

“Casa Ybarra”: Does the unsolvable problem between family, firm and management?

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Introducción.

Paper studies the evolution of companies linked to the Seville branch of the Ybarra family in order to study how it evolved as the so-called *Casa Ybarra*, either through their companies as family property. *Casa Ybarra* in Seville was founded by José M^a Ybarra Gutierrez de Cabiedes in the 1840's. Ybarra's surname was used with a generic sense referring to the whole family and your enterprises. In fact, family and its firms were known as a group nominated "Casa Ybarra" which had consistency as a system of organization of the family and enterprise. There were three areas of its activity: the shipping, mining, agricultural and commercial, which ended an industry.

Family and politics history of Ybarra in Seville is known and does not require an extensive presentation.¹ Seville branch of the family is heir to José M^a. Ybarra Gutierrez (Bilbao, 1816, Seville 1878), fifth son of the founder of the family José Antonio Ybarra (Bilbao).

Ybarra companies have covered the area for five generations but the original concept of *Casa Ybarra* failed to overcome the transition between the second and third generation. Analysing the longevity of family businesses is one of the goals of communication and analyze why the end of the original concept of the *Casa Ybarra* is another. Whether one or the other are linked to the problems inherent in family businesses, in which issues related to inheritance and its transmission is not the least important. This is the area where the analysis focuses on the history of the family and the company and the intergenerational transmission assets and how they evolved.

The core of wealth and political power, the family (Sierra, 199, 1999) was in joint management of family assets, in turn, was heavily entangled with commercial companies. Over the

1 Sierra (). El devenir de la familia Ybarra, especialmente las ramas vascas, en Díaz (2002).

years the family was reorganizing its activities. Thus, the three business lines, the first to be segregated from the *Casa Ybarra* were shipping activities, which are known to work Valdalisó, (1997 and 1999). We will focus on communication, as mentioned, the study of management of family assets and how they kept embedded in the commercial activity of the *Casa Ybarra*. This year is crucial in the evolution of the company / family. In 1898 the second generation Ybarra-demarcate the business activities of the agricultural and mining also separate the assets of each brother of the assets of the companies. The Ybarra reach the century with three separate core businesses in different societies and heritage individuals and each segregated from the assets of the family business.

From a corporate perspective, companies were going Ybarra seamless corporate under different formulas. The *Casa Ybarra* and so companies maintained unchanged through the years, a number of features. Chief among them is the nature of family business that Ybarra had all societies since the mid-nineteenth century to the present. Second, the main characteristic of dynastic family firm is the character that permeated the house's founder and the fact that their children and grandchildren kept. Finally, it is remarkable as were the broadcasts of the House between generations Ybarra.

The paper is structured in different sections. The first makes a brief vision of the family business, the dynastic character in this and the logic in the intergenerational transmission of family business. The second section reviews the evolution of corporate business of the *Casa Ybarra*, since its inception in the 40s of XIX century with the establishment by José María Ybarra Gutierrez Cabiedes of companies *José María Ybarra* and *Compañía de Navegación Vasco Andaluza*. In reviewing the history of the *Casa Ybarra* I will in the process of integration of production and marketing of certain products, especially oil. Finally, we study the heritage of the Casa Ybarra and are associated with the evolution of societies of the family.¹

La empresa familiar, el carácter dinástico y la transmisión intergeneracional

The European firms – and Spain was no exception in that – was mostly composed of firms

whose ownership and management were in the hands of one family.² To study the reality of a sector based on family enterprises entails, first of all, a debate on the very concept of family business. The discussion concerning the concept of family business continues nowadays in current literature, so there is yet no broadly accepted definition. In an attempt to offer one, some business historians have focused on ownership and/or the management of the firm by certain family members. Others have defined family enterprises in relation to the degree to which the family is involved in the business and to the possibility of an intergenerational transfer. Others have considered the percentage of capital under family control. There are more complex approaches that connect different levels (rings) in their attempt to get closer to a definition, progressing from the family's retention of voting control over the strategic direction to the retention of control by the family and, finally, to the retention of voting control of the business and the involvement of multiple generations of family members in the company's day-to-day operations.³ Business historians generally consider three aspects: percentage of capital under family control, family control of the company's management and intergenerational transfer of the business. Family firm is one where a family owns enough of the equity to be able to exert control over strategy and is involved in top management positions (Colli, rose, 2007). Control is understood as a situation in which a family member holds the directorship of the company and at least two generations of the family are involved in the company's management activities.⁴

