



Ogiberri: Tradition and commitment, the basis for innovation in a family firm

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Amezketeta, where Ogiberri began

At the age of fourteen, José Altuna and his twin brother Jesús began to work at a small bakery in their hometown of Amezketeta. They spent six years as apprentices and at the age of 20, José was called to active duty when the Civil War broke out. Once the war was over and he had returned home, he decided to open his own business at the age of 24.

It was a half abandoned bakery in Amezketeta which had only one wood-fired oven. The beginnings were very difficult and money was scarce in post-war Spain. His first customers were the miners from Arritzaga in Aralar. Bit by bit, the bakery began to sell bread to people in the nearby towns of Amezketeta, Ugarte, Bedaio, Abaltzisketa...offering them a quality product and above all, treating the customers like family.

- *“My father always remembered those difficult days. After having worked all night, he had to go up to the mines and deliver bread with a horse and wagon”- Javier Altuna, partner in Ogiberri S.A.*

The lack of available means and the growing demand made him a slave to his work. This prompted José Altuna to set up a new bakery equipped with a more sophisticated oven to make his job easier.

- *“During that time, my father married and had three children; and we all shared the experience of that new project. And indeed, his dream did come true. The bakery opened with its new three-meter rotating oven manufactured by Arnaiz. It was a luxury at the time and the bread baked in it was, and still is, authentic homemade bread.”- Javier Altuna, partner in Ogiberri, S.A.*

The next generation soon joined the family business. Javier Altuna learned bread baking from his father, José. As the oldest son, he attended school in San Sebastian until he was 15 and then had to work in the bakery due to the difficulty of finding personnel. It was not an easy time to find people to work in a bakery. The job involved serving customers during the day, baking at night and then delivering the bread until well into the next morning.

- *“The work was not attractive; you had to work long hours, nights and holidays. Those were hard times and a lot of new firms were opening and offering eight-hour work days with better conditions than we could ever have offered. However, we gradually managed to overcome the difficulties and created a business that was easier to run and offered decent working conditions”.* Javier Altuna, partner in Ogiberri, S.A.

Ogiberri concentrated on the local market, supplying totally artisan products during its first years of operation. That period of work alongside his father was a constant learning process for Javier Altuna, who not only mastered artisan bread making but also the secrets of customer service.

In 80s decade, his entrepreneurial spirit led him to expand the business. Until that time, they had concentrated on a very small local market, but the time had come to approach the city. It all started with a visit to a fair in Paris, where the new Reven ovens were presented to the public. Young Altuna came back full of illusion and ideas that led him to take the step alone. Besides new ideas, he brought back machinery that was technologically equipped to improve the bread baking process. He had made up his mind: the Amezketa bakery would be followed by many more. He invested his life's savings and finally opened the first bakery in Zarautz. He was fortunate because bread prices, which had been government controlled until then, were deregulated the day he opened the new bakery.

- *“I still remember the queues. It was a huge success. Quality was our hallmark so customers flocked to the shop. The second bakery was set up in San Sebastian. It was a totally new approach. A bread boutique, where bread was sold the minute it came out of the oven, something unheard of in the province of Guipuzcoa.”*- Javier Altuna, partner in Ogiberri, S.A.

Other bakeries followed... in Zumaia, Orio. These were the origins of Ogiberri as we know it today. This is a company led by a family of artisan bread bakers, competing on a difficult market but never failing to undertake new challenges and innovate. They offer a top quality artisan product that they produce personally, concentrating on what they know and do best.

The bakeries: the heart of Ogiberri

Ogiberri uses 14,000 kilos of flour a day to make bread and another 1,000 kilos a day for baked goods. It offers over sixty different varieties of bread, which has made it a family business of considerable size and importance in the province of Guipuzcoa.

Table 1. Ogiberri S.A. in figures

	2012
No. of employees:	1,000
-staff	363
- partners	637
Number of shops	300
-own shops	40
- franchised	260
Bread production (kilos of flour)	14,000
Baked goods (kilos of flour)	1,000

Source: Ogiberri S.L.

