

Family Business: Analysis and Propositions

Nom de l'estudiant: Joan Sala Rifà

Nom del tutor/a: Axel Ehberger

Date: 20/06/2021

Memory of the Final Degree Project

Course: 4rt

Studies: BAIM

Abstract

Partint de l'interès per l'empresa familiar i el seu futur, s'ha plantejat conèixer millor les seves principals característiques i necessitats.

Després d'un estudi global de l'empresa, s'ha procedit a identificar un conjunt de propostes de millora per garantir la continuïtat de la família al capdavant d'aquesta.

S'ha comprovat la necessitat d'iniciar un procés que serà llarg però també beneficiós per l'empresa i la família en el seu conjunt.

Partiendo del interés por la empresa familiar y su futuro, se ha planteado conocer mejor sus principales características y necesidades.

Después de un estudio global de la empresa, se ha procedido a identificar un conjunto de propuestas de mejora para garantizar la continuidad de la familia al frente de la empresa.

Se ha comprobado la necesidad de iniciar un proceso que será largo, pero también beneficioso para la empresa y la familia en su conjunto.

From the interest for the family company and its future, it has brought up with knowing better the principal characteristics and necessities of the company.

After a global study of the company, it has come from with the identification of the proposals to improve and warranty the continuity of the family in front of the company.

It has been confirmed the necessity to indicate a long process, but also beneficial for the company and the family.

Table of content

1.	Delimitation of the Intervention Project.....	6
1.1.	Limitation and Justification of the project.	6
1.2.	Introduction of the context of the project.	7
1.2.1.	Introduction of the Company:	7
1.2.2.	Classification of the Grup Carrera.	8
1.2.3.	Some Facts about Family Companies.....	8
1.3.	Analysis of the actual business model.	9
2.	Theoretical Framework	13
2.1.	Is the actual Business Model efficient?	13
2.2.	The Succession Plan	15
2.3.	Important elements for the succession - The Family Government.....	17
2.3.1.	Family Assembly	17
2.3.2.	Family Council.....	17
2.3.3.	Family Protocol	17
2.3.4.	Agreement on Succession	19
2.3.5.	Legal Issues (Cáceres, 2018).....	19
2.4.	Example of a Succession Process:.....	20
	Pastelería Dueso, S.A. (Camacho, 2014).....	20
	Inditex (Laura Bazán, 2007)	20
	Bon Preu (La Vanguardia, 2020).....	21
2.5.	Theoretical Framework Summary	21
3.	Objectives.....	22

4. SWOT Analysis of the project.....	23
4.1. Strengths and Weaknesses.....	23
4.2. Opportunities and Threats.....	23
5. The Succession Plan.....	24
5.1. Plan to develop the succession process.....	26
5.1.1. Organization of the family.....	26
5.1.2. Institutionalization of the company.....	29
5.2. Resources, Budget & Chronology.....	32
6. Conclusions.....	34
Bibliography.....	35
Annex.....	37
Annex 1. Interview to Jordi Sala.....	37
Annex 2. Family Protocol.....	38

1. Delimitation of the Intervention Project.

1.1. Limitation and Justification of the project.

The idea to make an intervention in my family business came from the worries appeared during the first wave of the pandemic. The situation in April 2020 was bad, all shops were closed, the company needs to use the file of temporary regulation of employment (ERTE) and the only possibility was working through internet; at home, the situation was strange, and my dad show me their worries about the future of the company. A future that in between five or ten years will need a change on the shareholders, as most of them will have the age to retire, and once I ask my father, he told me they do not have an explicit guideline to develop a generational change.

From June to September, the situation seems to become worse with the pass of time, the different restrictions applied by the Institutions were not giving so many expectations to save the year in economic words. But after summer the situation took a 360° change. The shops were working a lot, the company had problems to solve the demand of products because of the suppliers, the webpage was increasing in sales and at the end the company was surprisingly growing.

After all, one day while talking with my dad we arrive to a question: *What will happen when the pandemic is gone with the Company?*

It is true that before the pandemic appears the Business Model of the company was being disputed; the traditional small shops were not able to compete with the big companies such Amazon, MediaMarkt, AliExpress... but then the pandemic changes all this situation, big shops in big Malls could not compete due to restrictions with small shops. People could not move from their town and used their near shops to buy their products and, they feel in solidarity with their near Companies.

At the end, one day the pandemic will disappear, and the company needs to analyse if the actual business model is able to compete in a global market with fast changes and technological improvements and in ten years when this generation ends who will take part of the new management structure of the company and how.

So, the main objective of the project is to develop the succession plan for the company this may include the possible modification or evolution of the actual business model. During the project we will see using an analysis of the previous and the actual situation if it is necessary for the company to redesign the business model within the Succession.

1.2. Introduction of the context of the project.

1.2.1. Introduction of the Company:

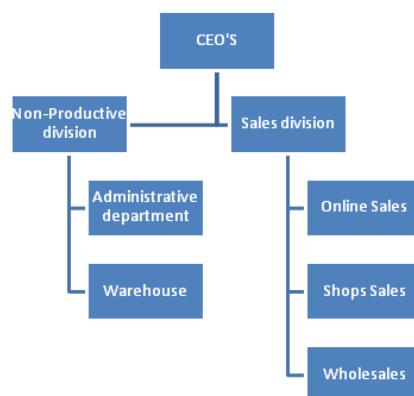
Radio Carrera S.A. is a familiar company with more than sixty years working on the sector of home appliances and new technologies mainly in Catalonia but with some shops around Spain. In total, they count with more than 50 shops. The company is divided into stakes and the stakes are organized by an administrative council in this case the three brothers.

The company structure is based in a vertical differentiation, where on the top of the company we could find the three CEO's and brothers that manage the company. Also, we can consider it a centralized company, where the important decisions are taken by the top management. Under the top management department, we would find the other departments that can be divided in two groups.

The sales division, we consider it the division who oversee the sales that also is divides in three small groups: online sales department, shops sales department and wholesale sales.

The other division has not a direct relation with the sales, so we consider it a non-productive division and it is composed for the management department, the administrative department, and the warehouse department.

All this work is organized in a horizontal differentiation. Those work is controlled by a manager of the department that would take decisions in front of the situation of the workers and the quantity of work there is now.



Nowadays we are in a theoretical 4th generation. The company was founded in 1946 by my great grand-father Joan Carrera Hom and the company has evolved from a mechanical workshop of radio systems to the actual home appliances and technologies company.

1.2.2. Classification of the Grup Carrera.

To understand better the company, we can classify it in different ways:

- If we focus on the size of the company, we have a medium company, because we are talking about more than 50 workers.
- If we focus on the generation of the family, we have a brothers company, because now the company is controlled by the three brothers.
- If we focus on the incorporation of the family members in the company, we have a family work company, because the family members have been developing their full labour career inside of the company.
- If we focus on the stage of the company, we see that we can consider it is between expansion and maturity.

