



Echemar, the perseverance of a business venture embodied in Gipuzkoa

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When our Citroën C3 pulled into the Echemar car park, it looked lilliputian among so many trucks and trailers. The truck drivers standing nearby at the gates of the building pointed us in the direction of the offices. As we made our way, we could see wooden sculptures and antique Basque hand-carved chests, *Kutxas*, which the founder of the company was so fond of, as we later discovered. After going up some stairs, we came to an open-plan room where more than twenty people were working side by side in silence, immersed in their screens. We gave our name and a man emerged from among them, greeting us with a handshake and a broad smile; it was Josema Echarri, managing director and owner of Transportes Echemar.

The beginning of the company

Today, Echemar is a business with 300 trucks and 400 trailers, a workforce of more than 300 employees, and a turnover of 40 million euros. These figures are a far cry from the company's origins, almost half a century ago, when it started out with three partners and a small fleet of trucks. Along the way, between then and now, there has been a great deal of hard work, endurance, and sheer tenacity.

- *"We're in a good position, we're doing well financially, and we're one of the largest transport companies in the Basque Country, with 300 trucks and as many truck drivers on our staff. All of this is the result of strategic work and being quite enterprising, and thanks to loads and loads of hard work, things have been advancing."* - Josema Echarri, managing director of Echemar.

Image 1. Trailers of Echemar



Source: Echemar

Echemar was founded by José María Echarri and two partners. The idea came about because José María's uncle, Manuel Marculeta, owned a transport company together with his brothers, Transportes Marculeta. As was common practice in the sector at the time, transport was organised through agencies located in the urban centres of the main towns, where transported goods or goods to be transported were deposited. Specifically, Transportes Marculeta had agencies in Madrid, Pamplona, Barcelona, and Bilbao. And it was in this context that José María started in the transport business in the mid-1960s by buying a truck after completing his military service and working partly for his uncle, thanks to whom he gained the experience that would enable him to set up the company Echemar with two colleagues in 1974.

- *“My father was a truck driver and set up ECHEMAR in Irun in 1974 with two partners from the world of heavy goods vehicles. They were 30 years old and worked with Transportes Marculeta, one of the leading transport companies in those days, along with others such as Ochoa, La Gipuzkoana, and Olloquiegui. Hence the name Echemar, which is a combination of Eche (Echarri) and Mar (Marculeta).” - Josema Echarri, managing director of Echemar*

Image 2. José María Echarri with an engine John Deere over the lorry (1965)



Source: Echarri familia

Shortly afterwards, one of the partners left the business, leaving two of them in charge. During those years, Manuel Marculeta founded Coneuropa transports with a minority partner, which, unlike Transportes Marculeta, focused its scope of action on a European level. The company grew significantly in the 1980s, to the extent of having one hundred trucks in Madrid, Pamplona, and Irun. Then, at a time of crisis, José María Echarri took over running Coneuropa to help his uncle, and this allowed him to gain knowledge of international transport management.

- *“My uncle had no children and so when he died, his widow sold the company to an oil group, and it all disappeared.”* - Josema Echarri, managing director of Echemar.

Fortunately, José María continued to run the Echemar business at the same time. The company's activity was the national transport of their clients' pallets which, once they had been deposited in Irun after their arrival by rail or truck at customs, then had to be distributed throughout Spain. The growth in the 1980s led to the business moving from Elcano Street in Irun to the industrial area of Belaskoenea. Its new location meant it could set up more comfortably in two warehouses and have more space to expand in the field of national transport.

The generational handover: the beginning of the internationalisation strategy

After studying at Lasalle in Irun, José María Echarri's eldest son, José Manuel Echarri, moved to the Jesuit school in Donostia to complete upper-secondary school. For the young José Manuel, his studies had never been an obstacle when it came to working at his father's company, and from the age of 14, he spent his summers there. However, the summer of 1990 was different.

- *“Every summer, from 1st July, I worked with my father, despite him not paying me. But when the summer of 1990 came, I told him, 'If you don't pay me, I'm leaving.' He asked me: 'What do you want? A motorbike?' But I didn't want a gift. What I wanted was to get paid for my work, and so I went to work at Carrefour instead, as a stock boy. They gave me a contract there. I made some suggestions, and they took me on until Christmas stocking toys.”* - Josema Echarri, managing director of Echemar.

This experience, together with a feeling of unease about what was to become of Europe, on account of the many summers spent on the border moving between trucks, opened the door for him to embark on his first international adventure.

- *“I'd studied French at school, but I didn't have a clue about English. Thanks to the money I saved during those six months, I got on a lorry and went to Exeter, Great Britain, to learn English. I spent six months knowing no English whatsoever, but I was learning, and then through some friends, I had the chance to enter an international programme at Oxford University.”* - Josema Echarri, manager of Echemar.

Thanks to this programme, he had access to extremely innovative training at the time, with internships in Barcelona, Toulouse (France), and Oxford (England) between 1992 and 1995.

- *“It was the best decision of my life. I met many English, French, and Spanish people who studied with me, and we moved around together for four years. I wanted to go further, and that experience opened my mind. We did a lot of projects. I have fantastic relationships with the people I met during those years. That’s when I met my friend, Victor Serna, co-founder of Loreak Mendian.”* - Josema Echarri, managing director of Echemar.

It was precisely then, in 1992, that the international transport sector in Spain underwent a major turnaround. Before that, goods generally arrived in Irun by train and were stored at the border, awaiting cargo consolidation in order to respond to each client in Spain. This way of operating was because there was a customs office in Irun. But when customs disappeared in 1992, European factories began sending their products directly without stopping in Irun. It was a time of crisis for many companies in the area, including Echemar, which had to take initiatives along with risks and embark on an international venture.

