Family cohesion in intergenerational transmissions as a longevity factor of their firms

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0. Introduction

The relevance of family businesses in most countries supports the study of their transfer mechanisms and survival rates. However, there are few reliable data in the literature on the longevity of family firms, their risks and the factors contributing to their survival in the long term.[1] In this sense, Stamm and Lubinski denoted that the difficulties of the succession process put the family firms at risk, and De Massis, Chua and Chrisman underlined the importance of other factors that may prevent intra-family succession.[2]

In relation to the survival rates of family firms, Ward claimed for more empirical research, and Stamm and Lubinski asserted that they "only make sense within a broader discussion of their geographical and historical context".[3] With the purpose of identifying the factors that contribute to the firms' survival in the long term and their avoidance of risks, Astrachan and Kolenko, in their study of over 600 family firms, found that succession planning was not correlated with business longevity.[4]

In Spain, the issue of the longevity of Spanish family firms has been addressed by Fernández Pérez and Puig in their works on large family firms.[5] Díaz Morlán studied the issue of succession within business families and, more specifically, the introduction of training and merit as factors that contribute to the success of intergenerational transfers.[6] Fernández Pérez and Puig (2004) and Puig and Fernández Pérez (2008) deal on the relevance of training and professionalization within business families.[7] With regard to the topic of long-term longevity in business families in relation to issues of succession and conflict (or the absence of it), the first contributions were made by Fernández Pérez (1997 and 1999), who analyzed some business families of Cádiz and Jerez de la Frontera, focusing on their relations, transfers and the behavior of their family firms. As for the study of specific cases beyond the biography of businessmen, it is possible to find works on Basque business families, like the Aznar, Ybarra (Basque branch), Sota or Echevarrieta families, or business families from other Spanish regions, like the Mahou, López (marquis of Comillas) or Gil families.[8]

The paper presents the case of a family of Basque origin who disclosed their corporate culture and business acumen to the traditional Sevillian economy of the time, sparking thereto. Therefore, this work complements previous studies on networks Basque immigrant entrepreneurs in Lower Andalusia, providing evidence from other areas of the region and of a later period.[9]

Therefore, this research is part of the mainstream of Business History, with its interest in revealing, through the study of individual cases, the various factors of longevity in family firms.[10] In particular, this article presents family cohesion as one of the factors of business longevity. Using the definition by Bollen and Hoyle, this work understands family's cohesion as an individual's sense of belonging to a particular family and his or her feelings of morale associated with membership in the family.[11]

As such, family cohesion facilitates intergenerational replacement, one of the most delicate processes within a family business.[12] Thus, cohesion between the members of the following generation allows the financial needs of the firm to set the pace at which the liquidation of the succession and the distribution of the inheritance will take place, and, in addition, stands as one of the pillars on which new strategies are built.[13] On this basis, a business family may become a dynasty, i.e. a successful multigenerational family that has multiplied the value of its different businesses and investments.[14]

In this article we have used the definition by Ward of family firm as "(a company) that will be passed on for the family's next generation to manage and control".[15] Meanwhile, the term "longevity" according to Sharma and Salvato refers to the continuity of a family firm beyond the career of its founder(s).[16] The idea of longevity is completed with two requirements: the name of the firm must be preserved and the family's involvement in the firm must continue.[17] However, these two requirements may affect the firm's longevity, because companies – as legal entities – are often founded and dissolved, especially when they are created to last for a limited period of time. When this happens, the one that survives is the business family – especially in regional contexts – and the family name is the link between the different legal entities that succeed one another in time.[18]

Two are the main subjects of this research: the business family and its family firms. Both constitute a kind of Möbius strip, which seems to have two sides but in reality has only one.[19] Antheaume et al. have delved into the close relation between business families, their business interests, their firms as such, the firms' stakeholders and their socio-economic environment.[20]

This strong symbiosis is at the basis of what Rose identified when she pointed out that intergenerational transfers are key processes for the survival of a family firm, and that it is therefore essential to draw up a plan that specifies how these transfers should be designed and implemented.[21] The plan, elaborated with the purpose of guaranteeing the succession within the business family, is part of the predecessor's legacy to their successors.[22]

Moreover, those problems that may have been put off by the founder, such as the lack of decisions in relation to the maturing of the company, the aging of both the founder and the business, or the company's new needs, reemerge with the succession. Added to this, a structural crisis frequently breaks out when the taking over is being organized. The taking over demands a distribution of tasks – or a co-management – that usually stands on tacit agreements accepted by all the members of the following generation. These agreements often remain through time, regardless of their adequacy or updating to the new realities.[23] On the other hand, it is important to mention that business dynasties are not always voluntary associations, but can be posthumously imposed by the founder's will through trusts that often cannot anticipate what will happen in the future.[24]

The combination of these circumstances may sometimes delay the succession. This delay may lead to the emergence of problems that might affect the family's union – i.e. the decision to remain together – and commitment – i.e. the will to devote itself to the business –, as well as its capacity to adapt this commitment to future circumstances.[25] On the other hand, the breakup of a group of business assets becomes more probable with the passing of time, since previous agreements may be misunderstood or too informal and, therefore, open to various interpretations, making collaboration, conflict resolution and shared governance more difficult.[26]

In any case, the intergenerational transfer plan may be altered by unexpected events and, confronted to them, as Sharma and Salvato indicate, those business families and family firms that understand that the boundaries between family and business are flexible have better chances to survive in the long term. In this sense the *core rationale* is that "flexibility enables adaptability to the changing internal and external environment. In turn, adaptability is a necessity for longevity. (…) Research has highlighted the importance of both continuity and adaptation in ensuring the longevity of family enterprises".[27]

Section 1 of this article is devoted to the presentation of the Ybarra business family in Seville and of its family firms. It describes the foundation of the family, its first companies, the basis for the construction of a body that consolidated family, patrimony and firms, and the mechanisms used by the founder that can explain the financial solidity and successful intergenerational transfer of those firms. Section 2 focuses on the various intergenerational transitions and describes how they were performed in order to guarantee family cohesion and business strength. However, the unexpected and early death of the wife of one member of the second generation, leaving one heir, put at risk both the union and the economic strength of the family and business network. Section 3 explains how the inheritance was distributed and how the reorganization of the firms was made without disrupting the family's union and cohesion, due to the inheritors' trust in the accounting information available for each firm. Finally, the conclusions section states that family cohesion plays an essential role in the family's successfully overcoming the delicate process of intergenerational transfer. Success, therefore, translates to the maintenance of the business family's union and to the economic and financial reinforcement of the family firms in such a way that the firms may grow while implementing new and successful strategies and the family can become a business dynasty.[28]

1. Genesis and formation of a business family and its family firms

This section presents the origin of the Ybarra business family and of its family firms, and studies the foundation of the close relation between family and companies. The Seville branch of the Ybarra family was not one more among the Andalusia families and during the chronological period covered by this article, were owners of the most important Spanish company (Basque and Andalusian Ybarra y Cia), were one of the groups commercially most important business area which, in the second decade of the twentieth century, vertically integrated production, processing, marketing and transport of olive oil to make Hijos de Ybarra in a major Spanish-and global firms. In the consecution of these business and political success of the Ybarra family, the organization that bonded family, patrimony and firms – the name and legal status of which changed in time (Figure 1) – played an important role. This organization received the generic name of *Casa Ybarra* (Ybarra House), in the style of similar organizations headed by Basque businessmen like Sota and Aznar.[29] The founder's effort to weld family and firms was so thorough that both realities ended up looking like the one side of a Möbius strip.