1.2.3. Some Facts about Family Companies

The familiar company on its essence represents most of the companies in Catalunya, they represent an 88'3% of the total, (Asesoría EDAC, 2016) and has got some advantages that other companies could not have:

- Personal Commitment with the Company.
- Specific knowledge.
- Flexibility on work, time, and money.
- Stable Culture.
- Quickness on taking decisions.
- Reputation.

But, it has also some weaknesses:

- Closed mentality.
- Risk Aversion.
- Emotional Conflicts.
- Continuity.
- Family unit.

The main element that effects on the continuity of the company is the succession process. There is a common sentence that says: "The family company is created by the grandfather, the son grows it, and the nephew destroys it". (La Vanguardia, 2018)

1.3. Analysis of the actual business model.

The analysis of the actual business has been developed with the Canvas Model that was created in 2011 by Alexander Osterwalder and Yves Pigneur in the book called: “*Generation of Business Models*” where they analyse the different types of models and which one suite better on each case. (More, 2020)

Customer Segments

When we talk about focusing on the customer the company sees that for them it is difficult to focus on only one segment. They have a lot of different products that are aligned with different type of customers.

It is true that there is something in common that all products that the company work with are designed and build to satisfy the customer needs. We can talk about different type of necessities as it could be social needs, hygienic needs, personal needs etc.

Once we have all that clear we need to understand which are our clients. In our case we have two type of clients:

- Direct client: The person who comes to us to buy the product that satisfies his/her need.
 - You need to create one value proposition.
- Indirect Client: There is one intermediate between you and the final user.
 - You must create two value propositions.

Analysing these two concepts we see the importance of the Indirect client for the company. Because it is true that at the end the final customer will focus on the price, but the intermediates buy to us for a lot of reasons.

- Transportation Costs: The proximity takes down the prices of transport.
- Agility: On solving problems, on answering for doubts, on changing defective products.
- Close treatment: Facility to contact with the different parts of the company, also top Management.
- Direct contact with top brands: Give us the possibility to negotiate best prices for our customers.

Then at the end it is true that the final customer focus on the price, but we can offer also a lot of reasons to buy us and not to other companies. Which are:

Family Business: Analysis and Propositions

- Close treatment.
- Personalized service before, during and after the sale.
- Possibility to personalize the product.

Value Proposition

Which value can be given by the company for the customer?

When we talk about giving value, we must relation it with the segments we have created before. Using this relation, we must understand what Value proposition is.

To sum up, the value proposition is the product or service that creates value for a segment, this proposition must help the client to solve a problem or necessity. At the end, it is what makes your clients come to you and not your competence.

We need to understand what we can give to our customers in these senses what makes us different from our competence could be:

- Personalization: We can give the customer the opportunity to personalize the service and the product we give.
- Cost reduction: As we said in the previous part of the segmentation, the fact that the company works with big suppliers gives us the opportunity to take advantage and give the best prices to the big clients.
- Price: Not the most important, it is basic, but it exists.

Channels

How we make arrive the value proposition to the customers? Nowadays the company works in two big channels.

- Traditional shops.
 - Own Shops.
 - Franchises.
 - Other shops.
- Internet:
 - Own web shop.
 - Amazon.
 - Other Web Pages.

Customer Relationships

It must be the important point of the company, what makes them stronger.

What has made the company stronger in the traditional shop at least is the close treatment with the customer. Since I start working in the different shops in Christmas time, I saw the importance that the clients give to close treatment.

Many times, people come to our shops searching for a unique worker.

This close treatment is transmitted to the different channels and that is what we need to transmit. When other companies come to us to buy, they need to feel comfortable with the treatment to make them buy again. Also, in the webpage.

Revenue Streams

When talking about the revenue streams, we must ask ourselves for what values is each customer segment truly willing to pay? In this sense the company has an asset sale that basically derives from selling the ownership rights to a physical product.

Key Resources

The importance for an electronical and home appliances trader is the velocity on his main activities.

For that reason, it is important to have:

- Warehouse.
 - Products must not stay there for a long time.
 - It must be adaptable to the necessities of the company.
 - It must be prepared for receive and prepare on the same day.

Nowadays the company has got two warehouses but there exists the possibility to externalize one part of the warehouse to Valencia for reducing the costs of transport around Spain.

In the main warehouse there are two shifts: morning/day and night.

- Qualified workers:
 - People that control what they do.
 - Also, people that could give new ideas for the company.
- Good Software System:

Family Business: Analysis and Propositions

- Nowadays a System that you could control all the part of the company it is necessary for the success of it.

Key Activities

What the company needs to continue with this successful business model is:

- Keep the close treatment with big brands. (Suppliers)
 - Big loses last years as Dyson, Movistar must be fight by searching for other brands as could be Cecotec or Hyundai.
- Keep big customers.
 - Search for big customers and keeping the ones we have.
- Efficiency on the different processes of the company.

Key Partners

As said before, some of the big partners of the company are:

- Hyundai: The company has the royalty of the brand in Spain.
- Auxdiselec: The company in charge of the logistics of the company.
- Segesa: Spanish association of retail sales.
- Other key partners: BSH, Samsung, Beko...

Cost Structure

The company follows a Cost - Driven policy where it focusses on minimizing the costs. When making a buying decision, they rank cost above all other parts of a transaction.

Fixed Costs: (VIR AUDIT, 2017)

	31/12/2017	31/12/2016
Instalaciones técnicas	143.384,40	118.160,40
Utillaje	1.641,55	1.641,55
Otras instalaciones	370.871,89	354.087,13
Mobiliario	242.823,86	235.323,44
Equipos proceso de información	55.003,04	54.400,04
Elementos de transporte	88.278,74	40.420,96
	902.003,48	804.033,52

Variable Costs:

Family Business: Analysis and Propositions

Aprovisionamientos	Nota 17.a	(31.681.059,15)	(30.096.644,94)
Consumo de mercaderías		(31.601.245,12)	(30.048.546,38)
Consumo de materias primas y otras materias		(40.472,89)	(25.548,71)
Trabajos realizados por otras empresas		(39.341,14)	(22.549,85)
Otros ingresos de explotación		210.084,73	85.863,83
Ingresos accesorios y otros de gestión corriente		210.084,73	76.745,32
Subvenciones de explotación incorporadas al resultado		-	9.118,51
Gastos de personal		(2.573.733,60)	(2.377.455,28)
Sueldos, salarios y asimilados		(2.050.766,69)	(1.905.213,94)
Cargas sociales	Nota 17.b	(522.966,91)	(472.241,34)

2. Theoretical Framework

2.1. Is the actual Business Model efficient?

After reading different studies of what is the future of the traditional shop, we can reach some conclusions:

The traditional shops as we know nowadays coming to an end. If we put a focus the principal target of the company that is the capital of Osona (Vic) we can observe that only during 2020 in the main commercial street of the city have closed 101 shops, 64 during the COVID-19. It is also true that the sector were more shops has closed are from personal care, but this information gives us the relevance that traditional shops are losing importance in our lives. (Altarriba, 2020)

But does this mean that one day all physic stores will disappear in front of the online shops? The answer is no, but us it says Alberto Alonso in the conclusions of the study called "*La tienda del futuro*": The consumer will demand for a shopping process different from just an interchange of the product for money, the consumer will demand for an experience". (D/A RETAIL, 2020)

The physical stores have some advantages in front of online selling:

- Amiability of the shop workers.
- Knowledge of shop workers.
- Empathy of shop workers.
- Product availability.
- Stock of the product.
- Easy to find the product.

