with the fifth and sixth generation managers.

Felix Lascaray at the gala celebrating the 200th anniversary of LEA-Lascaray



Source: Lascaray, S.A.

The future

In the future, Lascaray's objective is focused on developing the cosmetics business unit, which has increased its turnover from 9 million in 2017 to 28 million in 2023, and the international markets, which were strengthened when the fifth generation opened its first commercial office in Peru. Its commitment to growth has an impact on employment, which has doubled in the last decade (from 60 employees in 2013 to 130 in 2023). A promising future for a company led by a young team that is energising a history of two centuries.

"We currently manufacture a wide variety of products in two separate factories that serve the two divisions of the company. The oleochemical division, with 60% of the group's turnover, produces and markets glycerine, fatty acids and other derivatives that we sell to different sectors. It is noteworthy that all the detergents manufactured in Spain and several European countries use our fatty acids. And, on the other hand, the cosmetics division, where we produce our wide range of more than 700 cosmetic products (razors, wipes, creams, deodorants, gels...) for large-scale distribution and under our own brand LEA created by my grandfather. One of our greatest efforts today is to develop products that are as sustainable as possible", explains Félix Lascaray Palacios, a member of the sixth generation of the Lascaray family.

Figure 14: LEA 2024 product range



Source: Lascaray, S.A.

The company is moving forward by making prudent bets and is growing through proven investments and new profiles that allow it to dynamise its activity. The recruitment of graphic designers and the collaboration with *instagramers* and other profiles are steps towards creating a brand image that reaches young people. However, the challenge today is to incorporate certain specific skills.

"It is difficult for us in Vitoria to find qualified profiles for cosmetics, specifically chemical technicians, and it is even more difficult to find those specialised in cosmetics. And attracting them from other areas such as Madrid and Bilbao, where salary levels are higher, is complicated. It is very difficult for us to recruit" - Miguel Hernández González de Langarica, head of the Cosmetics division of LEA and Secretary of the Board of Directors.

There is still a lot of history to be written. There is project potential in Spain and even more at international level, and it is yet to be exploited. Today Lascaray stands out for its flexibility and adaptation to the customer. Thanks to its technical specialisation and its capacity for product development, today it is a global personal care brand that offers comprehensive services to large distributors, with its own brand and distributor brand, with a long road ahead of it. For this reason, and looking to the future, we can only salute and encourage you to continue this long journey...ultreia!