The bakeries are the heart of Ogiberri and are the production centres that drive the business. Ogiberri now has six bakeries: one in Amezketta, three in the Lezo area, another one in Zarautz and one in Arrasate. They are all closely monitored by the Altuna family experts to ensure quality.

Purchase of the flour is key in this process. Ogiberri uses 15,000 kilos of flour a day. However, the value added is in the bread making process. The degree of automation does not mean that the expert hand of the baker in kneading, cutting and shaping the final dough is no longer needed. Javier and his two sons, José Mari and José Javier, work daily in the bakeries to personally supervise the elaboration of their artisan products.

Table 2. Bread baking at Ogiberri

1. The pre-ferment is made with natural yeast for the natural yeast dough or commercial yeast for the poolish, biga or sponge.
2. The dough rests until it reaches the proper fermentation point.
3. It is then kneaded to fully develop the gluten.
4. The dough rests.
5. The dough is divided to pre-shape the loaves to achieve the desired shape and weight.
6. The dough ferments during which the carbon dioxide produced by the yeast is trapped inside, causing it to rise and creating the typical texture.
7. The dough is scored.
8. The bread is baked.

Source: Own study based on information from www.elclubdelpan.com

Automated processes have now replaced bakers' hands for certain steps in bread baking. However, at Ogiberri, kneading, fermentation and shaping have remained unchanged over time. Another differentiating factor is the fermentation time. Fermentation should not be too long to achieve quality bread. In this respect, Ogiberri has struck the perfect balance between high production and the artisan bread making process. The business does not have the size or costs of industrial production but has automated the process to the family's satisfaction with a view to keeping the artisan's hand in it.

- *“At Ogiberri, all the pastries, pies, etc. are made by hand. Kneading begins with a ball of dough that the baker works, giving it shape and consistency. Once it has been put on the tray, the dough rests, ferments, is scored and put in the oven. Bread is never touched in industrial processes and this is what we don't want for our products. Ogiberri is a family of bread bakers and this hasn't changed”- Ricardo Postigo, Manager of Ogiberri.*

Keeping a close watch on the product, attending international fairs and a true vocation for bread baking are the sources of inspiration for Javier, José Mari and José Javier. Several of Ogiberri's new types of bread that have recently been put on the market are the natural spring water bread and seaweed bread... both of which were José Mari's idea. Javier also takes an active role as an innovator. For instance, the cornbread he recently created has been added to the sixty different varieties of bread now in the product portfolio.

Their aim is to continue along these same lines; focusing on product innovation by creating new types of bread with the guarantee that they are natural. One of their most innovative product lines is "Salud" (health), with "Pan Salud" (healthy bread), "Pan Molino" (stone ground whole wheat bread), "Pan de fibra verde" (green fibre bread) and their whole wheat baked goods.

- *"Over time, we have found that you can't make a good product without a good human team that devotes time and effort to it. Our motto is to keep that close contact with customers and is based on employing workers who love bread baking, which is a wonderful although hard occupation. Considering each shop as if it were our first is the key to our success."* - Javier Altuna, partner in Ogiberri, S.L.

From home delivery to bakery-coffee shops

The bread, baked goods and pastries made at these bakeries are delivered daily to nearly three hundred shops that mainly supply markets in Guipuzcoa, Navarre and France. Forty of these shops belong to Ogiberri.

Although shops now seem essential in bread distribution, the process has evolved over a long time. At the beginning, the delivery method was bicycles with two straw baskets filled with loaves. The next step was a small wagon that enabled Javier's father to deliver bread as far as Alegia.

As production capacity increased, the wagon was replaced by a motorcycle, which made it possible to deliver the bread made in Amezketa throughout Tolosaldea. As the family project grew, they bought a Ford T Touring from the United States. In those days, that was the only automobile in Amezketa and, after having overcome the initial difficulties, it was used to distribute bread.