Figure 1. Ybarra family firms during the first three generations

Source: Ybarra, *Noticias* and *Apuntes*. Articles of incorporation of the Ybarra companies, AHPS (Protocols Section) and AY. Own elaboration.

The Ybarra family established itself in Seville in the 1840s with José María Ybarra Gutiérrez de Cabiedes (Bilbao, 1816 - Seville, 1878) as head of the family. He was the fifth child of José Antonio Ybarra and had visited the city many times before, since he was responsible for the family's businesses in Andalusia. In that period Seville was the main city of the South West of Spain. It was well communicated by road and railway and the only fluvial harbor of Spain. The city was an important administrative, political, legal and military center. This made that in the city lived an important amount of public officials. Its economy was linked to a regional market of agrarian products and to the import-export activities related to those products and to raw minerals. Seville's social elites worried about the revenues of their investments in public assets, rural or urban properties and commercial activities more than they did about the revenues of their industrial investments.[30] Still in 1868 Seville's economy could be described as typical of the Ancient Régime; it was concentrated in the agrarian sector and had a manufacturing sector dominated by guilds and based on the production of handmade consumption goods.[31] In this context, the Ybarra family is an example of entrepreneurs who diversified their activities beyond agriculture and rentier field, which provided values of its geographical area of origin and meant a dynamic factor in the economy Seville.

The first years of José María Ybarra's life in Seville were defined by a pertinent strategy that led to his marrying (in 1843) Dolores González Álvarez, the daughter of Ramón González Pérez – a rich *indiano* and landowner with olive oil interests – and niece of José González Pérez – a merchant who traded in everything as long as it was profitable.[32] This marriage represented an extra bond between the two families, which were already closely knit.[33] The offspring of this marriage were five sons, José María (1844-1898), Eduardo (1846-1911), Tomás (1847-1916), Luis (1849-1916) and Ramón (1851-1925), who formed the family's second generation (Figure 2).

Figure 2. Ybarra Family Tree

Source: Ybarra, *Noticias* and *Apuntes*. Own elaboration.

The second generation built strong, very endogamous, horizontal class relations, which led four of the five brothers to marry into the Andalusian economic, social and political elites. Thus, Eduardo and Tomás married two daughters of Felipe Pablo Romero. After losing his first wife, Tomás married Concepción Lasso de la Vega y Zayas – heiress of two of the most important landowning families in Seville and niece of the Count of Casa Galindo, the chief of the conservative party in the province. After finding himself a widower for the second time, he wed Emilia Osborne Guezala and married into the wine growing world of Jerez. Luis Ybarra González married Concepción Gómez Rull (the daughter of the mayor of Huelva), while Ramón wed Dolores Llorente González (the daughter of an important landowning family). The elder brother, José María Ybarra González married Josefa Menchacatorre Barandica with the purpose of reinforcing the original bond with the Basque region. The third generation expanded the already extensive social-family network by connecting with other important Andalusian families like the Lasso de la Vega, Parladé, Atienza, Benjumea, Dávila Garvey, Gamero, Medina Garvey, Llosent and Fernández Palacios families.[34]

Originally, José María Ybarra Gutiérrez de Cabiedes associated with José Echarri to found the first company (*J.M. Ybarra Gutiérrez*, 1844), to which Ybarra contributed irons that were valued in 400,000 *reales de vellón*, while his partner contributed his "industry and work"; they shared profits on a 75-25 percent basis.[35] The capital required to start the business came from the money that José María Ybarra Gutiérrez de Cabiedes had legitimately inherited from his mother (82,879.67 *reales de vellón*) in 1843, and from the support that the main branch of the Ybarra family, the one that stayed in Bilbao, gave him in the form of a 1 million *reales* loan at an annual 4 percent fixed interest rate.[36] Thus, the Seville branch of the Ybarra family started its first company with a small percentage of self-financing and a great percentage of family capital, according to a model that differed from the dominant one in Spain.[37] The other sustaining basis of the Ybarra family was the shipping company founded in 1863 under the name of *Compañía de Navegación Vasco-Andaluza*. This firm was a partnership between Basque and Andalusian businessmen[38] and had an initial capital of 3 million *pesetas*. The activities of the two Ybarra companies in Seville remained strongly linked to the family's Bilbao origins, and great amounts of their products were sent to the family in the Basque country (such as oil, olives, figs, ceramics, copper, vinegar and soap).[39]

Despite his imbrication with Seville's economic and social elites, like many other displaced businessmen, José María Ybarra never lost contact with his Basque family and the business world from which he came, and his children grew up in a context in which family and business merged into the same frame of relationships.[40] His writing desk, which was placed in his house (later on inherited by his first-born), was always the center of the family's activities, so that ultimately the *Casa*,[41] the heart of the family's richness and political power. Besides, **t**he family held the leadership of the Spanish conservative party in Seville (during the Restoration), keeping one of its members in Congress. So that the C*asa* became a "real marketplace, where not only the brothers but other relatives and people involved in the different tasks came to know the details of the various businesses and to find out about economic news, contracts and the development of commercial activities”.[42]

Thus, *Casa Ybarra*, like *Casa Sota* or *Casa Aznar*, functioned as a system of organization – of the family, its patrimony and its firms – supported by three pillars. First of all, after his wedding, José María Ybarra Gutiérrez de Cabiedes integrated his wife’s properties into the family patrimony, which in turn represented the assets of his companies.[43] Secondly, all the Ybarra companies – from the mid-19th century to the present day – were founded as family firms, regardless of their legal structure. Thirdly, the firms – and the whole *Casa Ybarra* – followed a pattern that was usual in those times: the founder provided them with a strong dynastic imprint, which was preserved by his descendants and of which there were similar examples among Basque and Catalonian businessmen and great Andalusian landowners.[44]

Casson believes that a dynastic element is implied in the founder’s desire to safeguard the family’s interests when his health declined. He believed he had created something important that he wished to preserve after his death.[45] Despite an implicit belief in the loyalty of the next generation, founders often exhibit a highly personal, autocratic style of leadership, which indicates a lack of trust in the future, even if their offspring, who have enjoyed extensive training, will be the ones to inherit and take charge of the company, rather than outside professional managers.[46] This fear regarding the reliability of the next generation frequently results in the founders retaining management control for longer than necessary, and in their successors assuming control only when they are well advanced in their professional life and deemed capable of managing the company according to the traditional values and working methods of the family. The importance of the firm's survival at any cost implies that successive generations are expected to continue even if the firm becomes loss-making, with closure being considered only when the financial reserves, or perhaps even the owners' personal savings, are exhausted. The final consequence is the strong interaction between business family and family firm so that the particular estate of each family member is intimately bonded to the development of the family firm. As a consequence, both the success and the longevity of the firm are crucial for the wellbeing of the family.