For all these reasons a 34% of the Spanish consumers prefers physic shops before

online. Also, most of them confess that they received a personalized treatment that make them believe important for the shop.

In the future, the consumer will search for a human, ecologic, and comfortable with personalized products and services in a comfortable environment.

Related to an article of PIMEC, we know that in 2017 the online sales were bigger than 30.000 million euros increasing 26% from the previous year and this data has been increasing during the pass of the years. (PIMEC, 2020)

This is in part due to:

- More selection of products.
- No necessity to interact with humans to buy.
- You spend less time.
- More available stock of one product.
- Easy to find information about the product.

One of the most important things for people is time, a 90% of the interviewed people by believed that traditional shopping is something easy to give up. How must the shops be improved?

First, the importance to connect the traditional shop with the new technologies creating an interaction between the digital and the real world, 47% of Spanish consumers hopes that future boosts the connectivity in the shops. We must understand that the digital commerce and the physic shops will never be again two independent channels.

Second, how we can re-adapt the traditional shops into the new trends to make people interested in coming to our shop: Interactive Screens, Virtual Reality to try products, Robots, workers with tablets and others.

And third the possibility to refresh the traditional shop into a totally new model as: Flagship Store, Concept Store, Showroom and Pop-Up stores. These shops are characterized for appropriate music, good furniture, and illumination with an ecological development and good consume politics.

At the end we need to understand that shops need people to be alive but also there is no cities without shops.

In conclusion, the business model of Radio Carrera could be questioned but at the end they only need to re-adapt to the new world trends and one thing that for sure the company must consider is the evolution of the traditional shop into the new necessities of the consumer.

2.2. The Succession Plan

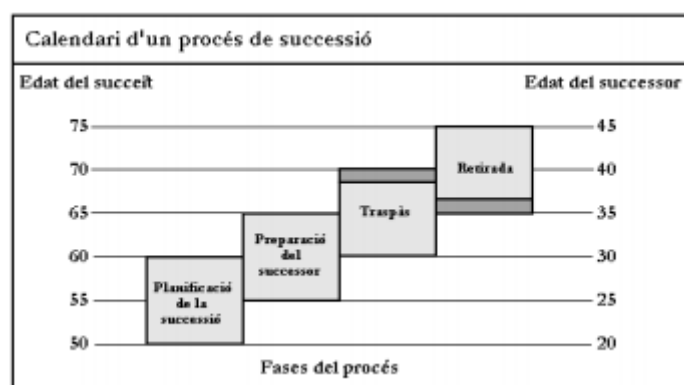
Then the question is how the company adapt all these necessities that it has with the Generational change that needs to do in no more than 10 years.

Once we understand the weaknesses [1.2] of the familiar company it is important to understand that all those can be solved with anticipation, planification and information.

The necessity to have a previous plan for the succession will help the company to anticipate the different possible situations that could appear and the information that is crucial for the successor to understand the structure and the complexity of the company. One of the tools that the company could use is the Succession Plan.

The plan must include some fundamental parts:

- Which are the objectives of the company and how to reach them.
- Which are the interests of the groups that take part of the company.
- It must be clear and realistic.
- Easy to understand, done with a professional and of course on paper.



(Llauradó, 2000)

- Following (Laura Bazán, 2007) the phases of the Succession Plan are:

The first phase is the planification of the succession which basically consists of the initial activities that must be done to accurate all the necessities of the company and the shareholders. There must take part all different parts of the company and the family and must include rules and tools to reach the objectives previously decided.

The second phase is the preparation of the successor. Of course, the successor must want to work in the company and the studies realized must be related with the company. Then from all possible candidates it is necessary to determine which one is the correct

one and after that focus his/her training.

This training would be based on analysing his/her strengths and weaknesses, complete the formation gaining experience outside of the company, giving his/her more responsibilities inside of the company and finally confirm his/her as the successor for the company.

The third phase the actual owner of the company starts given up control of the company that is given to the successor. This moment is when all information is transmitted between both; clients, banks, suppliers, institutions... If it is possible and this plan is to do it so there must be a chronological transmission of the company.

Finally, the fourth phase is the retirement of the owner of the company that must be designed by trying to not take part of the decision-making processes, for these it is necessary that he/she has got activities or hobbies outside of the company.

At the end, all businesses are different and have different necessities, but those four phases are a good guidance to start developing the own project of Succession Plan.

➤ Following (Flórez) Roles in the Succession Plan are:

The Predecessor plays an important paper on the succession process. He or she could have strong feelings with the company as it could be the founder and for that they want the best for the company. In this case, these feelings could provoke a negative behaviour for the company in case that they do not accept the succession as they cannot imagine a future of the company without them.

The Successor is the one that will take the control of the company, that works or have worked in the company and has the support of the predecessor and part of the company. One of the main factors to accept to control the company is the experience the successor has within the company.

The workers of the company that are not part of the family, they have their own motivations and personal objectives. In this sense we can differentiate between the old ones that prefers more security for their situation and in the succession, process could feel worried about the new leader and the possible changes and the young workers that are able to adapt to the new situation and sees the succession process as new opportunities to improve their situation inside of the company.

2.3. Important elements for the succession - The Family Government. (Ordax, 2021)

2.3.1. Family Assembly

It has an informative function, and it is used to exchange opinions between the members of the family. The main objective is to define what the family expects from the company. It is a strictly familiar organ, operative and government issues of the company are not talked there, also private issues as it could be the succession process.

It is important to develop some rules to control the family assembly:

- Minimum age to become part of it.
- Who can take part of it.
- How many meetings.
- Periodic information.

Normally, there are two meetings every year.

2.3.2. Family Council

The family council is used to discuss all things that surround the company: personal evaluations of the company, individual worries, role of the family, relation between members of the family.

Basically, is used to determine the relation between the family and the business and to establish the responsibilities of everyone with the company.

The main functions of the Family Counsel are:

- Explain the mission, vision, and values of the company.
- Define the Succession Politics.
- Prevent conflicts and help to solve it.
- Promote the harmony.
- Educate the members of the family.
- Define rules, laws in the relation between the family and the company.

2.3.3. Family Protocol

The Family Protocol could be considered a kind of Constitution and must regulate the relation between the company and the family. It must be adequate to the family size.

The main objective is to improve the coexistence of the family members and different generations of the family and ensure the continuity of the company.

Family Business: Analysis and Propositions

It must be written and approved by the actual directors but must be revised to adapt to the evolution of the company, the family, and its members. The process of development is based on debate and reflection between all members of the family.