In addition, there is a difference between dynastic family companies (high percentage of ownership and control and advantages in craft-based sectors) and non-dynastic family companies (lower percentage of ownership, not all directorship positions held by the family, advantages in science-based sectors).⁵

In Europe and Spain companies with a marked dynastic component that intensified their

2 "Practically all the mills are owned by private companies, usually composed of one or two families." Ralph M. Odell, US Department of Commerce and Labor citado por Harrison (2009, p. 169).

3 Astrachan & Shanker (2004).

4 Fernández Pérez (1999); Colli (2003); Colli & Rose (1999); Colli, Fernandez & Rose (2003); Westhead & Cowling (1998).

5 Casson (1999).

characteristics as family enterprises were predominant. Despite an implicit belief in the loyalty of the next generation, founders often exhibited a highly personal, autocratic style of leadership, which indicated a lack of trust in the future. However, it was their offspring, trained extensively for the task, who inherited the company rather than outside professional managers. The introduction of the dynastic component meant that the founder conceived the business as a good that he aimed to preserve intact in order to transmit it to the next generations, who were understood as steps in the inheritance staircase and were responsible for perpetuating the company and possibly expanding it without substantially modifying it. Dynastic family companies demanded intergenerational loyalty so as to guarantee the intergenerational transfer of the firm. The fear of inefficient management pushed the founder to retain control of the company longer than it was actually needed, so that the heirs took control of the firm when they had accrued the human capital, age and experience considered essential for the correct management of the firm as emphasised by tradition. It was not only the family's name that needed to be upheld, but the business methods as well.⁶ The business culture of the firms here considered consisted of a set of values passed from generation to generation and internalised by the family owners, making far-reaching change quite difficult. Business culture was therefore less elastic than society itself – where wider changes were indeed taking place – and put restrictions on areas of potential development that could have brought about solutions to confront increasing foreign competition.⁷

This work, standing on these two theories, dismantles the negative Chandlerian vision according to which family businesses, given their characteristics, tend to fail in both producing profit and becoming lucrative, are prone to suffer short-term difficulties in their attempt to survive in the longer term, and often encounter problems when consecutive generations inherit the business from the founder (Buddenbrook syndrome).⁸ I focus on long-lasting companies that survived

6 “One frequently finds them operating under the name of ‘The Widow of -’, ‘The Brother of -’, ‘The Nephew of -’, etc.” Ralph M. Odell, U.S. Department of Commerce and Labor, quoted by Harrison (2009:169).

7 Lloyd-Jones, Lewis & Eason (1999). On difficulties in intergenerational transfers and potential conflicts associated to them are well treated in specialised literature, see Daunton (1988), Rose (1993), Scranton (1993), Colli, Fernandez & Rose (2003).

8 The Chandlerian conception reduced family firms to a series of negative features: medium or small size, “organic”

beyond changes in their names and juridical figures – in which they actually took refuge – and whose profits were in keeping with the evolution of Spanish economy.

British, Italian and Spanish family businesses developed within a legal frame that favoured the adoption of juridical figures of unlimited liability.⁹ Unlimited liability was responsible for the companies' or, rather, the business-owning families' permanent fear of bankruptcy, because business and family meant the same thing for them. This fear pushed manufacturers to associate with family members rather than with outsiders, as a strategy to reduce the effects of uncertainty. Therefore, this strategy should not be taken as a sign of conservatism on the part of businessmen.¹⁰ In the case of Spain, companies generally used two juridical figures: most of them were collective regular companies (a small number of associates whose patrimony was subjected to the principle of unlimited liability through short-term contracts that were extendable depending on the evolution of the firm) and the rest, to a much lesser extent, were partnerships (with collective associates who acted under the principle of unlimited liability and limited associates who were accountable for whatever amount they had contributed with). Partnerships were constituted when great amounts of capital needed to be mobilised.¹¹ In Spain, even though a changing legislation (1829, 1848, 1865 and 1885) meant to facilitate its incorporation, it took the families a long time to adopt the public limited company as a mechanism to legally define their businesses, and collective regular companies and partnerships remained the norm until after 1950.¹² However, it is also true that, pushing in the opposite direction, fiscal policies favoured business transfers within the family when they included, as part of the Inheritance Tax (*Impuesto de Derechos Reales*, 1872) exceptions “for

development (through profit reinvestment), infrequent use of financial and capital markets (circumscribed to short-term commercial financing), internal succession in its managerial positions according to inheritance laws, lack of capacity to support modern economic growth (Chandler, **1977, 1990**; Lazonick, 1981, 1983; Mass & Lazonick, 1990).