Going out to the neighbourhood shop to buy bread every day was a big change from having it delivered to the home. Back in those days, the shops merely sold bread and did not have ovens or offer any extra services. For this reason, the shop that Ogiberri opened in San Sebastian with its own oven was truly a novelty. Thirty years ago, buying freshly baked bread was a treat and people still remember the long queues outside the shop.

The Altuna family has led this development by setting up new shops every year. Ogiberri now has a broad network of shops which are mainly located in Guipuzcoa and cover three large areas:

- Lezo-Irun-San Sebastian: with shops in San Sebastian, Hondarribia, Irún, Rentería, Lesaka, Santesteban,...
- Tolosa-Amezketeta: with shops in Lasarte, Andoain, Tolosa, Billabona, Irura, Amezketeta, Alegría,...
- Zarautz-Durango: with shops in Orio, Zarautz, Durango, Eibar, Elgoibar, Arrásate,...

However, not all the Ogiberri shops are the same. In franchised shops, bread is sold in bakery-coffee shops where baked goods or cakes are popular, which means customers have a variety of products to choose from. In Ogiberri's own shops, however, bread is the star product and customers normally have a much wider variety to choose from than in the franchised shops. Ogiberri's own shops pay attention to every last detail and are truly the market showcase for artisan bread.

These shops have undergone constant development over the years. In the first years, the Ogiberri coffee shops were meeting points for housewives and women in many small towns while bars have always been a male preserve. However, in recent years, more men are seen at bakery-coffee shops like Ogiberri's. This boosts market potential by skilfully mixing the characteristics of the market that attracts men to their shops and products.

Diversity, however, is not only a question of sexes but also tastes and regions. In fact, the company does not limit its business to Guipuzcoa, Biscay and Navarre. This family of business leaders has penetrated one of the world's most demanding countries whose people are famous for their extremely educated palate: France. The nation that created the baguette and the world's top chefs and breads are currently Ogiberri's customers in its southwestern area.

In France they used the same model as in the south of Navarre, where bread is distributed from refrigeration chambers via Ogiberri shops and hypermarkets. This milestone was reached thanks to these chambers, which act as the “lung” of the company by allowing them to expand to broader areas without losing the freshness of a product made in their own ovens. In addition to these shops, Ogiberri has three chambers that enable them to reach the regions farthest from their centre of operations.

The business has undergone steady but nonstop growth. With its stable workforce, Ogiberri’s sales are increasing at a yearly rate of 5-6%. This is the result of a carefully thought-out growth policy with controlled risks, and never losing sight of the company’s most distinctive characteristic: quality. Higher market demand should be satisfied by quality goods, which are central to the company’s success. In fact, their entire output "is already sold" before it is produced according to Ricardo Postigo, Manager of Ogiberri.

The Altunas, a family of enterprising bakers

When we think of bread, the terms oven, home, wheat, heat, food, sauces, sandwich, food, life.... come to mind. Similarly, Ogiberri is closely linked to Javier Altuna, the enterprising baker who turned the first bakery his father had set up in Amezketa into the large internationalised business that now bakes and distributes bread in Guipuzcoa, Biscay, Navarre and France. This determined active man, who had worked hard and lived frugally during his entire life, still leads the firm.

Since its beginnings during the difficult Civil War years, three generations have kept the business going and have made it a quality reference in bakeries in the Basque Country. However, the empire is still close to its roots and original values.

- *“At the present, our entire family forms part of the business, where each one does their best to improve it on a daily basis”- Javier Altuna.*

Ogiberri was founded in the post-war years and it was no easy task making it profitable at first. However, bread was a necessity product and the most readily available to average people who made this family business thrive. Staying power and self-denial are values that many family businesses hold close. However, in our case, we were also deeply involved in the activity itself.