The four pillars that the family protocol should contemplate are:

1. Reason to be.
 - a. Which is the dream of the family.
2. Typology.
 - a. Which type of the family business do the family want to be.
3. Expectations.
 - a. What the family expects from the company.
4. Extinction.
 - a. When is the moment to stop being a family company.

The elaboration of the family protocol creates a virtuous circle that promotes the family unit and the knowledge between their members.

At least, the family protocol must contain three scopes:

1. Company: partner agreements, statutes, and contracts with family members.
2. Family: marriage agreements.
3. Inheritance: testament and succession agreements.

These three scopes must be directed to promote the love for the family company and the trust between the family members.

It must clarify the rules for:

- Working at the family company.
- The power in the family company.
- The property in the family company.
- Promotion the unity of the family.

Some field that can put in risk the family protocol is:

- No analysing all the points in relation with the family.
- The company does not progress into a professional management.
- When influent members lack the truth or are not loyal to the decisions approved.

2.3.4. Agreement on Succession

It comes to be like a will, but irrevocable. It is useful to place some conditions on the beneficiaries such as:

- Prohibition to have a concrete property.
- Prohibition on the entry of non-family partners.
- Distribution policy on stocks sharing.

This agreement is useful to know who the beneficiaries are and what they get.

2.3.5. Legal Issues (Cáceres, 2018)

In Catalonia, all the legal issues related to the succession on the company is controlled by the law where there are written different statements about fiscal measures, administrative, financial and from the public sector.

There exist some rules that must be applied for the succession.

- The change in the titularity of the company does not exempt from work relation.
- Both parts, grantor and assignee will respond to legal issues created before and after the succession for three years.
- Legal Representatives of the workers must be informed.
- Once the succession is done the labour relation of the workers will be controlled by the collective agreement previous written by the company.

Also, in Spain we have a special law called “Pacto Sucesorio” that helps in the succession process of the company in the sense of paying less taxes as it is done before death, and it is identified as an inheritance. It is totally different from a donation where taxes are higher. (Trecet, 2020)

The most common situations why the succession occur are retirement, incapacity, or death. In all the three situations, the work relation between the worker, who retires, and the company ends.

2.4. Example of a Succession Process:

Pastelería Dueso, S.A. (Camacho, 2014)

The Company was founded in 1793 and nowadays they are in the seventh generation of the family controlling the company, but all can change in the next succession.

In the previous occasions it was easy on trespassing the company because it went to the eldest son, but from now on it has appeared a problem that could end with the eight generation.

From now on it will become a sibling's society and will be divided in two equal parts. This means that all the decisions must be taken by both parts. Also, both brothers are different on the way of thinking and working, the big brother is more conservative on spending money on new machines while the youngest brother is kind more innovative in this sense.

So, for the eight generation it is important to use the different tools that the company has on hand to solve problems between brothers when this appears. The main one used on that example was the Family Council that will help on taking decisions being the third part of the Management.

Inditex (Laura Bazán, 2007)

Inditex, the company created by Amancio Ortega that involves companies as Zara, Bershka and Massimo Dutti. Inditex is a good example of a well developed Succession plan.

Amancio has decided that the person that must succeed him is his daughter Marta Ortega, for that reason she will follow a process to adapt herself into the company.

The process will be based on a great learning process with the objective to educate with all the necessary aptitudes the future leader.

This process will start on working in one of the 445 shops of Bershka in Spain, will go ahead with a formation on financial, legal, sells and finally the formation to become the top management of the company.

The main objective of this process is that she understands how all the company works and then she must decide whether she is interested on it or not. Then if she is not interested on it, the company will have the necessity to be controlled by a professional.

Bon Preu (La Vanguardia, 2020)

In the press article of la Vanguardia we can find how one of the biggest companies in Catalonia is developing the Succession Process.

Anna Font is the daughter of Joan Font, director of Bon Preu. Joan said on the interview that with 69 years old he is still feels so strong to continue working but he also knows the importance of the new generations to make the business succeed. Joan also talks about the importance to have a Succession Plan.

Anna has now 38 years old, she studied psychology and specializes on business on her post-graduation. She was working hard on developing the online sells from Bon Preu and from now on she will be the Commercial Director.

Then, there is also Adrià, 34 years old, the son of Joan that nowadays is working on sells department.

This is really like the Inditex case, where before taking the management of the company the successor must understand how the company works from the inside.

2.5. Theoretical Framework Summary

The actual situation that surrounds the company has exposed the necessity to create different management tools to develop a Succession Plan that ensures the company continues for at least one more generation.

With the examples we have seen, the company must understand the importance to have a well-developed Succession Plan if it wants to survive.

The company fights not only against the market and the competitors, also with the statistics: Only a 12% of the familiar companies reach the third generation and only a 3% reach the fourth generation. (La Vanguardia, 2018)

Apart from that, the company is in a total unknow situation, it has never experienced the succession process before, with the knowledge acquired in the Business & Innovation Management degree I would want to ensure the continuity of the company.

3. Objectives of the Intervention Project

The objective of the project is to create different proposals to the family and the company government.

Those proposals will be based on:

- Who can take part of it.
- Requirements to take part of it.
- Which are the main tasks of each government unit.
- How and how often they must meet.

The second part, the main objective is to create a proposal of the Family Protocol, it must include:

- Government & Management
- Shareholders conditions
- Resolution of conflicts
- Other internal agreements

Finally, make the company understand that the first step of the Succession Process is start working in all those propositions made.

The idea is working hand to hand with the top management of the company to understand which is the idea they have for the future of the company.

Apart from the top management of the company I would propose to hire an expert from outside of the company who helps on the developing of the structures needed.

4. SWOT Analysis of the project.

4.1. Strengths and Weaknesses

Working on a project about my family business gives me the opportunity to get primary data in an easy way, the possibility to talk with the board of directors directly, the facilities that the company could give to me to analyse them, etc. And from now on, the necessity they must create this succession model to actuate in less than 10 years. Another strength is my desire to control the company once my father decide to take a step back from it. The Succession Plan is something done for a lot of companies so it will be easy to find some guides to develop it.

Then the weaknesses that could appear during the project could be for example that at the end the company could not like my propositions to re-adapt the business model or that the plan developed end into a possible situation that at the end of the project the company realizes is not the best.

The possibility that the company does not want to have a Succession Plan or think it is not necessary to develop it.

The statistic goes against the company, but if it is well planed the company will continue for more years.

4.2. Opportunities and Threats

This project is an opportunity for other companies that could be in the same situation or similar, to understand how Radio Carrera has work the pandemic months, how they have recovered from this hard situation, and which is the journey they follow for the future and realize the Succession Plan. Giving them the possibility to extend the project, adapting it for themselves and helping them also. Creating something useful for other generation of the company, in which they could only make small changes to adapt for the situation of the moment.

Threats on developing the project could be that the plan ends into create a non-realistic Succession Plan due to my unknowledge on the real word and market, without helping the company on adapting to the new trends as the plan was made for.