9 Rose (1977), Colli (2003), Colli, Fernández & Rose (2003:35-36). The companies' juridical figures are determined by a “complex array of legal, economic and cultural forces” (Rose, 1994:64).

10 Rose (1994).

11 Nadal (1998:43). Partnerships were often constituted because they allowed to collect an important amount of capital through a mechanism with minimum transaction costs and to easily connect capital suppliers and demanders (Tafunell, 1998b:418).

12 Public limited companies were confined to those sectors that required mobilising greater capitals (Colli, Fernández & Rose 2003:37).

wealth transmitted to kinship in first degree (descendants)".¹³

Spanish historiography presents companies as conditioned by the narrowness and meagreness of the domestic market, as badly affected by the scarcity of energy supply and a poor transport network, as burdened by the higher cost of money, as forced to assume functions that were theoretically unbecoming of them like commercialisation or the financing of their agents, as suffering from the lack of financing mechanisms and as condemned, by addition of all these circumstances, to apply conservative business strategies built on their own resources and organic growth as the only possible answer to the external constraints on the company. ¹⁴

In other words, Spanish companies did not show an anomalous behaviour as compared to European firms, but instead they all developed very similar strategies that remained within the usual parameters of family businesses.¹⁵ The fact that they were family firms was far more relevant than the different institutional frames or the various levels of social-economic development in each country. The likeness of the strategies implemented was motivated by the fact that family firms have two commonly accepted objectives: to guarantee the survival of the firm and allow its transfer to the next generation and to keep control in the hands of the family. The objective of maximising profit was subordinated to these first two purposes. The need for longevity was related to the fact that family firms invested a percentage of the family's patrimony in their development, sometimes even the whole of it, thus compromising the family's economic stability. Longevity was therefore a mechanism to guarantee the conservation of the family's patrimony; bankruptcy would certainly entail the family's financial collapse.

La fundación de la *Casa Ybarra*: José M^aYbarra Gutiérrez de Caviedes.

The section focuses on the foundation of the *Casa Ybarra* was a business network, family and heritage and what were the ideological and organizational foundations on which it was built. Thus, I begin by noting the steps taken by José M^a. Ybarra to organize their businesses in

¹³ Fernández & Hernández (2010: 9).

¹⁴ A summary can be found on volumes 1 and 3 of *Història Econòmica de la Catalunya contemporània* (1998) (Sudria, 1999).

¹⁵ Colli, Fernández & Rose (2003), Fernandez & Hernandez (2009:9).

Seville and went on to explain how to work the family-business structure that supported the Casa.

Furthermore, the example is illustrative of the evolution of a family business and family. The *Casa Ybarra* went through different phases.

Stages of Family Business Evolution

Generation	G1: Entrepreneur	G2: Family Partnership	G3: Business Dynasty
Business form	Entrepreneurship	Maturing Business	Holding company or family office
Mode of control	Founder/owner/manager	Sibling team	Family branches
Strategy	Personal vision	Renew business	Sustain profitability; generate new wealth
Governance structure	Ad hoc, implicit	Informal board, implicit policies	Board with outsiders, formal policies

Source: Jaffe, Lane (2004: 84).

The beginnings of José M^a Ybarra in Seville which pass through normal places are a successful strategy of marriage and family support. Thus, the first of the corner stones on which the Casa settled Ybarra was placed after the marriage of José M^a. Dolores González Álvarez Ybarra (1843), daughter of Ramón González Pérez-rich Indian landowner interests and oil merchants, who was a close friend of Jose Antonio Ybarra, patriarch of the family. Outcome of marriage were five children, all boys (José María, Tomás, Luis Eduardo and Ramon), who integrated the second generation of the family. Since their marriage, Jose Maria Ybarra joined his wife's property in the family patrimony which, in turn, was fully integrated into the active societies.