- *“At first, we had to work seventy hours a week, even on Saturdays and Sundays, and the salary was the same amount you could earn working at a factory forty eight hours a week.” – Javier Altuna, partner in Ogiberri S.L.*

For this very reason, the Altuna family's role at Ogiberri cannot be properly understood unless it is seen within the context of the industry. The first bakeries were family businesses, which artisan bakers founded and developed in the local or regional area. Therefore, in its origins, the industry had bakers who were used to the hard work of producing a necessity good like bread. The type of business, which requires working at night, every day of the week and year, and competes with industrial products, makes it difficult to find younger generations that want to continue with it in the traditional manner.

Besides the typical problems that firms face, this industry has an additional one: intergenerational continuity. In fact, succession is becoming the key problem for many of Ogiberri's rivals, which are facing a bleak future. The only options are usually leave the business or shift to industrial baking.

Generational replacement is guaranteed in the Altuna family. Javier Altuna's twin sons, José Mari and José Javier, have formed part of the business since they were fourteen and now manage daily operations and strategic decision-making. José Mari has taken on the responsibility of the bakeries in Lezo and Arrasate and the baked goods production in Lezo. José Javier is in charge of the bakeries in the Zarautz area. Both have worked on the project for the last thirty years and devote their lives to it, following in their father's footsteps.

Javier handles the day to day at the Iturri bakery in Lezo. From there, he controls and checks all of the company's strategic decisions with his sons and Ricardo Postigo, the manager. José Mari, who takes after his father, is passionate about bread baking. He arrives every morning at three to organise the day's work. His twin, José Javier, does the same tasks in Zarautz. A small team led by Javier Altuna has turned the Amezketa bakery into a big artisan bread company.

Ogiberri's partners

Besides the Altuna family's drive and vision, the bakers' hard work, the master baker's close contact with the bakeries, the size of this firm has made necessary the collaboration of trusted staff to manage the business. When he first tackled the task of expanding, Javier Altuna had a small team: Ricardo Postigo worked alongside him to oversee production in Tolosa and Javier Urretavizcaya while handling sales from his base in Lezo.

- *"You can't do a good job without a good team that moves ahead through hard work and dedication. Our motto is to keep close to our customers and this means having people who love bread baking working with us"*- Javier Altuna, partner in Ogiberri, S.L.

The original team has now been replaced by Ricardo Postigo, who is currently the Manager of Ogiberri. After an initial period of adaptation to the firm and getting to know each other, Ricardo Postigo and the Altuna family have formed a solid relationship. Ricardo, Javier Altuna and his two sons form a four-person team that is the core of the business.

- *"The Altunas are generous and eager to share. Their charisma and personality make you feel like one of the family. I manage the financial and business side, but I don't take part in issues closely related to the actual baking because they are the experts"*- Ricargo Postigo, Manager of Ogiberri.

Through his unconditional involvement, he has become important to the family and the firm. His opinion is listened to and respected by the family.

He works long days which are organised like shifts to pass on the baton to the family members who work at night. In daily morning meetings, any incidents at the bakeries are discussed so that Ricardo can work out management snags and solve things that arise during the day. The Altuna family and the manager often have lunch together, during which they update information. They often meet in the evening once again to pass on any other information. This allows first-hand knowledge and management of the day to day at a company that works round the clock every day of the year and whose main challenge consists of delivering its bread and baked goods to each of the establishments on time.

Judging by its financial information and number of staff, the firm would be considered big but it is carefully controlled and encourages the close contact typical of an SME.

- *“It is small with carefully controlled operations. No formal meetings or approval is needed as the firm is based on a high level of trust. We are in touch the entire day, and the four of us make the decisions. The Altuna family is passionate about bread and knows how to form a team. In this respect, the demands are enormous, but we enjoy the work.” – Ricardo Postigo, Manager.*

However, the executive team members are not the only Ogiberri collaborators. Other workers and the traders who sell their brand and products directly to the market also play a key role. For this reason, it is important to select and train staff and traders carefully at this firm. They are the ones who help to expand the market for Ogiberri's natural products and also manage their shops giving them their own personality.

