

FERNÁNDEZ, Paloma (coordinadora), 2013, *La profesionalización de las empresas familiares*, Madrid, Lid Editorial Empresarial. 222 pp.

This book is interesting because it deals with a vexing subject: the process of a small business' transformation into a large, complex and diversified corporation. This is achieved, among other things, through professionalization: the central theme of this book. The text includes six articles on the history of enterprises. Two analyze family firms (FF) in Catalonia and Murcia, respectively. Both question the validity of two beliefs that are not supported empirically: first, that for a firm to be considered professional, it should be managed by human resources possessing a college education; second, key issues concerning the growth of the firm should be resolved by subordinate personnel in the firm and not through consultancies. Two other articles deal with the problems of professionalization in the financial sector controlled by several families in Spain. The fifth text detects different territorial distinctions in succession strategies in FF, comparing various Spanish regions to each other and relating these to experiences in the training of heirs in British firms. The sixth and last article studies the professionalization of two large family businesses in Mexico.

Paloma Fernández, the editor of the book, analyzes firms from the end of the 19th century and through the entire 20th century in Catalonia, a region in which FF have reached respectable sizes. She focuses on three ideas: a) contrary to what is believed, the process of learning by successors takes place more through the transfer of knowledge and contacts from fathers to sons than through formal education which, in the words of the author, is of little relevance; b) the growth of FF occurs in the context of accumulation of social capital (participation of family dynasties in cultural, political, and business associations); c) Catalan firms grew because they had at their disposal advisement and consultancy services regarding key aspects of growth. This was knowledge that they did not possess internally but was needed as a result of, for example, processes of succession, family conflicts, and financial, productive, commercial, hereditary, legal, innovation, and internationalization issues.

Miguel López and Mercedes Bernabé analyze the formation of executives in the region of Murcia from 1850 to 2010. In contrast to the previous article, here the authors point out that leading FF were characterized by their small size and limited levels of diversification. One explanation for these modest results is that, in the authors' judgment, firms in the region sought to satisfy needs that were not met by existing enterprises rather than introducing genuine innovation. The study is based on two surveys carried out in 2008 and 1998. The results lead the authors to also reject higher education as an indispensable requirement for outstanding FF directors in Murcia (according to the 2008 survey, only 31.5% of managers

had attended college). However, though it is not definitive and seems to contradict the previous affirmation, the study estimated statistically that the variables of size, a firm's years of existence, and internationalization correlate positively with the directors' higher education level. This article does not provide information about whether the firms in this region have taken advantage of consultancies related to key issues of firm expansion.

José Luis García inquires into whether large Madrid banks can be FF. In his study, he analyzes attempts made throughout the 20th century by high level executives of four large banks – Hispano Americano, Español de Crédito, Central, and Popular – in order to discover whether, if operated as a FF in the style of the current Banco Santander, they could obtain the same economic results as Santander. To accomplish this, the author provides several theoretical commentaries that explain why bankers became interested in managing their banks as FFs. At the end of World War II, the dissemination of the U.S. model of a large enterprise advocated by A. Chandler Jr. resulted in the large family firm being viewed as an obsolete organizational structure. The thesis of this distinguished researcher was that the modern enterprise should be large, multidivisional, and managed by professional executives. But everything changed dramatically with the world crisis in the mid 1970s, primarily because of the increase in energy costs. This seriously affected large corporations, which were unable to react rapidly. It was discovered that firms managed by relatives had the ideal characteristics to defend themselves in difficult situations. This article provides a more or less detailed account of the histories of the families that managed the above mentioned banks. The author concludes that the four banks, when acting as FFs (control of property, nepotism, etc.) achieved modest economic performance. But there was one fact that could explain the failures of these banks: their success had been due to certain individuals and when they were no longer on the scene, the banks began to decline; that is, the firm did not know how to prepare other managers so that it could continue to grow.

Elena San Ramón, María Jesús Segovia and Susana Blanco analyze the Banco Ibérico during the period 1946-1977. As in the previous study, the authors ask if the fact that the bank acted as an FF explained its success. The Banco Ibérico was founded by Idelfonso Fierro and is considered one of the top Spanish private banks. One factor affecting its performance which stands out is the separation between property and management, including the professionalization of management and the creation of a regulatory framework for succession. But at the end of the 20th century, Fierro left because of developments he could not live with, such as the reform of the financial system, the financial crisis at the beginning of the 1980s, and the incorporation of Spain into the European Community. Based on this case, the authors conclude that the professionalization of FF works within a context of free competition, but when the firm is an oligopoly

protected by the state, its success is only transitory and it enters into crisis as soon as it must compete with other enterprises.

Pablo Díaz compares the strategy of succession in Spanish and British FF in the 19th and 20th centuries. The author finds that all the strategies studied have one thing in common: the preparation of a successor for the long-term continuity of the FF. This strategy is characterized by four variables and has many commonalities in the different cases: age – the mean age of British heirs was 25.3 years old and the case of the Spaniards was similar: 26.2 years of age; meritocracy understood as the selection of the best prepared family heir: in the both countries, only in a few cases was the first-born chosen as the successor; education: the proportion of heirs with a university education in relation to the total number of heirs was high, in the period 1915-1953, the figure was 63.3% in the United Kingdom and in Spain, 72.9%; finally, knowledge of the firm itself: here, the same result was obtained in both countries: the proportion of heirs that spent years training with their fathers was approximately 70%.

Finally, Javier Moreno analyzes the formation, management and development of the great Mexican FFs during the period 1960-2008. In the simplest terms, the history of the Mexican business sector can be divided into two periods: before and after the entry into force of the North American Free Trade Agreement (NAFTA). Before signing this agreement, around 1960, one out of three large corporations in Mexico was in the hands of U.S. investors; after NAFTA was signed, many FFs that had been established in the 1920s began a process of consolidation. Examples of such successful cases include the firms of the Carso Group of Carlos Slim, Bimbo, Femsa, and Modelo.

This book provides information on matters that previously have not been studied in detail. For example, that research confirms that many successful FFs are based on knowledge that is transferred from fathers to children, that some banks operated as FFs, and that there are similarities in the processes of succession among countries such as Spain and the United Kingdom. For these reasons, this book is recommended reading.

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