The second cornerstone of sustaining the House Ybarra was the incorporation of the company, *José María Ybarra* (1847) for which required a loan of one million reales, with a fixed interest rate of 4% per annum, provided the family branch Bilbao. The company started in a very classic is the loan within our own family. When his two oldest sons joined the family business, the company was transformed into *JM Ybarra and Sons*, founded in 1870. The constitution of

the second company set up the mechanism Ybarra to be built on the success of the Casa Ybarra: they transfer all the assets (business and family) from one society to another.

The third stone was supportive of the Casa for the shipping company which was established in 1863, *the Compañía de Navegación Vasco Andaluza*, resulting from the association of José M^a Ybarra with Bilbao businessmen. Initial activities were strongly linked to the parental home to which he referred many products (oil, olives, figs, earthenware, copper, vinegar, soap, etc.). This paper does not go in shipping activities of the family be well known and, moreover, very soon they were segregated from commercial and immovable and movable assets of the family.¹⁶

A growing network of commercial interests and shipping, mining and agriculture that were heavily intertwined with both the homestead and the family needed a corporate culture that gave him a strong mortar. José M^a Ybarra gave his house a course of action, a culture, which persisted for four generations, and he organized his societies by way of family businesses with a crucial dynastic component.

In Casa Ybarra we can speak of a strict "code of conduct" is imbued generations. The parameters of such a code of conduct passed through great discipline of work, a demanding theoretical and technical preparation of successors, an effective division of responsibilities between the children, and a clear system of succession. Furthermore, from the *Casa Ybarra* was woven a dense line of marriages that strengthened his role in the agricultural, mining and political southern Andalusia. (Sierra, 1992: 23 y ss)

In the *Casa Ybarra*, the culture of the work that was installed by founder it was based on values such as self-imposed, dedication and initiative. José Maria Ybarra asked daily news reports and their children from the conduct of business and they recommended careful monitoring of their accounts.¹⁷

Preparing the next generation had been served with a special dedication

16 See Valdaliso (1997 y 1999), sierra (1992), Ybarra ()

17 "(...) hacer comprobaciones mensuales por los menos, y sumar el diario. Es preciso pues recomendar mucho cuidado, y vigilar vosotros mismos la contabilidad y repasar todos los domingos o todas las noches los asientos de caja, correspondencia y letras del día". Carta de José M^a. Ybarra Gutiérrez de Cabiedes a sus hijos, 15-9-1876, citado en Sierra, 1992: 32.

by José M^a.Ybarra. He prepared his five children in theoretical studies (engineering, accounting, trade ...) and practical, of which foreign travel to French and English business houses to become familiar with accounting and business skills and learn the languages¹⁸. The preparation of the heirs Ybarra of the second generation is no different from common practice in Spain focusing on university education, we travel abroad and practice of business with the patriarch of the family, although family Ybarra difference in the constitution of co-ownership inheritance to hold together while the "head of the Casa" be binding on the line of primogeniture (Diaz Morlan, 2010)

The third generation followed the same path and, soon, was also incorporated into the enterprises.

In addition, José M^a Ybarra held a sharing of responsibilities among the children, "so that within the unity of action and interest, each preferably is devoted to a single branch of activity. And Ybarra was a miner, two other financial, another farmer and a more political than the rest of his brothers".¹⁹ Added to this, from the beginning it was clear that the succession to the head of the network family guided by primogeniture, thus, the direction of family affairs went from JM^a Ybarra Gutiérrez his eldest son José María, and his early death, Eduardo Ybarra Gonzalez, the second of his children, his death was succeeded his brother Tomás Ybarra González (Sierra, 1992: 21).

José M^a Ybarra held within the House business. Companies formed (*Vasco-Andaluza* and *José M^a. Ybarra*) were built as family businesses with a strong dynasty. The companies remained under the legal umbrella of various companies that were maintained over 100 years with similar characteristics and objectives.

