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Tomás Pascual Gómez-Cuétara

Calidad Pascual

Calidad Pascual has created a robust family business governance structure. Current head Tomás Pascual Gómez-Cuétara reckons this structure helped the business to deal with the deep recession that Spain has endured. Long-term planning has also created a host of brands under the Pascual umbrella that are synonymous with quality and reputation.

“It’s so essential to keep the family united.”

Tomás Pascual Gómez-Cuétara, President,
Calidad Pascual



More than 2,500 employees work for the family business



The company has a presence in more than 80 countries

In the dairy sections of Spain's supermarkets one brand stands out. It's called Calidad Pascual. Not only is it one of the biggest dairy companies in Spain; it is also one of the country's most successful family businesses.

Now controlled by a second generation of the family, Pascual, as it is better known in Spain, employs more than 2,500 people, has 8 manufacturing plants and operates in 80 countries. But Pascual is not just involved in the dairy sector; it has a host of other food and beverage brands. These include fruit juice brand Bifrutas, a mineral water business called Bezoya, a soy and vegetal range of drinks by the name of ViveSoy and coffee maker Mocay Caffé.

Pascual has long been a pioneer in Spain. Back in the early 1970s, it introduced tetra brik packaging. It brought in the process of ultra-pasteurization and, in 1980, introduced skimmed and semi-skimmed milk to the country. It also marketed the first pasteurized yogurts to the local market, and has been a dominant force in that market ever since.

Based in the town of Aranda de Duero, around 100 miles north of Madrid, Pascual was founded by Tomás Pascual in 1969. He died in 2006, and today, his eldest son, also called Tomás, runs the business. It is clear that, even though the business is just in its second generation of control, family means a lot. "It's so essential to keep the family united," says Tomás. "This is one of the most important things to us and the business."

A family constitution was drawn up in 2000

At the heart of that unity is an emphasis on governance. This has been a high priority for the business right from the start. "My father was very keen to ensure good governance at Pascual," says Tomás. "This very much remains our goal." The business is still 100% owned by the family.

A family constitution was drawn up in 2000. It is currently being revised to include the latest thinking for the next generation. The family has also set up an advisory board, which is made up

of five Pascuals and two independent directors. "Two members of the family, myself and my brother, sit on the main company board. But this is also made up of five independent board members," says Tomás.

If this isn't enough infrastructure to enforce good governance, the Pascual family has also set up a special club named after the initials of Tomás's mother (Pilar) and father – the TEYPE club – to promote good shareholding.

The founder is still highly revered by the family

"All the family members belong to the club," says Tomás. "Within it, we have two committees – education and communication. The idea is to work with the next generation, to help them progress – not necessarily in the business – and to instill some of the values that have been so important to the growth of the business." The club also has a small fund to back entrepreneurial endeavors that the next generation might be interested in following.

Currently, none of the third generation work at Pascual. They are the children of Tomás and his three siblings, and their ages range from 3 to 29. Their grandmother, Pilar Gómez-Cuétara, is still connected to the business and plays an active role in its governance. Pilar herself came from a prominent Spanish family business, before it was sold some years ago to a much bigger competitor.

Tomás's father is still highly revered by the family. His entrepreneurship went beyond establishing Pascual. As a boy, he set up a canteen for local rail and dam workers. Later, he and some of his siblings created an animal feed business while, at the same time, expanding the canteen business into a food distribution group. "His entrepreneurial and business legacy is very much felt today at Pascual," says Tomás.

Indeed, his entrepreneurial attributes look to have been passed on to his son. After studying engineering in Spain, Tomás gained an MBA from the Massachusetts Institute of Technology. Despite



Calidad Pascual has eight manufacturing plants in Spain



Soy drinks and vegetal products have been produced under the ViveSoy brand since 2002



Tomás is the eldest son of the company's founder D. Tomás Pascual, who died in 2006



Pascual introduced tetra brik packaging in Spain in the early 1970s

his stellar qualifications, it was clear what his father felt was the best preparation for running the business. "He told me the best way of being an entrepreneur and businessman was to come and work with him in the family business," says Tomás. "So that's what I did."

Tomás's father did not just offer consumers what they wanted. He ensured that the products were high quality. This commitment has been at the heart of Pascual's success ever since.

The family business has set three broad goals to strengthen growth

Back in the 1960s, quality wasn't the only priority, Tomás says. "The most important thing was to provide products, because there was a scarcity. If you could provide quality products, you could gain an even bigger market share."

Working with his father, Tomás expanded Pascual's brands and initiated a number of shrewd advertising campaigns, which helped to grow sales significantly during the 1990s and 2000s. These campaigns included sponsorship of the Spanish Olympic swimming team. Pascual still sponsors Olympic Aid Plan Development and Spain's Paralympics team.

Nevertheless, growth at Pascual hasn't always been strong. The business, like pretty much all businesses in the country, has been hit by deep recession in recent years. And Pascual's market share in the dairy sector has been squeezed. In the 1990s, it was the market leader, but it is now challenged by at least two competitors.

Recently, the company has restructured and re-branded, adding the Calidad prefix, which means quality in English. This change is designed to broaden the appeal of the brand beyond just dairy products.

The corporation has set three broad goals to strengthen growth. First, to be a leader in all the fields in which the business is involved by developing the company's best known brands in

the Spanish market and by using alliances with groups such as pharmaceutical companies to introduce new products like diabetic food. The second goal is to grow abroad. The third goal is financial stability, in response to the recent difficulties in Spain's financial sector.

Being a family business will remain of prime importance

When aiming for these targets, says Tomás, being a family business will remain of prime importance. "Of course, all businesses, whether family-controlled or not, strive to be viable and sustainable," he says. "But for us, it's not just the interest in the money you get out of the business. It's about passing it on to the next generation and the social value of the business. We have changed our motto to 'You, our reason for being', because the leverage point we need to move the world towards a better future is you; you and every one of those participating in our entrepreneurial project and in the development of our aspirations. This is what is important to us as a family business."

Tomás Pascual Gómez-Cuétara

President

Company name: **Calidad Pascual S.A.U.**

Generation(s): **2nd**

Founded: **1969 in Aranda de Duero, Spain**

Industries: **Food and beverage**

Employees (2013): **More than 2,500**

Turnover (2013): **€736m**