This Möbius strip formed by the business family and its firms made it compulsory to organize intergenerational transfers within the *Casa Ybarra* in order to guarantee the survival of the firms, that is, of the whole family. To facilitate the management and transmission through time of the companies and goods belonging to the family, José María Ybarra Gutiérrez de Cabiedes established a strict "code of behavior" for the *Casa Ybarra*, which became the basis of the family's business culture and of its intergenerational transfer system.

The first rule of this code was the need to develop a strong work discipline. In fact, the founder recommended his sons in his will "to flee from idleness, to never, regardless of how many goods they have, stop working, and to work without greediness".[47] In his daily life, José María Ybarra Gutiérrez de Cabiedes asked his sons for reports and daily news on the progress of their businesses: from the advancement of their agricultural estates, through data on mercantile operations, to checking whether his indications about the mining business were taken into consideration. He also recommended his sons to thoroughly control their private accounts.[48] The emphasis that the family's patriarch put on his sons' education and training is perceived in the letters he sent to them, and also in a letter sent to his brother Juan Ybarra, in which he showed his preoccupation with his children: "(…) my eldest son's examination [José María, almost seventeen years-old, studying Law], which forty-one students wrote and only fifteen passed; among them, he was the third best".[49]

The second rule of this code of behavior of the Ybarra family was to grant an excellent academic and technical training to its successors. The founder took special care of the training of the second generation and offered his five sons both academic studies (engineering, accounting, trade) and practical training, which included travelling abroad to visit French and English commercial firms in order to both familiarize themselves with trade and accounting techniques and learn foreign languages.[50] The education of the Ybarra brothers was not different from that of other Spanish business heirs, which was also based on university education, travelling and business practice alongside the family's patriarch.[51]

In the third place, the business culture of the Ybarra family was based not only on self-discipline, hard work and initiative, but also on an effective inter- and intra-generational distribution of responsibilities.[52] Thus, each of the five Ybarra González focused on a specific aspect of the business while keeping an eye on the rest of the activities. One of the sons was a mining engineer, two of them specialized in the financial sector, another one focused on agriculture and the fifth one took charge of the family's political activities.[53]

Even if the father stipulated the joint transmission of the brothers' economic patrimony, there was always one member within the family who acted as its center, who collected information and generated the family's decisions. In the economic world there was a shared and agreed way of acting, but in the political and family spheres the birthright order prevailed, and, consequently, first José María, later on Eduardo and finally Tomás, as chief of the conservative party in Seville, became the heads of the Ybarra family in Seville.[54]

2. Intergenerational transfers within *Casa Ybarra*: a business dynasty is born

Intergenerational transfer is one the most delicate moment in the life of a family firm, and the legal frame, tradition and culture in which the business family is developed, as well as the relationship between the family members, all have an influence on it. Living in Seville, José María Ybarra Gutiérrez de Cabiedes was subject to the Castilian inheritance law, but he still had the Basque inheritance customs present and insisted on basing future intergenerational transfers on the premises of gradualness, equality, family union and economic strength.[55]

Gradualness was achieved by slowly incorporating his sons, while still young, to his writing desk, so they could collaborate with their father. In a letter written to his brother Juan, José María Ybarra admitted that: "(…) Eduardo, who is fifteen and a half, helps me more than anyone aged twenty-five would, thanks to his sound judgment, industriousness and intelligence".[56]

With the purpose of fully introducing his older sons to the firms' commercial activities, they were emancipated – just like their cousins in Bilbao – when they were old enough and properly trained (José María was 24 years-old, Eduardo was 22), according to the parameters of English and Spanish firms.[57] The integration of these members of the second generation as business partners was made by dissolving the old company *J.M.*

Ybarra and immediately founding the general partnership company *J.M. Ybarra e Hijos* (1870), the shares of which were distributed between the father (50 percent) and the two older sons (25 percent each): "(…) in order to compensate them for their work and to show his great appreciation and love, he has decided to make them partners and to encourage their interest in all the *Casa*'s businesses".[58]

In this same document, the patriarch settled the principle of economic strength, since the new firm was constituted by transferring to it all the assets from the previous company, both the purely business assets and those belonging to the family's patrimony, just as it was done with other family businesses.[59] In fact, ever since 1870, all Ybarra firms had accumulated the goods associated to their business activity and those owned by the family as part of their assets.

From the very beginning, José María Ybarra Gutiérrez de Cabiedes made clear that succession within the family network should be guided by the principle of equality among his sons and the need to guarantee the family's business strength. These objectives, equality and business strength, might prove antithetic if the succession were not well organized, because an equalitarian distribution of the inheritance might lead to the weakening of the firms. In order to achieve both equal treatment to his sons and business longevity, and even the growth of *Casa Ybarra*, José María Ybarra used the legal concept of *pro indiviso* with which he avoided the division of the inheritance among the five brothers and sidestepped the Castilian inheritance distribution norm.[60] This way, José María Ybarra Gutiérrez de Cabiedes remained loyal to the 19th century Basque tradition – supported by the *fuero* (regional laws) – of concentrating the inheritance on the first-born.[61] Another option often chosen by Basque families was to use the third part of the will to favor those members of the family meant to occupy the testator's position in the firms.[62] The diverging succession mechanism was that of the Bilbao branch of the Ybarra family, which opted to fully divide the inheritance on the occasion of each intergenerational transfer.[63] The most unfavorable option was that in which a businessman died without having made his will, i.e. without having regulated the succession, thus risking the formation of opposing coalitions among the inheritors, as it happened in the Aznar family, for instance.[64]

In order to reinforce the unifying effect of the *pro indiviso*, José María Ybarra stressed to his sons how important "the union between the five brothers" was, and how it should not be broken under any circumstances:

> "I strongly recommend my dear sons the greatest and most constant union between them (…) union, as applied to work, and, honest as you are, it is not only moral but, in relation to your interests, extremely useful, with the help of your work, in the various matters you will be busy with; it is also a great example for your children. Without union and brotherly love there won't be total happiness within the family."[65]

Calling for union was a usual resource in business families, aware that disunity could put an end to the work of the previous generation.[66] In the case of the Ybarra family, the paternal recommendation was effective and no evidence against it have been found in biographies, family documents or the newspapers; the five brothers always worked as "a real and well-coordinated team".[67] The tone of the letters exchanged once the patriarch died denotes that the eldest son (José María Ybarra González) directed his brothers, assuming the role of the head of the family, as his father before him.[68]

In addition to guaranteeing the economic strength of the family and of the family firms, the *pro indiviso* was meant to have a solidifying effect on the relation between the five brothers.[69] Prior to that, the particular bequests received by the sons while still minors – especially from their mother, but also from their maternal grandparents, granduncles and aunts –, even those that were exclusive of one particular son, were all administered by the father, together with his own goods, and reverted to the Ybarra firms.