The successive societies in assets accumulated so much that could be considered company assets as the assets of the family. Thus, as children, minors, were receiving different heritages, especially the mother, José María Ybarra integrated them into the company under the Juvenile Ybarra account in undivided. Even some particular legacy was one of the brothers, for

18 En los viajes al extranjero, los Ybarra siguieron las normas habituales en las casas comerciales españolas. Sierra, 1992, p. 33.

19 Díaz Morlán, 2002, p. 137. Sierra, 1992, p. 29.

example Thomas inherited property godmother, also reverted to his father's company and was encapsulated in co-ownership of the account under Ybarra.

Still, the great legacy left by the father leading to death was "unity among the five brothers" should not break under any circumstances and that, then check how determined the fate of the Casa Ybarra.

La segunda generación: los hermanos Ybarra González y la reorganización de la Casa Ybarra.

Ybarra González Brothers (José María, 1844-1898, Edward, 1846-1911, Thomas, 1847-1916, Louis, 1849-1916, Ramón, 1851-1925) especially the two largest, were incorporated gradually management family business without the founder at any time to lose control of the business. The addition of children to address the Casa allowed Ybarra calm and smooth transition to the father's death in 1878. The death of José María Ybarra barely disturbed the progress of the House or its companies, which were disclaims into two branches: the shipping activity on the one hand, and, second, agribusiness, mining and financial linked to their own management of family assets. Corporately this division is reflected in the shipping *Compañía de Navegación Vasco Andaluza* and the general partnership *JM Ybarra and Sons*. The transition from one generation to the next was so placid that companies or renamed or legal form. In 1878 the brothers kept the same trading company which were already incorporated all his inheritance in undivided and recorded as assets of society.

The organization of the *Casa Ybarra* to remain does not mean immobility takeover of companies. Thus, within the House Ybarra, in the period from 1878 to 1898, the brothers Ybarra liquidated *Compañía de Navegación Vasco Andaluza*, in 1881 it was transformed into *José María Ybarra y Cia*, a limited partnership established in Bilbao, which Ybarra brothers controlled 47% of the property and the rest was Bilbao businessmen.

The history of the *Casa Ybarra* is a pivotal moment in the early nineties when an event exogenous to corporate and business dynamics caused the brothers had to reorganize deeply *Casa Ybarra* and his companies. The five brothers had remained unchanged organizational model based

on his father built the family estate, together with the undivided of the legacies of the brothers, sustained business that took care of business and financial operations. Thus, Ybarra brothers were never worried about the legal status of the heritage inherited from various sources available. José María Gutiérrez Ybarra, he had built the legacy that their children received from their mother at the family business assets under the account under Ybarra. Similarly proceeded with the legacy from grandparents and uncle. The death of the father, five brothers incorporated their undivided family inheritance to.

A fact that could have been anecdotal was that caused the *Casa Ybarra* had to undertake a profound restructuring. The death, in 1884, the second wife of Tomás Ybarra Gonzalez forced to determine which was the legacy, through the mother belonged to his son Tomás Ybarra Lasso de la Vega. In determining this inheritance had to go through the dissolution of the conjugal partnership of Tomás and his wife died. To determine the amount corresponding to Tomás Ybarra Lasso de la Vega (the only child of the marriage) had to know which was the mother's percentage from community of property and how much it was for the child.

This should undo the undivided, to undertake the partition of the various estates in the accumulator and finished that partition would know the heritage of Tomás Ybarra Gonzalez at the time of his marriage.

While the partition of undivided was calculated, brothers Ybarra rushed the corporate restructuring of the House to adjust to new circumstances. The easiest was the change of shipping company, which in 1885 transferred all its assets to a new company, Ybarra *and co. Limited partnership*, based in Seville, with a capital of three million pesetas of which were five brothers Ybarra managers who controlled 34% of the company.²⁰ The new limited partnership would remain active until it became a limited company in 1952.

Delineate the value of the company *Jose Maria Ybarra and Sons* and make the partition of the estate took a period of four years. Until 1898 the company of their father, *Jose Maria Ybarra &*

20 Valdaliso (1997 y 1999)

Sons, was not liquidated and the brothers Ybarra founded a new society: *Hijos de José M^a Ybarra, Collective Corporation*. This opportunity was used to segregate in a new mining company, the third to be included in the *Casa, La Hispalense incorporated*.