Strengths	Weaknesses
Direct contact & Easy contact Willingness to succeed. Necessity to create it for the company. Easy to compare with other projects	Working against the statistics Developing the succession plan and at the end the company fails Family problems arise.
Opportunities	Threats
Useful for other companies. Useful for future generations. Improving family members relationship.	At the end does not consider it important Not being a realistic project Not adapt to the real necessities

5. The Succession Plan

The succession plan is the result of a reflexion procedure inside of the family and the company.

Once starting the process, it is important to go against the fears that could appear, for example:

- Fear to think that the following generation is not prepared to control the company.
- Fear to not know how to do it without creating family problems.
- Fear to lose the position and the power.

Or...

- Laziness to start with the process.
- Negative experiences of other companies.
- Wait to have enough heritage to divide with your children.

Family Business: Analysis and Propositions

For that reason, it is important to prepare with time enough the Succession Process. Having to prepare the Succession plan means that the family company is keeping going. To do so we need:

- Foresight
 - Anticipate the appearance of problems.
 - Initiate the process when the predecessor is on his best moment.
- Honesty
 - From all members who take part in the process.
- Strength.
 - It is not gone a be an easy process.

When we are going to start with the process, we need to take care about six main sources:

1. Type of family company we have.
2. Actual situation of the company.
3. Personality of the actual owner.
4. Existence of a Successor.
5. Number of possible Successors.
6. The Succession Plan.
 - a. Hard and long process.
 - b. Do it in the best moment of the Predecessor.
 - c. Reach the sincerest consensus.

5.1. Plan to develop the succession process.

For me working on my family company makes me feel proud the fact of initiating the succession process and moderates it. All the process is divided in two main part:

5.1.1. Organization of the family

The first step of the project is the creation of the different structures of the Family Government. It is composed by third structures that will help to improve the relations and the management between the family members.

This are propositions made to the company, that must be adapted with the opinion and reflection of all the members.

The Family Assembly

The idea of the Family Assembly is clear, improve the relation between the members of the family. In that case, all members of the family could take part of the assembly.

Who must take part of it:

- Founders of the Company
 - Maite Carrera
 - Fina Carrera
- Heads of each Family Branch
 - Jordi Sala Carrera
 - Montse Sala Carrera
 - Joan Sala Carrera
- Fourth generation of cousins:
 - Núria Sala Rifà & Joan Sala Rifà
 - Anna Surribas Sala & Judit Surribas Sala
 - Júlia Sala Caballeria & Marc Sala Caballeria

Requirements to take part of it:

- No requirements.

Characteristics of meetings:

- One or two per year.
- Invite experts.
- Activities apart from the company.

Family Council

The Family Council gain an important paper on our Succession Process because is the one that will oversee carry out all the process.

Who must take part of it:

- Founders of the Company
 - Maite Carrera
 - Fina Carrera

They will be part of the Family Council until they decide it.

- Heads of each Family Branch
 - Jordi Sala Carrera
 - Montse Sala Carrera
 - Joan Sala Carrera

Requirements to take part of it:

- Be 18 years old.
- Have a university degree or in the process to have it.
- Have worked on the company before.

Characteristics of meeting:

- Ordinary: One per year. Extraordinary: if it is asked.
- Promote the Family Protocol.
- Control the development of the company.

The Family Council once is created, and the Family Protocol has been approved, now the family can start working on the Succession Process.

Family Protocol

The writing of the family protocol ends with a long period of reflection and discussion of the family members it must include the preferences and aspirations of all the members of the family who take part of the Family Assembly.

The ones in charge of the writing of the protocol are also the members of the Family Council.

Chronological development of the family protocol:

- Introduction part where a survey would be done to every member of the family to know opinion and preferences, ways to think and aspirations. → May 2021
 - See Annex 1.
- Presentation of the first proposition and first analysis. → May 2021
 - See Annex 2.
- Presentation of the second proposition and second analysis. → August 2021
- Final presentation of the ended version of the Family Protocol → Christmas 2021

Who take part of it:

- Heads of each Family Branch
 - Jordi Sala Carrera
 - Montse Sala Carrera
 - Joan Sala Carrera
- External Expert (Optional)

Characteristics of meetings:

- Focused on the writing of the Family Protocol.
- At least three meetings.

5.1.2. Institutionalization of the company

The institutionalization of the company is the process of develop the structures necessary to organize Property, Govern and Direction. These structures are developed with the desire of multigenerational transmission by generating strategic, objective, and rational framework.

The institutionalization

Meeting of shareholders

Nowadays the company is divided in three main parts of 33'33% and the unique shareholders are the three heads of each family branch and the ones who take part on the board of directors. For the moment, the meeting of shareholders is not required.

Soon, when probably the company will be divided into the 16'66% then it will be important to create a meeting of shareholders.

Who will take part of it:

- Fourth generation of cousins:
 - Núria Sala Rifà & Joan Sala Rifà
 - Anna Surribas Sala & Judit Surribas Sala
 - Júlia Sala Caballeria & Marc Sala Caballeria

Requirements to take part of it:

- Minimum 18.
- Basic knowledge of finance.
- Active participation.

Characteristics of meetings:

- Ordinary → 1 per year
 - Previous year Accounts Approval
- Extraordinary → Proposed by the shareholders.
- Participation of experts if required.

Board of directors

The Board of directors must be orientated in long-term vision searching for the continuity and rentability of the company.

Nowadays the structure of the board is directors is composed by the three heads of each family branch.

- Jordi Sala Carrera
- Montse Sala Carrera
- Joan Sala Carrera

In the future the situation would be different, the family prefers to maintain the three administrators so it will be needed to choose between the six cousins. Also depending on the freedom of each one to work or not in the company.

- Núria Sala Rifà & Joan Sala Rifà
- Anna Surribas Sala & Judit Surribas Sala
- Júlia Sala Caballeria & Marc Sala Caballeria

Requirements to take part on it:

- Minimum 18.
- MBA Graduate.
- Abilities of Leadership and Management.
- Ability on work collaboratively and independently.

Characteristics of meeting:

- Ordinary: Two per year
- Decisions taken by majority.

Management Structure

The Management Structure must be orientated into a short-term vision when the main objective is to achieve the annual budget established by the board of directors.

Nowadays the members of the board of directors are also part of the management structure.

For the future, the recommendation for the company is to develop a concrete business model based on:

- External Professionals for Management Structure.
- Board of directors apart from the daily management.
- Create a management structure with functions and responsibilities.

Requirements to take part of it:

- University degree in relation with the branch of the company in charge of.
- Professional careers develop inside of the department.
- Experience in other companies.

Characteristic of meeting:

- Ordinary: three every year → every trimester
 - The last one to report the results to the Board of directors.
- Establish the objectives, calendar, and resources.

5.1.3. Conclusions

After the organization of the family and the institutionalization of the company, the family council who is charge of the Succession Process can start working on it.