When the father died in 1878, all goods, those owned by José María Ybarra Gutiérrez de Cabiedes and those belonging to his sons, were framed under the *pro indiviso* established in his will. Following the recommendations included in their father's will, the Ybarra González brothers preserved the family's *pro indiviso*, on which they consolidated and expanded their business activities. All of the Ybarra brothers' goods were kept as assets that supported the commercial and financial operations of their firms, while their capital accounts supported the resources of those firms and were grouped under an accounting item called "*Menores de Ybarra*". The *pro indiviso* became the cornerstone of the second generation's business activities, because it safeguarded the transmission of all patrimonial goods and business assets.

By applying these dispositions and incorporating the second generation to the business activity, the *Casa Ybarra* experienced such a soft intergenerational transition that there was no need for the family firms to change their names or legal structures, not even their account books. The family businesses had always been divided into two branches: on the one side, the shipping activity, and on the other, the agricultural, mining and financial activities, which included the management of the family's patrimony. The first branch was developed by the shipping company *Compañía de Navegación Vasco*

Andaluza and the second one was managed by the *Sociedad Regular Colectiva J.M. Ybarra e Hijos* (a general partnership).

In 1878, by common consent, the brothers liquidated the company that their father had set up together with José María and Eduardo – to which Tomás had later on been incorporated – and replaced it with a new one – with a validity period of twenty years – called *Sociedad Regular Colectiva J.M. Ybarra e Hijo*s.[70] This company kept the same name, legal structure and assets of the former, but the five brothers had equal capital and equal management and representation responsibilities in it. In order to avoid problems in case any of the partners should die, the eleventh clause of the firm's articles of incorporation strictly established the procedure to be implemented concerning his heirs (widow and children). The heirs would be compelled to, "according to the firm's accounting books, accept as correct the values that are or will be registered on the balance sheets, without the right to protest", and they would also have "to wait for those values to be presented at the end of the year". They would, however, have the possibility of leaving the capital in the firm, at a 4 percent interest rate, during two years at most.[71] In order to reinforce these dispositions, designed to prevent disruptions of the firm' progress in case any of the brothers should die, the five brothers included one clause in their respective wills in which they "begged" their widows to accept the bases and stipulations that they had agreed upon while alive and that were reflected in the firm's articles of incorporation.[72]

Three years later, in 1881, the second generation liquidated the *Compañía de Navegación Vasco Andaluza* and transformed it into *J.M. Ybarra y Cía.*, a limited partnership company with registered office in Bilbao, in which the Ybarra González brothers controlled 47 percent of the assets, while the rest belonged to a group of Bilbao businessmen.[73] In 1885, all the shipping assets were transferred to a new firm, *Ybarra y Cía. Sociedad en comandita*, with registered office in Seville and an initial capital of 3 million *pesetas* (the Seville branch contributed 62.3 percent of this amount). The five Ybarra González brothers were all managers of the firm and controlled 34 percent of its assets.[74]

The second intergenerational transfer took place at the end of the 19th century and started with the death, in 1884, of Concepción Lasso de la Vega y Zayas (Tomás Ybarra González's second wife), who left her son Tomás Ybarra Lasso de la Vega – still a minor – as her heir. In the first instance, the minor's inheritance was integrated in the *pro indiviso* that the boy's father shared with his four brothers, and there it remained for fourteen years.

But 1898 proved to be a key year in the history of the Ybarra family, one in which the family had to make important decisions regarding its future. First of all, the validity period of the *Sociedad Regular Colectiva J.M. Ybarra e Hijos* came to its due date and the company had to be either extended or dissolved. Secondly, Tomás Ybarra González had the need to determine whether any community property had been developed during his marriage to his late wife Concepción Lasso de la Vega in order to determine the amount of the inheritance corresponding to the couple's only child.[75]

Given the interweaving of family and firms, it was deemed that the process of calculating and paying Tomás Ybarra Lasso de la Vega's inheritance (third generation) would be facilitated by the dissolution of the *pro indiviso*, which in turn would be helped by the liquidation of the company *J.M. Ybarra e Hijos*. Consequently, the Ybarra

González brothers decided to dissolve the company and divide the *pro indiviso*, acting on both the business and the family spheres.

> (…) the *pro indiviso*, on which, due to the perfect harmony and complete uniformity of opinions that have always existed among the above-mentioned five brothers (…) on the management of all matters in the house, capital investment, profit sharing and, finally, everything that is related to its multiple operations and businesses, they do not need to make any clarifications, because, should they have any doubts, these would immediately disappear after consulting the respective books and precedents (…).[76]

Thus, during this crucial phase in the life of the *Casa Ybarra*, a double process of business reorganization and clarification of each family member’s individual accounts was undertaken. The operation was highly difficult since it was necessary to separate the firms’ assets from the family’s patrimony and, at the same time, to determine the individual estate of each of the Ybarra González brothers. The family’s reorganization was soundly managed: the union was preserved and business continuity was ensured. The Ybarra González brothers were able to dissolve and distribute the inheritance without breaking the family, while at the same time reorganizing their businesses and guaranteeing the functioning of their firms, which, after this process, did not incorporate their personal property anymore.

The beginning of the third phase in the life of this business family and of its family firms took place several years later, and profited from the strength generated by the reinforcement of the family’s union after the distribution of the inheritance and the reorganization of the firms. In this phase, the firms were again reorganized and the replacement of the second generation by the third was started. Consequently, in the first decade of the new century, the Ybarra companies were in the best situation to face new challenges. The transfer from the second to the third generation reproduced the model designed by the family's founder (José María Ybarra Gutiérrez de Cabiedes) twenty years earlier, based on gradualness, union and economic strength. The third generation was integrated, the union within *Casa Ybarra* was preserved and the business activity was guaranteed through the foundation of a new company. The members of the second generation respected the code inherited from their father, also in relation to the practical training, academic education and trips to foreign countries, to broaden their knowledge, of the members of the third generation.[77]

The process of intergenerational transfer coincides in time with the attempt of breaking the inertia created in Seville by the 1898 disaster and the fin-de-siècle crisis. During the first two decades of the 20th century the city of Seville tried to develop its economy within the framework of national protectionist policies (laws of 1907 and 1917), to promote the local project of the world exhibition (which would finally take place in 1929) and to profit from the situation generated by the First World War.[78]