The future of Ogiberri

The family reinvests large amounts in the business. This gives it stability, financial room to manoeuvre and prompts banks to back the family's new projects, which normally amount to five million euros with six to seven new shops opening every year.

However, this growth is not only more shops. In addition to freshly baked bread, many bakeries have coffee shops and delicatessens. For this reason, Ogiberri focuses on ensuring that its bread continues to be an artisan product and keeps close to its origins. A baker is actually at their premises making the bread.

One of the family's future plans is to increase the number of shops where Ogiberri now does business. In fact, in areas like France, the Altuna family business has only just begun.

- *“The French appreciate quality. For this reason, it's a perfect market for us, as we consider ourselves artisan bakers. The hardest part is getting started and we have already overcome that hurdle. We have learned a lot from them. They have bread baking schools and our competitors are often local bakeries that make excellent bread but do not cover our market niche, which is much broader and this is where we hope to grow in the future...” Ricardo Postigo, Manager of Ogiberri.*

The company follows a policy of pre-selected locations although they are open to opportunities that might arise with premises in interesting areas.

- “If I’m not opening shops, I don’t feel like I’m working”- Jose M^a Altuna.

The company's flagship initiative, Route 33 Gourmet, the bread museum, opened in Alegría de Oria in December 2012. This indoor leisure centre contains a museum with ethnographic material belonging to the Altuna family, information about the history of bread, a food court, a children's play area and a delicatessen.

The ethnographic museum, located on the upper storey, is one of the main attractions. A series of panels with illustrations of anecdotes depict the history of bread from prehistoric times to the 21st century as well as local history and curious facts about bread. Visitors can also view a film about the history of bread in the Basque Country. Local material about the history of grains and the different processes from harvesting to grinding, bread making and baking and sales is also on display. The food court mainly serves high quality fast food and traditional Guipuzcoan products. The Lukas Gourmet area, offers exclusive delicatessen products in collaboration with the Ogiberri group.

- “Admission to the museum is free and visits can be arranged for students or other groups”-explained Gorka Garmendia, Head of Communication at Ogiberri.

Why open a private museum? Why set up a network of attractively decorated shops, some of which belong to the company, with a huge variety of bread and baked goods in villages throughout the region? Money alone cannot explain this. There has to be something more.... Ogiberri provides a meeting point for the locations where it opens shops and even boosts activity. This is the case of the building that houses the museum. It has attracted visitors to the area. The company creates quality meeting points, social enrichment and wealth for all.

The family’s commitment is obvious from its 363 employees on payroll and more than seven hundred persons such as suppliers, self-employed traders and shop assistants..., who also benefit from Ogiberri's business activities. They maintain close cordial relationships with these business partners, who are often local suppliers such as the Salva oven manufacturer or cardboard and paper supplier. They have grown together and want to ensure good relations with Ogiberri at a time when bread prices cannot rise due to the overall situation.

- *"We have fluent communication with them. Our intention is that they grow with us and basically understand that not raising the prices of bread for three years when everything else is going up (electricity, fuel,...), calls for an effort from them as well. So we spoke to the cardboard and plastics suppliers and they understand. They all prefer having a guarantee with us because they know we are loyal, that we wouldn't change suppliers easily. At Ogiberry we appreciate our relationships and want to keep them."*-Ricardo Postigo, Manager.

Ogiberry also funded the inter-village Basque handball tournament in 2013.

However, the family firm is far more than just a business. It is led by a family who has instilled their culture and roots in it. Ogiberry is not concerned about continuity. Today Javier's sons have inherited his vocation for bread baking. Therefore, the succession between the second and third generations has been carried out "de facto", striking a perfect balance between artisan baking and the size of a big firm. This has been set down in a protocol agreed by Javier Altuna's four sons, whose firm is being passed on to his sons.

- *"I'm nearing the end of my working life at the company and my greatest wish is that the next and future generations will care for and love this wonderful although difficult occupation as much as I have throughout my life."* -Javier Altuna.