With the respect of freedom of choice, they can start thinking about who the better successor or successors for the company could be.

The institutionalization is done to organize better the tasks of each member of the family company and make them understand which are their tasks.

Something that must be clarify is that there is not a deadline for the creation of those structures, we can consider that time horizon in this sense is open.

5.2. Resources, Budget & Chronology

The full project has been developed hand to hand with the board of directors of the company to know their opinion and preferences on each of the propositions make.

In that sense, the classification of the resources used are:

- Human Resources
- Technical Resources
- Digital Resources

The budget of the intervention project is zero, but we can consider also for example the time required within the company and the family as an opportunity cost. This goes in relation with the laziness to start the project, as shareholders could consider they have more important things at the moment.

Talking with some contact that have gone through the same process and some research on the internet the actual budget asked for the development of the Family Protocol is around 20000€ - 25000€.

Chronology of future events.

1. Explanation of all the propositions to the company.

All the structures created and organized in the project must be approved by the board of directors of the company.

As we have seen some of the structures are thought to be applied in the future, but some could be applied now.

2. Approvement of the Family Protocol

One of the most important steps of the process is the realization of the Family Protocol, it is established a duration of approx. one year of duration. Remember:

- Introduction part where a survey would be done to every member of the family to know opinion and preferences, ways to think and aspirations. → May 2021
- Presentation of the first proposition and first analysis. → May 2021
 - (See Annex 1.)
- Presentation of the second proposition and second analysis. → August 2021
- Final presentation of the ended version of the Family Protocol → Christmas 2021

3. Restructuration of the Company Organization

Once the family protocol is finished, the company must start with the restructuring of the company. It is a long-term process, that at least must be finished to start with the succession process.

The optimal idea is that once the fourth generation of the company arrives to government positions, the company has the new structure implemented.

4. The Succession Process

The succession process starts from now on, the board of directors must start thinking about what they wish from the company in the future.

Taking difficult decisions is always a part of this job, and the relation between the family members can be affected, but for that reason we have develop the Family Protocol, to be prepared for the future problems that could appear.

For the age of the members of the board of directors, the idea would be to finish the succession process in less than ten years.

6. Conclusions

The development of this project has opened my mind about the family company. I discover parts of the family organization and company organization that I did not come up with before.

With the project I understood the importance of the family company in our economy and in our society, the difficulties of taking care in the relation between the family and the company and how important is the relation between the family members for the well developing of the company.

For those reasons, the most important part of the project is the propositions of structures of family and company organization.

Working in a project of my family company, the company that I have grown up with, working in every part of it and the one I have seen growing from the bottom to where it is now, motivates me more to understand all the necessities that Grup Carrera must adapt to continue with the wonderful history that one day, my great grandfather Joan Carrera Hom, started in 1946.

The viability of the project will be determined by the interest and effort from all the members involved. It cannot be controlled by numerical variables, just the time will determine if all the structures and measures proposed in the project are useful for the continuity of the company or not.

As it is said in the project, this is just the beginning of a long and hard process. From now on, all members of the family begin a process where sometimes some differences will appear and the unique way to come out victorious from it is by the debate and consensus after a lot of hours of reflection.

One of the things from that project that I consider more important is that is applicable to all the family companies, one thing I have learned is that the continuity of the family company can never be left to the lack, only the companies prepared survive to the destiny.

To finish with the project, it has been a hard pleasure to develop a project that will probably affect directly to my professional career and of course my own life.

Bibliography

- Altarriba, D. (2020, December). *En un any tanquen 101 comerços al centre de Vic, 64 durant la Covid.* . Retrieved from El9nou.cat: <https://el9nou.cat/osona-ripolles/actualitat/en-un-any-tanquen-101-comercos-al-centre-de-vic-64-durant-la-covid/>
- Asesoría EDAC. (2016). *Servicios Dac.* Retrieved from <https://www.serviciosdac.com/empresa-familiar-catalunya-plan-sucesion/>
- Cáceres, F. S. (17 de June de 2018). *La Sucesión de empresa.* Obtenido de MundoJuridico.info: <https://www.mundojuridico.info/la-sucesion-de-empresa/>
- Camacho, M. D. (2014, Octubre 10). *La sucesión en una empresa familiar: Pastelería Dueso S.A.* Retrieved from Economistas: https://www.economistas.es/Contenido/EC/la_sucesion_en_una_empresa.pdf
- Create a new Business Model Canvas.* (n.d.). Retrieved from Canvanizer: <https://canvanizer.com/new/business-model-canvas>
- D/A RETAIL. (2020, January 08). *Distribución/Actualidad Retail.* Retrieved from <https://www.distribucionactualidad.com/tienda-del-futuro-fisica-experiencial-conectada/>
- Flórez, S. d. (s.f.). *La Sucesión en la empresa familiar.* Obtenido de Universidad de Oviedo: https://digibuo.uniovi.es/dspace/bitstream/handle/10651/33361/TFM_SaradaSilvaFI%F3rez.pdf;jsessionid=B8F27D8D44FB5892DBE15A670038A182?sequence=1
- La Vanguardia. (2018, October 18). *Solo un 3% de las empresas familiares llegan a la cuarta generación.* Retrieved from LaVanguardia: <https://www.lavanguardia.com/vida/20181018/452415547726/solo-un-3--de-las-empresas-familiares-llegan-a-la-cuarta-generacion.html>
- La Vanguardia. (2020, February 9). *Pressreader.* Retrieved from Anna Font, la successora, nova directora comercial. : <https://www.pressreader.com/spain/la-vanguardia-catala/20200209/283197265331842>
- Laura Bazán, E. F. (2007). *La Continuitat en l'empresa familiar.* Retrieved from Repositori UPF: <https://repositori.upf.edu/handle/10230/16153>
- Llauradó, M. G. (2000). *El empresario familiar y su plan de sucesión.* . Ediciones Díaz de Santos.
- More, M. (2020, September 9). *Qué es el Model Canvas y Cómo aplicarlo a tu negocio.* . Retrieved from IEBS: <https://www.iebschool.com/blog/que-es-el-modelo-canvas-y-como-aplicarlo-a-tu-negocio-agile-scrum/>
- Ordax, C. (2021). *Empresa Familiar - Tecnocampus.*

PIMEC. (2020, December). *Estudi Ecommerce*. Retrieved from PIMEC.ORG:
https://www.pimec.org/sites/default/files/documents_pagines/estudi_ecommerce_def.pdf

RAMOS, D. (2017, February 06). *Cómo pueden las empresas familiares llegar sanas a la tercera generación*. Retrieved from EMPRENDEDORES:
<https://www.emprendedores.es/crear-una-empresa/empresas-familiares-tercera-generacion/>

Trecet, J. (2020, August 12). *Pacto Sucesorio: qué es y cómo funciona*. Retrieved from bolsamania.com: <https://www.bolsamania.com/declaracion-impuestos-renta/pacto-sucesorio-que-es-y-como-funciona/>

VIR AUDIT. (2017). *INFORME AUDITORÍA DE CUENTAS ANUALES* . VIC.