This way, in 1908, when the validity period of the company *Hijos de J.M. Ybarra* came to an end, another firm, *Hijos de Ybarra*, was founded in the form of a general partnership company. The validity period of this new company was extended in 1918 and again in 1928, until several years later, in 1939, the firm was transformed into a limited partnership company. With the foundation of *Hijos de Ybarra* the activities of the members of the second generation grew apart, while the third generation was incorporated to the *Casa's* business operations. Neither Eduardo (who had died childless) nor Ramón Ybarra González (who only had a daughter) participated in the recently constituted company. Moreover, only the other two living brothers (Tomás and Luis

Ybarra González), plus José María Ybarra González's widow and three members of the third generation (José María Ybarra Menchacatorre, Tomás Ybarra Lasso de la Vega and José María Ybarra Gómez, sons of José María, Tomás and Luis, respectively) participated in the venture. The good relationship between and within generations in the Seville branch of the Ybarra family contrasted with the bad relationship and conflicts between the members of the same age in the Bilbao branch, to the point that "with the arrival of the third generation and, even more, with that of the fourth generation, the Ybarra family in Bilbao disappeared as a united investment group". [79]

All the partners were managers with signature capacity and ample power within the firm.[80] The articles of incorporation of this new company had the same references to the accounting system as the previous ones, and established, in their sixth clause, that:

> (…) a so-called profit account will be open for each partner, in which their profits or losses will be registered for the liquidation of each business year, and on which the amounts available for their personal expenses during that same period will be charged. These amounts will not exceed fifteen thousand *pesetas* per year and partner (…).[81]

Added to the above-mentioned characteristic, Colli, García-Canal and Guillén affirm that a family company only implements a new internationalization strategy after a change in leadership has taken place, and as long as the family supporting the firm stays united.[82] Fulfilling these two conditions, the Ybarra family was capable of implementing new strategies in the first third of the 20th century and it consequently profited from the changes that were taking place in the international olive oil market.[83] With this purpose, *Hijos de Ybarra* undertook, at the same time, the vertical integration of its olive oil industrial activity (olive farming, milling and refining) with the marketing and transportation of its products (*Ybarra y Cía.*), and the internationalization of its activities, which led to the firm's becoming a prominent olive oil importer (with its own brand) in the Argentinian, Uruguayan and United States markets. It even opened subsidiary companies in Argentina (*Hijos de Ybarra Argentina* and *Ybarra y Cía. Argentina*).[84]

The success of the various intergenerational transfers within *Casa Ybarra* was supported by the safeguard of the family's cohesion and business strength, which thus became the pillars for new business strategies. This success allowed the Seville branch of the Ybarra to become a business dynasty, defined as a multigenerational business family which had successfully managed to multiply the value of its businesses and investments.[85]

3. The dissolution of the *pro indiviso* and the reorganization of the firms

The importance of maintaining the union within the business family for the benefit of its entrepreneurial future has been underlined in previous sections, just as the fact that this family cohesion culture was one of the pillars of *Casa Ybarra*. Family cohesion was, however, more difficult to preserve while the distribution of the inheritance was taking place, especially given the close interweaving of the family's wealth and the progress of the family firms.

As mentioned before, in 1898 the Ybarra brothers faced the division of the *pro indiviso* – postponed since the death of José María Ybarra Gutiérrez de Cabiedes – due to Tomás Ybarra González's need to determine the amount of his son's maternal inheritance. In order to calculate this amount, Tomás Ybarra González required to know the amount of capital that he owned before his wedding. The procedure was executed in parallel with the liquidation of the company *J.M. Ybarra e Hijos*, which had been founded twenty years earlier. The objective was to

distribute the family's inheritance and business profits among the brothers, who took advantage of the situation and decided to undertake as well the reorganization of their firms, which would have been impossible without the previous division of the community of goods, given the confusion between family estate and business assets.

First of all, the *pro indiviso* was evaluated. It included both the paternal and maternal inheritances and those bequests received from other family members, which presented lesser difficulties. The calculation of the maternal and paternal inheritances was hampered by the fact that the community property of José María Ybarra Gutiérrez de Cabiedes and his wife had not been liquidated when the latter died. Instead, the maternal inheritance had been included together with the paternal inheritance in a community of goods, and, because it was impossible to distinguish the two, it was decided that the date of valuation would be that of José María Ybarra's death (1878). The most trustworthy valuation was the one provided by the firm's accounting system. Consequently, the task to be performed was the determination of the amount of capital and profits from the company *J.M. Ybarra e Hijos* that corresponded to the late José María Ybarra Gutiérrez de Cabiedes.

The second phase of the inheritance valuation entailed adding the value of private goods not included in the business accounts. The third step in the procedure was the dissolution of the company *J.M. Ybarra e Hijos* (1878-1898). Table 1 presents the firm's liquidation balance from which the Ybarra González brothers had previously segregated cash, assets and goods (urban and rural properties, mines and mining concession applications) in an amount equivalent to the value of the

inheritances, thus identifying the specific assets ascribed to it. This decision represented the beginning of the separation between family property and business assets, since the segregated goods were removed from the business accounts.

Table 1: Balance sheet of the company *J.M. Ybarra e Hijos* (1899)

Source: Deed of clarification or explanation of the distribution of goods left in the *pro indiviso* after the company *J.M. Ybarra e Hijos* was liquidated, AY. Own elaboration.

Once the company *J.M. Ybarra e Hijos* was liquidated, the family's businesses were reorganized. On the one hand, a new general partnership company, called *Hijos de J.M. Ybarra*, was founded. Its initial capital (500,000 *pesetas*) came from the distribution of the previous firm's net patrimony and was evenly divided among the five brothers. On the other hand, in June 1899, the *Sociedad Anónima La Hispalense* was also constituted. All the mining business assets segregated from the goods ascribed to the *pro indiviso* were allocated to this new firm. It was deemed more appropriate to found a public limited company to develop this branch of activity. After the liquidation of *J.M. Ybarra e Hijos* and the constitution of the *Sociedad Anónima La Hispalense*, a significant part of the goods included in the *pro indiviso* was already distributed.

The remaining assets were divided into five homogeneous lots, which the brothers raffled among them. Once the process of dissolution and distribution of the *pro indiviso* was finished, the *Casa Ybarra* had its business activities divided into three different companies. In addition to the autonomous shipping company, both the *Sociedad Anónima La Hispalense* and the general partnership company *Hijos de*

***J.M. Ybarra* had emerged. However, and despite the legal and accounting separation of the properties, the close relation between family patrimony and business assets survived in the form of rental agreements. The Ybarra González brothers rented all the assets that had been part of the *pro indiviso* (including their houses), with the above-mentioned few exceptions, to the company *Hijos de J.M. Ybarra*, which assumed both the expenses and the incomes they generated.**

The sum of the amounts in the new accounts was higher than the net equity value of the liquidated company. In this sense, the adjustments required to undertake the distribution of the *pro indiviso* did not imply the sacrifice of any family properties, although the greater part of them was now registered under the brothers' name and not under that of the companies. As mentioned before (see supra: Section 2), the members of the second generation followed the norms established by their father and adopted a unitary and coherent economic behavior that helped preserve the inherited estate, which was exploited, even if not directly owned, by the family firms.