Table shows the evolution heritage of commercial enterprises House Ybarra. The most striking fact is to observe how the partition of the inheritance and the demarcation of which were family property business assets meant a drop in the value of the company nearly two and a half million pesetas. The Seville, on the same dates, had assets of 400.000 pesetas. Two companies together represent a value of approximately 3.5 million pesetas. In other words, the two new companies meant 63% of the old society from *José M^a Ybarra and sons*, its natural successor, *Hijos de José M^a. Ybarra*, represented only 55% of the previous company.

YBARRA'S BALANCE SHEETS

	<i>JM Ybarra e hijos</i>			<i>Hijos de JM Ybarra</i>	
	1877	1879	1884	1899	1900
ACTIVO					
AC					
disponible	441.562,57	62.291,90	10.046,32	931.978,95	-256,27
relizable	1.871.804,35	2.317.019,84	1.835.001,06	2.606.445,80	497.747,25
stocks	273.669,46	324.497,47	657.338,28	1.729.436,18	
AF					
minas	766.812,37	790.811,22	232.886,92	45.226,23	
agricultura	1.295.505,43	1.328.127,24	1.513.587,96	9.300,00	1.982.137,50
otros	46.483,41	4.826,67	6.194,00	6.194,55	
casas	493.627,74	478.474,13	456.654,84	21.200,00	440.517,34
edificios	300.170,54	121.560,50	248.741,60		46.790,90
PASIVO					
recursos propios	2.928.916,04	3.073.318,76	3.075.885,56	500.000,00	500.000,00
cuentas familias	1.259.082,53	1.225.373,69	1.247.017,19	2.451.903,36	2.466.936,63
acreedores	401.866,43	167.946,18	194.221,97	1.575.381,21	
c/c	899.770,95	961.160,50	505.739,18	822.497,14	
total	5.489.635,95	5.427.799,13	5.022.863,90	5.349.781,71	2.966.936,63

Fuente: Escrituras societarias. Archivo Ybarra. Elaboración propia.

A fact that should have been anecdotal, the death of the wife of one of the partners forced to disassociate themselves from property, inheritance and marital each of the brothers and they had to decide which assets concentrated in the new company. This could have meant the end of the Casa Ybarra, for similar reasons other family businesses have disappeared, however, the brothers were able to sort out the business and took the opportunity to reorganize the corporate

structure.

The third moment came when he had to be sensitive to incorporate the third generation. When was incorporated as a company *Hijos de Ybarra collective regular* in 1908, which was extended in 1918 and 1928. With the constitution of the new company the brothers were separated in their business. In the new society did not participate or Eduardo and Ramon Ybarra González (nor their descendants) and it was composed by Tomas Luis Ybarra Gonzalez, the widow of Jose Maria Ybarra (who died shortly before), his son JM Ybarra Menchacatorre and Tomás Ybarra Lasso de la Vega and JM Ybarra Gómez (sons of Tomás and Luis respectively).

If we measure the degree of modernity or adaptation of the *Casa Ybarra* twentieth century would be a rather pessimistic view. If we understand that the joint stock company represents the adoption of modern corporate figures, the *Casa Ybarra* finished its reorganization staying within the parameters of limited partnerships nineteenth century and only the smallest of companies, the mining company, turned to the corporation as set law. The example could be the *Hijos de Ybarra*, who until 1938 was not transformed into a limited partnership and not until the late date of 1953 when taking the form of corporation.

At least the *Casa Ybarra* in the transition to the twentieth century we have the second-generation had refocused its activities, shipping, mining, and commercial, in different societies.

El balance de la Casa Ybarra

One of the objectives of this study was to determine, not the corporate business travel Ybarra, but also the management which made the family assets and companies. All closely intertwined and complicated boundary. What management model inherited? The founder, José M^a Ybarra Gutierrez transferred to the assets of the company's property inherited by his sons.

Economic data are those of society *JM Ybarra and Sons* to the founder's death JM Ybarra Gutierrez (1878). The analyses of the balance indicate that the Casa Ybarra, apart from the shipping point, had three main areas: mining, agricultural assets and urban heritage, and

management and financial businesses. So the mining assets amounted to 767,000 pesetas, real estate (farms, houses and warehouses) to 1,500,000 pesetas and financial activities accounted for 1,200,000 pesetas over 5.500.00 in the total assets, i.e. reached the 2/3 balance. These activities were supported by own resources (capital +reserves) of 3 million, the family current accounts represented 1,300,000 pesetas and the remainder of the liability accounts with creditors, debtors, etc..