Annex

Annex 1. Interview to Jordi Sala

Interview to Jordi Sala Carrera to know more about the context of the Company with the succession process.

- Current Generation that controls the company.

On this day, the company is controlled by the third generation. It is true that we can consider it a kind of second generation due to the evolution that the company has done from a Radio Workshop to the Home Appliances and technological company as we know nowadays. It is also true that the two previous succession processes have been realized with a kind of precipitation due to the tragic pass away from the previous generations.

- If there has been any succession, has appeared any problem?

No, actually both three brothers have been working since they were young in the company and once the previous generation decides to take a step back, they divide the company into 33'33% for each one.

- Is there a good relation between the members of the family that works on the company?

It is true that in every job post can appear some differences in the way of thinking or in the moment of taking decisions. But the actual relation of the three brothers is good. All of them work hand to hand to make the company better every day.

- Is there any marriage working on the company?

No. Any of the couples of the three brothers are working on the company. All of them works outside of the company.

- Have you a Family Council?

No.

- Have you created a Familiar Protocol?

No.

- Which will be the future wanted by the three brothers?

Of course, the main volunteer of the three brothers is that the company continues in family hands.

Annex 2. Family Protocol

Family Protocol Proposal

Grup Carrera

Abstract

The idea of this document is to create the first proposal of the family protocol to Grup Carrera with the objective that it could be useful for the company to apply soon.

It has been developed with the help of the shareholders of the company and an extern help from another company that has given me the opportunity to see their Family Protocol.

No personal information has been added to protect the privacy of the members of the family.

Anyway, the main objective of this document is to be showed as an academic tool for the Final Degree Project.

Chapter 1. Introduction of the family protocol

The reasons to elaborate the family protocol are the desire of the family to continue with the control of the company for the future generations. The family members understand the importance of this protocol to ensure the harmony between the family and de company.

Radio Carrera S.A. was founded in 1946 and evolved from a radio workshop to one of the most important companies in the home appliances and new technologies sector. More than 50 shops around Spain and different agreements with big brand for royalties confirm the growing tendency of the company in the previous years.

The company have gone through difficult times but the family spirit and the conviction of success from the family members has helped it to reach the success.

The family has loved the company from the very beginning for the reputation and status that the company give them, from the founder Joan Carrera Hom to the second generation composed by Joan, Marià, Fina and Maite, until the actual generation Jordi, Montse and Joan.

Now the family is arriving to a fourth generation and for that reason is necessary the institutionalization of the company and the creation of different management tools that will help the family and the company continue this wonderful travel together, hand by hand.

If I had the possibility to give some advice to the family would be to continue with, what are they doing, use the tools proposed in the family protocol to improve what have they created and never forget that the most important think of Radio Carrera is the family that is on de background.

For the future generations, keep in mind what have made the company be what it is. The values of effort, determination, trust, and proximity are the ones that the family must keep with them, then all the achievements will come alone.

Chapter 2. Field of application

1. Subjective field of application

All members of the family who subscribe to this document are obliged to comply with the rules set out in this Protocol. Also, all members of the Family who through the acquisition of shares in the company, become members of the Family Group.

Family Group members shall take the necessary legal measures to ensure that ownership of share remains with the Family.

The members of the Family Group will teach their descendants the rules of the Family Protocol and the spirit of the company, taking all the necessary educational measures.

Failure to comply with the Family Protocol will disqualify the member from exercising his or her social status.

2. Objective field of application

The agreements reached in this Family Protocol may be applied to the following companies:

- Radio Carrera S.A. Constituted on the 22 of June of 1983, where the Family Group owns the 100% of the social capital.
- Korea Home Appliances SL. Constituted on the 12 of May of 2016, where the Family Group owns the 100% of the social capital.

The share or any right in the capital of these companies shall be subject to this Protocol. The right on the share that in the future will be incorporated to the Family Group shall also be subject.

3. Temporal field of application

The aim of this protocol is to be created with the objective to be useful for future generations, so that is applicable for an indefinite period, without prejudice to any review mechanisms that may be established.

This mechanism reviews should be established within the protocol. The idea is to revise the Family Protocol in periods of 5 years.

If the majority part of the capital wants to revise the Protocol, then the protocol must be revised in less than 2 years.

Chapter 3. Government & Management

On this chapter it will be established the different structures that would control the relation between the Family and the Company.

1. Family Council

The principal mission of this organization is to take care and ensure the family harmony and the application of the principles and norms of the Family Protocol.

The council must be composed by:

- Founders of the Company
 - Maite Carrera
 - Fina Carrera

They will be part of the Family Council until they decide it, or something happened.

- Heads of the Family Branch
 - Jordi Sala Carrera
 - Montse Sala Carrera
 - Joan Sala Carrera

Everyone could take with him or her a member of the family that they choose. It is recommended to change the members of the council to make all the members of the family part of it.

It is optional but recommended to include in the Family Council someone from outside of the Family Group, normally an expert from the sector.

Requirements to be part of the Family Council:

- Be 18 years old.
- Have a university degree or in the process to have it.
- Have worked on the company before.

Specific functions of the Family Council:

- Promote the Family Protocol.
- Create structures to solve problems in case that appear.
- Control the development of the company.
- Positions on the Family Council

Family Business: Analysis and Propositions

The President should be someone that is not part of the administrative board of the company. In this case until a future situation where the three heads of family do not take part of the administrative board, the two founders could be the President of the family council.

In a future situation where the administrative board is controlled by another generation of the family the President of the Council should be one of the heads of the family branch. Then it would be good to change the president every 4 years.

The Secretary should be one of the three heads of family at least for the moment. Change the position of secretary also every 4 years.

When the future generation arrive to the administrative board of the company one of them would be the secretary of the family council, changing every 4 years.

- How will the family council work?

It is proposed three meetings per year regularly and in case that the President or at least 2 members of it asks for it. These meetings should be programmed 15 days before, in any place. All the decisions taken there will be approved also if there is one member that does not come to the meeting.

The President will direct the meeting with the intervention order and will control that the rules are complied with.

- How the decisions will be taken?

Every member has one vote, the president will have a quality vote in case of a draw. Normally the votes will be public, but the President could determine to make it secret depending on the situation.

All the decisions will require at least 2/3 majority for approval.

2. General assembly of shareholders

The actual situation of the company does not make important to have a General Meeting of shareholders, as nowadays the capital of the company is divided into the three main shareholders that are the three heads of family branches.

For the future it will be important to have it, as the capital will be divided in more parts. Not all the members of the family will work on the company, so it is important to decide before the creation of the general meeting:

- Which members of the family will have access to the company heritage?
- How the heritage will be divided into the next generation?

For the development of the meeting of shareholders it is important to decide first the requirements to take part of it:

- Be 18 years old.
- Have shares of the company or represent someone that have it.
- Have some knowledge on financials.