4. Conclusions

The main objective of this article was to study the maintenance of family cohesion during intergenerational transfer processes as one of the contributing factors to the longevity of the family business. Cohesion within the business family facilitates intergenerational transfers, which are one of the most delicate moments that a family business has to go through.

The research shows how one business family successfully managed its intergenerational transfers and reached business longevity. In line with the article's main argument, family cohesion survived the two intergenerational transfer processes studied, allowed the financial needs of the firms to set the pace in which the distribution and liquidation of the inheritances were done, and became one of the pillars for the implementation of new strategies.

The two intergenerational transfer processes were managed according to the premises established by the founder. In both cases, the first of these premises, gradualness, was implemented through the integration of the second generation in the management of the companies, prior to the disappearance of the first generation. Later on, the founder used the legal concept of *pro indiviso* to guarantee the premises of union, equality and business strength for future generations.

The *pro indiviso* comprised the inheritance of the members of the second generation, which at the same time represented the economic support of the family firms. Family cohesion was the factor that rendered possible the dissolution of the *pro indiviso*, forced by the need to calculate and deliver the inheritance of a member of the third generation, without weakening the firms, breaking the equality between the inheritors and disrupting their union. In addition, this process of reorganization of the family's patrimony was used to renew the family firms from a legal point of view.

Once the legal bond was broken, family cohesion was the guarantee for the viability and growth of the family firms. In the first place, family cohesion helped maintain the economic strength provided by the *pro indiviso*, now liquidated and distributed, because the properties – now personal – still worked, from an economic point of view, as a unitary whole that was rented to the main firm, among those recently founded, for exploitation. Secondly, equality was manifested through the even distribution of the inheritance among the brothers, and in the identical signature capacity and participation in the capital of the companies of all the associates, irrespective of the generation they belonged to. Thirdly, in a process as complicated as the one here described, the family's union was guaranteed by implementing a distribution procedure that prioritized the description of the assets as reflected in the company's accounting books over that included in the will deeds. In general, all decisions were subject to the objective of family cohesion.

Finally, after the family and business restructuring processes – guaranteed by family cohesion – were over, and the third generation was incorporated into the family firms, the business family became a diversified business dynasty in optimal conditions to implement new strategies focused on the vertical integration and internationalization of its activities.

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[1] Antheaume et al., “French Family”; McGovern and McLean, “The growth”; Colli, “Risk”.

[2] Beckhard and Dyer, “Managing; Stamm and Lubinski, “Crossroad”; De Massis, Chua and Chrisman “Factors Preventing”.

[3] Ward, *Keeping*; Stamm and Lubinski, “Crossroad”, 118.

[4] Astrachan and Kolenko, “Neglected”.

[5] Fernández Pérez and Puig, “Bonsais”.

[6] Díaz, “La sucesión”.

[7] Fernández Pérez and Puig, “Knowledge”; Puig and Fernández Pérez, “La gran empresa”.

[8] Díaz, *Horacio Echevarrieta* and *Los Ybarra*; Torres, *Ramón de la Sota*; Valdaliso, *La familia Aznar*; Ybarra, *Nosotros*; Rodrigo, *La familia Gil* y *Los Marqueses;* Laguna and García, *Cervezas*. In order to delve into the lines of research regarding the history of Spanish family firms and their literature, see Vidal, “La historia”, and Sudriá and Fernández Pérez, “Introduction”.

[9] Fernández Pérez, *El rostro.*

[10] Case studies have the potential to clarify the bonds between the business family and the firm's survival. Church, "The Family Firm"; Fernandez-Roca, "The Adaptative" and "The Strategies"; Jones et al. "Dynamic capabilities"; Mackie, "Family Ownership"; Mahoney "Strategies of Causal", in *Comparative*, eds. Mahoney and Rueschemeyer; McGovern, "Why do Successful"; Scranton, "Understanding"; Wild, "Learning the Wrong".

[11] Bollen and Hoyle, "Perceived".

[12] Rose, "Beyond Buddenbrooks", in *Entrepreneurship*, eds. Brown and Rose; Colli and Rose "Family Business", in *Oxford*, eds. Jones and Zeitlin; De Massis, Chua and Chrisman, "Factors", 86.

[13] Colli, García-Canal and Guillén, "Family Character".

[14] Jaffe and Lane, "Sustaining", 82.

[15] Ward, *Keeping*, 252. The family business has been defined from a one-dimension perspective (ownership, management, ownership or management, generational continuity), from a two-dimension perspective (ownership and management) and from a multiple-dimension perspective. Sharma, "An Overview"; Handler, "Methodological Issues"; Westhead and Cowling, "Family Firm Research"; Astrachan and Shanker, "Family Businesses"; Fernández Pérez, "Reinstalando"; Colli, *The History*; Colli and Rose, "Family and Firms" and "Family Business", in *Oxford*, eds. Jones and Zeitlin; Colli, Fernandez and Rose, "National determinants". See a complete state of the art in Litz, "Two sides".

[16] Sharma and Salvato, "Family Firm", 34.

[17] Sharma and Salvato, "Family Firm", 35.

[18] Fernández Pérez, "La última globalización".

[19] Litz, "Two sides".

[20] Antheaume et al., "French Family", 17.

[21] Rose, "Beyond Buddenbrooks", in *Entrepreneurship*, eds. Brown and Rose, 133; Colli and Rose "Family Business", in *Oxford*, eds. Jones and Zeitlin.

[22] The founder's legacy to his successors includes the firm's assets, technology, goodwill, permanent contacts, reputation, quality and a plan to ensure leadership continuity. Rose, "Beyond Buddenbrooks", in *Entrepreneurship*, eds. Brown and Rose.

[23] Gallo, *La sucesión.*

[24] Jaffe and Lane, "Sustaining", 82.

[25] Lansberg and Astrachan, "Influences of".

[26] Jaffe and Lane, "Sustaining".

[27] Sharma and Salvato, "Family Firm", 37.

[28] Colli, García-Canal and Guillén, "Family Character"; Fernández-Roca, "La Casa Ybarra".

[29] There were similar *Casas* built by Basque businessmen as important as Ramón de la Sota (Torres, *Ramón de la Sota*, 356) and Eduardo Aznar (Valdaliso, *La familia Aznar*, 42). See the concept of *Casa Ybarra* in Sierra, "La Casa Ybarra," 5. "To carry the name of *Casa Ybarra* means a lot (…) representing a rich and enterprising credit house known in the whole of Spain and in which the owners' continuous work makes them worthy of public respect," Newspaper *El Ideal*, quoted in Sierra, *La familia Ybarra*, 20.