The balance does not distinguish between what resources were those of the company and what were the family patrimony, since the company was born with a capital of 500,000 pesetas but their own resources had been increased to 3 million, of which a reservations only corresponded 88,000 pesetas. Except for the fact entitled under an account in which José M^a. Ybarra Ybarra Gutierrez put the assets of their sons.

Accounting analysis for the first time without the founder (1878-1884) enabling you to get some conclusions. First, the size of the family business did not change, maintaining a value of 5 million pesetas, and second, the distribution of business remained virtually unchanged. The Casa Ybarra's business, after the death of José M^a Gutiérrez Ybarra, remained the same line.

From an accounting perspective JM Ybarra Gutierrez turned his heritage in a manner customary at the time which was not differentiating between family wealth and assets of the company. His sons did not change the core of the company family-maintained, why? The brothers who made up the second generation "just set out to improve administration and facilitate the division together with those performed by real where deemed appropriate, this being the case because the values enter them for the award remodified harmonized with those of their peers already on the same books as such property was awarded to them and equally co-ownership"²¹.

The mode of action revealed by his sons when they undertook the partition of the undivided "two accounts, one in which they were loading all the quantities available for

²¹ Escritura de partición de las herencias, 28 de junio de 1898, Archivo Ybarra.

your special attention and the other contained in the liability of social reports to which the benefits were paid under the profit and loss they had been corresponding each year, paying off the first with the second end of each year"²².

The total confusion between assets and firms can be found in how each brother Ybarra acted in company accounts. This was clear in the writing of January 23, 1896, first division of the inheritance when the brothers stated that the expense account is charged so that the sums of each available, if at the same time is which were paid to either surrender to alien concepts to the corporate business, so in practice what happened was that at the end of each year, which has resulted, for the account of profits has been the balance wrong call costs, and consequently the final balance thus obtained does not represent the net profits of each partner, as initially intended that to happen, but reflects the changes and only difference that existed between the assets that all concepts corresponded to each brother since the accounts were thrown, were opened, appearing as the first item the balance of the particular account of each, to June 30, 1878 and its outcome attend the quantities and has provided or paid as gains or losses obtained not only in purely commercial operations, if not on all the common mass of goods contained in the inventory balances of the house and is affecting their results to the profit and loss.

PRELIMINARY CONCLUSIONS

In the paper I have shown how a family and its enterprises were organized like a whole. From its beginnings *Casa Ybarra* meant a sum between heritage and business. *Casa Ybarra* had well-defined characteristics and its enterprises were founded like a dynastic family firm. *Casa Ybarra* is good example of dynastic family firm. I have shown its autocratic management, decision-making from top to bottom, control of the household head, keeping the name beyond his death, succession by primogeniture ...

As often happens in the family firms, the change between generations is one of the most sensitive periods for their survival. However, the first intergenerational transmission in *Casa Ybarra* was well designed, as the second generation joined the business with time and structure of the *Casa*

²² Escritura de partición del pro indiviso, 1898, Archivo Ybarra.

Ybarra, which merged into one company heritage and gave stability. Until then, the balance of the *Casa Ybarra* gathered together the assets inherited by the brothers from his father Ybarra, his mother, grandparents and some other individual inheritance of a brother (in the case of Tomás) also entered the heritage whole.

However, this same strength hiding its weakness. The company's assets include the assets of the Ybarra brothers who made up the second generation. An unexpected event, external to the company, the death of the wife of Thomas Ybarra forced to calculate the inheritance that belonged to his son, Tomás Ybarra Lasso de la Vega.

A fact that could have liquidated the company, however, was used to rearrange the house and provide it with better tools. True, property, businesses went diminished, especially that of *JM Ybarra and Sons* whose assets fell by 2.5 million pesetas. But instead, the business is well defined in three different societies, one and joint stock company.

Furthermore, the death of older brother completed the reorganization of the *Casa Ybarra*. Two of the five siblings leave the family business and the two remaining with the heirs of the third generation children of Ybarra founded, which remains valid today.

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