Specific functions of the meeting of shareholders:

- Approve annual accounts.
- Proportionate resources to the company.
- Decide who will be the administrative board.

The general meeting of shareholders will be done once per year, or it can happen an extraordinary meeting in case that the shareholders ask for it.

To take the decisions all members must reach most of the votes.

3. Board of directors

It must be composed by at least three members, in this case it is composed nowadays by the three brothers: Jordi, Montse and Joan. The decisions are taken by the approval of the three or majority of them.

The decisions they take are related to the daily activities of the company, decide who take part of the directive places, control the politics of the company, protect the heritage of the shareholders that nowadays are only them, others.

One of the important things of the Board of directors is the structured wanted in the future generations of the family.

The proposition is to maintain the structure of three administrators one of each family branch.

The candidates:

- Fourth generation of cousins:
 - Núria Sala Rifà & Joan Sala Rifà
 - Anna Surribas Sala & Judit Surribas Sala
 - Júlia Sala Caballeria & Marc Sala Caballeria

Requirements to take part of it:

- Minimum 18.
- MBA Graduate.

Chapter 4. Shareholder conditions of Radio Carrera S.A.

1. System of transmission of social participations

The system of transmission is developed to keep the shares in the property of the family.

Before organizing the system, the company must choose between the different alternatives given by the legal system to accommodate the different situations of the family business situation.

Then the following step is the establish of restrictions on the transmission of the shares to ensure that the company continues in hands of the family.

- Family members will have priority in front of external people to buy the shares of the company.
- Shares could not be sold to the competence. (This will be related with a list of companies banned from having the possibility to buy the shares)

2. Separation of the shareholder

All the members of the family are free to take part of not of the company and all the different ways to take part of it. In the protocol it must be pre-established different rules to take when a family member wants to leave the company.

- The decision must be notified during January, of the year of the proposal.
- The general assembly will decide how to act with those shares.

In case of more than one request of separation the order to follow in to solve them are by the importance inside of the company heritage.

3. Information of the shareholders

All the partners would have access to an online Moodle to see the daily development of the company.

With the Moodle the shareholders could observe daily sales, revenues, stocks, and others.

Also, every three months they will receive a resume of the activity and the company.

If it is asked by some partner, they would have a meeting with the director to talk about the situation of the company.

4. Shareholders Retribution

The company must pay back to the shareholders the capital annually in proportion to the results achieved.

Before partners get their retributions for being shareholders of the company, it must ensure financial soundness, reinvestment needs and debt restructuring. Company would not payback dividends in case of losses of the previous years.

Once the company is getting positive results, the board of directors would propose an annual allocation to partners from between a 5%-20% of the accounting result after Tax. The exact percentage will be finally proposed by the Family Council. Every shareholder will receive a different amount depending on the number of shares that they own.

The way and the timeframe for the distribution of dividends, must be carried out by the general assembly of shareholders.

Chapter 5. Different agreements

1. Incorporation of the family members in the company

All members of the family can work on the company in places based on the accordance of their knowledge and characteristics.

All members working on the company could be negative for it because the excess of family workers makes it difficult to recruit good professionals.

Husbands and wives are not allowed to work in the company, at least with a long-term agreement.

Young family members will be able to do internships in different parts of the company.

Requirements to work in the company:

- Academic level and experience that the job place require.
- Good level of a third language; First Certificate for example.
- Previous experience on another company, at least 2 years.

2. Remuneration of the family members

To prevent conflicts between the family members it is inappropriate to give the same remuneration for all the family members.

In this sense, the best way to establish remunerations is by the market. Family members must receive the same amount as another non-family worker.

Also, if there is a retribution or preference to be part of the family it must be clarified.

Example:

- All members of the family will have a company car.
- All family members will have a flexible retribution.

3. Formation and Evaluation of family members with directive positions

To be able to be part of the board of directors it is required to have a post-graduation of an MBA.

- The company will pay the half of the MBA enrollment.

In the case of another job place the requirements are the one proposed before.

During the first year of being part of the board of directors, the predecessor will control the main decisions taken by the successor.

- An external coach will be paid for the company to help during the first six months.

4. Exit of the family members of the company.

Sometimes for different situations a family member could decide to leave the company, in this sense the company and the family must be prepared to solve that problem in the best way. First, the most important thing is that the Family Council must preserve the harmony between the family and the company.

Then two situations appear, they could change the mind of the family member to stay with the family company or in the other hand they could not so they must support the family member and help him or her with the exit of the company and clarify:

- If the family member must stay during a period training its successor.
- If the family member must be available a period just in case.
- If the family member will receive a compensation and the quantity of it.
- Where this family member could go to work or not.

5. Relations inside the family

One of the objectives of the company is to remain during the pass of time, in that sense one of the objectives of the family protocol is to control the marriage type of the family members.

As we are in Spain, we have two different possibilities on matrimonial regime:

- “*Regimen Ganancial*”: The heritage once the couple is married is from both members.
- “*Regimen de Separación de bienes*”: The heritage once the couple is married is divided by both individuals.

In that sense, the company must recommend their members to take the option of divided heritage to avoid future problems.

6. The retirement of the family members

The family protocol might also include some conditions about the retirement of the family members apart from the legal ones controlled by the government.

We talk about:

- Economic conditions for the retirement.
- Economic help after the retirement.
- The age of the retirement.

Chapter 6. Resolution of conflicts

1. The conflict in the family company

The relation between the family members changes with the pass of time, we live in a continuous evolving world where we can find a horizontal communication different from the patriarchal one from the past, there are new family values and probably the family has increased in extension.

Also, if we include the different ways to think, the different priorities and aspirations of the different family members it is impossible that all those changes do not directly affect the company.

Some of the main conflicts that most frequently effect of the family company are:

- Do not consider the free volunteer of the child to take part of the company.
- Different treatment of the child, depending on emotional preferences.
- Do not consider the personal achievements to select on or the other for the succession.
- Postpone the Succession Process to the following generation.

The Family Protocol is useful to anticipate the appearance of this conflicts creating different rules of communication and behavior of the family members in relation with the company.

But the reality is that not all possible conflicts will be established in the family protocol, for that reason the adequate dispute resolution is:

Negotiation → Mediation → Conciliation → Arbitrage → Judgement

2. Unfulfillment of the family protocol

The unfulfillment of the family protocol could end into the finish of the relationships between the family member and the company.

The company must determine which will be the different clauses that could end into this scenario. Example:

- The unfulfillment on the transmission of the shares with the preferential take-over provided by the family protocol.
- The unfulfillment by the member of the family with an article of the family protocol.
- Errors on de retribution of the shares between the family shareholders.

Bibliography

<https://efamiliar.org/protocolo-familiar/>

<https://www.antonioserranoacitores.com/que-es-protocolo-familiar/>

<https://www.aedaf.es/Plataforma/LIBRO.pdf>

<http://efca.es/wp-content/uploads/2018/03/El-protocolo-familiar-Rafael-Rodriguez-Diaz-v4-1.pdf>