[30] "(…) it was a city fallen into hard times, almost without pulse. (…) it only deserved attention at a national level due to the catastrophes, including the political ones, which had taking place there. (…) Added to this was the commercial languor of Seville, whose activity was basically limited to the marketing of the products from its hinterland. (…) All this was probably perceived in a different light by José Antonio when he arrived in the city (…); there was still a lot to be done. José María had the chance to work for it, promoting works, fairs and commercial initiatives. Ybarra Ybarra, *Nosotros*, 308.

[31] Braojos, Parias and Álvarez, *Sevilla*.

[32] Ybarra Hidalgo, *Noticias*; Ybarra Ybarra, *Nosotros*.

[33] The members of the González Pérez family were close friends with José Antonio Ybarra ever since José González – and his wife – stayed as guests in his house in Bilbao for more than a year. Those links where strengthened when Ramón González Pérez pleaded on behalf of Juan Ybarra Gutiérrez de Cabiedes (José María's elder brother) when he was tried by the Royal Court of Burgos for his participation in the moderate coup d'état of 1841. Ybarra Hidalgo, *Noticias*; Ybarra Ybarra, *Nosotros*.

[34] For the weight and importance of all these families, related by marriage to the Ybarra in successive generations, see Ybarra, *Noticias*; Sierra, *La familia Ybarra* and "La Casa Ybarra"; Florencio, "Inversión" and *Empresariado*.

[35] Articles of incorporation of the company *J.M. Ybarra Gutiérrez*, AHPS, Protocols Section, file 3908.

[36] Díaz, *Los Ybarra*, 134.

[37] In Spain, both in general and, specifically, in the commercial sector, almost 50 percent of the initial business capital came from self-financing and barely 11 percent from family capital. Díaz, “Cómo han”.

[38] Tomás de la Calzada and Juan and Francisco González Álvarez were born in Seville, while Ramón Bergé, José Antonio Ybarra Arregui, Pedro Zubiria Ybarra and Eduardo Aznar were born in Bilbao. Sierra, “La Casa Ybarra”, 5.

[39] Díaz, *Los Ybarra*, 134.

[40] Sierra, “La Casa Ybarra”, 5. On the traditions of businessmen who migrated to other areas, see Fernández Pérez, *El rostro*.

[41] Chacón and Ferrer, “Más allá”, 15. These authors define the concept of “house”, which “is neither referred nor limited to the group of people who dwell in the house, (…) but to a wide network of individuals united by consanguineous or fictive kinship, as symbolized or identified by common elements such as shields, arms, land, positions or titles. The sense of identity and the symbolism of the house find their utmost expression in territories that have an indivisible inheritance system and among groups of power ruled by a divisible system, corrected however by the primogeniture system”.

[42] Sierra, “La Casa Ybarra”, 10-11.

[43] “(…) Ramón de la Sota’s *Casa*, which was not a new firm but the company that would henceforth manage his companies and his personal properties. These consisted mainly in real estate and properties inherited from his parents, plus the goods of the same type acquired through his marriage with Catalina de Aburto in 1885, plus the buildings that he built throughout his life and his movable property (his yacht, cars, painting collection and the furniture of his various residences) and the assets accumulated during this time. The administration of these properties was the main activity of Ramón de la Sota’s Casa until 1915”. Torres, *Ramón de la Sota*, 356.

[44] For Basque examples, see Díaz, *Los Ybarra*; Torres, *Ramón de la Sota* and Valdaliso, *La Familia Aznar*; for Catalonian examples, see Fernández-Roca, “The Strategies”; for Andalusian examples, see Peña, *Clientelismo*, 99-100. This last author points to similar cases among families of the agrarian and commercial bourgeoisie that worked as “real economic firms, within which capital and trade flowed and technical resources were transferred”.

[45] Casson, “The Economics”, 17.

[46] Casson, "The Economics".

[47] Will of José María Ybarra Gutiérrez de Cabiedes, dated January 31, 1863. Included in the Description of the goods left at the death of their father Mr. José María Ybarra Gutiérrez, AHPS, Protocols Section, file 4829.

[48] "(…) to make, at least, monthly verifications, and to add up the daily income. It is thus necessary to recommend extreme care, and to check the accounts yourselves, and to review each Sunday or even each night the daily entries in the cash box, and all the letters and notes". Letter of José María Ybarra Gutiérrez de Cabiedes to his sons (September 15, 1876), quoted in Sierra, *La Familia Ybarra*, 32.

[49] Letter of José María Ybarra to his brother Juan Ybarra quoted in Ybarra Ybarra, *Nosotros*, 515, and Sierra, *La Familia Ybarra*, 148-149.

[50] José María Ybarra González studied mining engineering. Sierra, *La familia Ybarra,* 33; Díaz, *Los Ybarra*.

[51] Fernández Pérez and Puig, "Knowledge"; Puig and Fernández Pérez, "La gran empresa"; Díaz, "La sucesión".

[52] Díaz, *Los Ybarra*.

[53] Díaz, *Los Ybarra*, 137; Sierra, *La familia Ybarra*, 29.

[54] Sierra, *La familia Ybarra,* 23.

[55] Various legal systems regulating succession coexisted in Spain. On the one hand, the Castilian inheritance norm that distributed the properties among the inheritors, and, on the other, those like the Catalonian or the Basque system that allowed the concentration of the inheritance in the hands of the first-born. On the traditions of emigrant families and how they moved together with the families to their new destinations, see Fernández Pérez, *El rostro*, 189-195. For cases of inheritance transfer in the Basque entrepreneurial world, see Díaz, *Los Ybarra*; Torres, *Ramón de la Sota*; Valdaliso, *La Familia Aznar*.

[56] Letter from José María Ybarra to his brother Juan Ybarra quoted in Ybarra Ybarra, *Nosotros*, 515.

[57] Tomás Ybarra was incorporated to the company before his father's death, according to what was recorded in the account of events previous to the dissolution of the community property held with his second wife. Deed of July 13, 1895, AHPS, Protocols Section, file 24129. The age of the sons at the moment of their incorporation to English and Spanish firms, in almost 60 percent of the cases, oscillated

between 21 and 25 years. Díaz, "La sucesión" in *La profesionalización*, ed. Fernández Pérez, 26. The incorporation of the young Ybarra of the Bilbao branch to their firms followed a similar pattern of age and gradualness (Díaz, *Los Ybarra*). In the same line, Ramón de la Sota was incorporated in 1883, when he was 25 years-old, and Eduardo, Alberto and Luis María Aznar were incorporated to either *Casa Aznar* or *Casa Sota y Aznar* in 1880-1886, when they were between 21 and 25 years-old. See Torres, *Ramón de la Sota* and Valdaliso, *La Familia Aznar.* Cosme Echevarrieta's attitude towards his son Horacio was not clear, see Díaz, *Horacio Echevarrieta*, 57.

[58] Articles of incorporation of the *Sociedad Mercantil Regular Colectiva J.M. Ybarra e Hijos*, AY.

[59] For Basque examples, see Díaz, *Los Ybarra*; Torres, *Ramón de la Sota*, and Valdaliso, *La Familia Aznar*. For Catalonian examples, see Fernández-Roca, "The Strategies".

[60] The community of goods is defined in Article 392.1 of the Spanish Civil Code as follows: "A community is when the property of one thing or right corresponds *pro indiviso* to various people". This explains the generic use of *pro indiviso* when referring to a community.

[61] Alejandro de la Sota acted that way in favor of his first-born, Ramón de la Sota. Torres, *Ramón de la Sota*, 25.

[62] This was a very common practice in business families that made their wills according to the Castilian norm; see Fernández Pérez, *El rostro*, 189-195. Among them, that of Luis María Aznar Tutor, who had learnt his lesson after the conflict emerged at the time of his father Eduardo Aznar's death, and wanted to guarantee the permanence of his inheritors in the business by improving the inheritance of his two older sons. He did so by transferring to them his participation in the capital and benefits of the *Sociedad Colectiva Sota y Aznar*. His other two sons received "one fourth part of the third part of the inheritance as established by the law"; see Valdaliso, *La familia Aznar,* 69. Ramón de la Sota also considered that the management of his firms was "the responsibility of the members of Ramón's house, i.e. of himself and his three sons (…), especially Ramón de la Sota y Aburto", for the purpose of which he granted the direction, authority, responsibility and "correlative retributions to his three sons". Torres, *Ramón de la Sota,* 357 and 384.

[63] The intergenerational transfers in the Bilbao branch of the family were described in Díaz, *Los Ybarra*, 68-69, 120 and 143 and ff.

[64] De Massis, Chua and Chrisman, "Factors Preventing". Eduardo Aznar's death *ab intestate* led to an internal fight among the members of the following generation, divided into two opposing sides, one formed by Eduardo and Alberto Aznar Tutor, managers of the firm *Colectiva Aznar y Cía*., and the other formed by Luis María Aznar Tutor, who worked for *Sociedad Sota y Aznar*. Only the intervention of a mediator, Ramón de la Sota, who was a close friend of Eduardo Aznar senior, prevented a disaster in the family. Valdaliso, *La familia Aznar*, 48-49.

[65] Will statement dated January 10, 1873. Will of José María Ybarra Gutiérrez de Cabiedes dated January 31, 1863. Included in the Description of goods left at the death of their father Mr. José María Ybarra Gutiérrez, AHPS, Protocols Section, file 4829.

[66] As shown by the recommendation made by Luis María Aznar Tutor in his will – after he experienced the conflicts associated with fraternal disunity – and addressed to both his son and his partner's first-born child: "… that they live united by friendship and business with the same harmony and understanding that existed between their fathers", Valdaliso, *La familia Aznar*, 61.

[67] The Ybarra family in Seville has been studied by Sierra (*La familia Ybarra* and "La Casa Ybarra") and Ybarra Hidalgo (*Noticias* and *Apuntes*) – their works include a thorough study of the family correspondence –, and none of them mentions any conflicts between or within generations. No news on any disagreements has been found in a review of the periodical publications of that period. Ybarra Hidalgo, *Noticias*, 15.

[68] Sierra, "La Casa Ybarra".

[69] "I name them all five jointly and severally my will executors, auditors and partitioners with the broadest powers (…) distributing among themselves and allocating to themselves whatever corresponds to them with cordiality and harmony". Will statement dated January 10, 1873. Will of José María Ybarra Gutiérrez de Cabiedes dated January 31, 1863. Included in the Description of goods left at the death of their father Mr. José María Ybarra Gutiérrez, AHPS, Protocols Section, file 4829.

[70] "(…) which is the same as the previous one, already dissolved and liquidated, something which the appearing parties agree on and establish, as a weak sign of respectful love to the memory of their beloved father". Articles of incorporation of the *Sociedad Regular Colectiva J.M. Ybarra e Hijos* dated June 4, 1878, APHS, Protocols Section, file 4825.

[71] Articles of incorporation of the *Sociedad Regular Colectiva J.M. Ybarra e Hijos* dated June 4, 1878, APHS, Protocols Section, file 4825.

[72] Wills of José María, Eduardo, Tomás, Luis and Ramón Ybarra González, AHPS, Protocols Section, file 4825.

[73] The adoption of a limited partnership allowed adding capital through a mechanism that had minimal transaction costs and made it easy for capital suppliers and demanders to get in touch. Tafunell, "Banca". In addition, the Seville branch of the Ybarra family may have been influenced by its Bilbao cousins, who were implementing legal forms that facilitated the distribution of the inheritance in each intergenerational change. Diaz, *Los Ybarra*.

[74] Valdaliso, *La Navegación* and "Catalanes". The company was transformed into a public limited company in 1952.

[75] "(…) in the need of Mr. Tomás de Ybarra of determining the capital that by all means corresponded to him on October 5, 1879, the date in which he was married (…) and the importance of this same capital at the death of the above-mentioned (second wife), which took place on September 9, 1884, to determine whether there was a community property or not in their marital union and to determine the amount that corresponds to their only son in terms of inheritance…". Deed of dissolution of the company *J.M. Ybarra e Hijos* dated June 28, 1898, AY.

[76] Deed of dissolution of the company *J.M. Ybarra e Hijos* dated June 28, 1898, AY.

[77] Tomás Ybarra González, for instance, trained his son Tomás Ybarra Lasso de la Vega from an early age, and he then entrusted him with the direction of the Santa Eufemia estate. He closely observed his son's behavior and diligence as the head of the estate and was well informed on the progress he made in his studies. Meanwhile, the son asked the father to help him find a job and some training in a "well-known house" in London. Sierra, *La familia Ybarra,* 33.

[78] Braojos, Parias and Álvarez, *Sevilla*.

[79] Díaz, *Los Ybarra*, 143.

[80] When, in December 1939, the firm was transformed into a limited partnership company, all the partners, who belonged already to the third and fourth generations, became co-managers with broad joint responsibilities. Ybarra Hidalgo, *Apuntes*, 66.

[81] Articles of incorporation of the company *Hijos de Ybarra* dated December 19, 1908, AHPS, Protocols Section, file 25064.

[82] Colli, García-Canal and Guillén, “Family Character”.

[83] Ramón, “Product differentiation”.

[84] Fernández Roca, “La Casa Ybarra”.

[85] Meanwhile, the Bilbao branch of the family was not capable of overcoming the obstacle represented by the difficulty, within the family and despite the wish to preserve the unity, of finding a common basis for an increasing number of members, especially when latent rivalries and different perspectives emerge. Jaffe and Lane, “Sustaining”. In the end, the Bilbao branch “disappeared as a united investment group and its place was occupied by a numerous group of heirs (…), most of which were only renters”. Diaz, *Los Ybarra*, 143.