Re-founding Echemar from scratch: the importance of resilience in times of crisis

In 1995, when he finished his training, José Manuel Echarri started working with his father and his partner at Echemar. Namely, he put into practice what had been the subject of his degree’s final project during his training, i.e., the creation of a consolidation centre for agricultural machinery to be distributed throughout Spain. And thus, in 1995, José Manuel Echarri went to negotiate with Echemar’s main client John Deere.

- *“I took the car and contacted John Deere in Germany. They had contracted an operator to distribute their agricultural tractors from the manufacturing plant to the various dealers. I managed to close a deal to load trucks in Germany and bring them to Spain, but the operator went bankrupt, and we didn't get paid. I got back in touch with John Deere, and they directed us to another company. We contacted them, explained our project, and started transporting their tractors. There were thousands of them in those days because of the EU funds for agriculture, and we were there to make the most of it.”* - Josema Echarri, managing director of Echemar.

In this way, it consolidated operations with all the John Deere manufacturing sites in Europe, integrating the loads arriving not only from the German factories but also the tractors coming from other plants like in France and Italy, and even those that arrived in maritime containers from all over the world, and distributing them in Spain and Portugal. This business relationship with the company has continued to this day and was, in fact, the beginning of many more.

- *“I started to contact manufacturers of other brands of agricultural machinery to add to the ones we had from John Deere, which was already an Echemar client. The use of internet was not widespread back then, and so to carry out the market analysis, I studied the product codes in the Chamber of Commerce lists and contacted all the suppliers in writing to make them a proposal. I told them how I’d bring them the goods, and they liked the project.”* - Josema Echarri, managing director of Echemar.

This project required an analysis of demand, and by looking for importers of agricultural machinery in the Yellow Pages, Josema Echarri found an automotive distributor, Automoción 2000, which was the main distributor of Ford cars and imported Case IH agricultural machinery. It was located in the Free Zone of Barcelona.

- *“I phoned them and told them that I’d seen that they had tractors, that I was doing my degree’s final project, and that I wanted to make them an offer. They gave me an interview in the free trade zone, and so aged 22 or 23, I took the bus to Barcelona’s Free Zone. I explained that my father could transport the tractors from Germany. They asked, ‘How much will you charge to bring a tractor from Germany to Neus?’ I called my father at the bus stop, and he told me how much. That was in May, and in June-July, we started transporting a few tractors. In the end, we transported all the Case IH tractors for Spain and Portugal.”* - Josema Echarri, managing director of Echemar.

In those days, José María Echarri shared the company with his partner. The partner, who had four children, no specific training, and worked at the company, saw that although José Manuel was calm and well-mannered, he was very ambitious and had different ideas, such as the internationalisation strategy and working with the new client in the Free Zone in Barcelona.

- *“The difficulties associated with the first international operations and the fact that the new client in Barcelona, who was giving us a lot of work, was paying in 90 days, were sources of constant conflict with my father’s partner. It was a very challenging period that required me to withstand constant criticism and discouragement.”* - Josema Echarri, managing director of Echemar.

José Manuel, who analysed what was happening in the company without any previous determinants, found certain practices that called his attention. After asking his father's partner for clarification, he finally commissioned an audit that precipitated the breakup.

Hence, in 2000, José María Echemar bought out the other partner, keeping the Echemar brand but leaving the premises. Meanwhile, the partner kept the fleet of trucks and the warehouse in Irun and continued with his company. José María and José Manuel had to look for a new location, and decided on Lezo, which is where they are today.

- *“That’s how we ended up in Lezo, at the premises of a sawmill, Hermanos Zubizarreta, which had gone bankrupt and was empty. And there was also a possible project of building an industrial estate. We put down a reservation guarantee on the land and started up with a portable office. But when we went to the bank to ask for a loan, after 20 years of working with them and without a single bad debt, they didn't give it to us.”*
- Josema Echarri, managing director of Echemar.

Again, in another critical moment, Iñaki Uzcudun and José M^a Irazusta, who oversaw Echemar's auditing and legal department, directed them to the financial service *Caja Laboral Factoring*. And through factoring, they discounted the invoices at the bank, which allowed them to unblock the situation and begin again, starting from scratch in 2000, even though by then they already had a quarter of a century of experience behind them.

- *“My father was waiting for me. All the training I had done made sense then, and it empowered me. We decided to buy the land without having any money or anything, and we took the plunge. I knew I had my business project.”*- Josema Echarri, managing director of Echemar.

The new Echemar: growth and change of the business model

After those upheavals, the Echarri family obtained their licences, installed their new warehouse on the industrial estate and relaunched the new Echemar. The period 2000-2008 was one of growth for the transport company, although the whole sector experienced a slowdown in 2008. In December of that year, the company was affected by the temporary closure of many of its clients due to the crisis. Nonetheless, they sought to compensate for these closures in the automotive sector by diversifying their customer portfolio.

- *“We didn’t have a bad period in the crisis. If we didn't make money in one way, we made it in another. We diversified and kept our work intensity as high as in previous periods.”* - Josema Echarri, managing director of Echemar.

Image 3. Echemar's truck on the road



Source: Echemar

However, Echemar's progress was not the general rule. Many national companies in the sector closed down, and new companies from Eastern Europe came in to compete at low prices. At that time, the usual structure of these companies was to have a fleet of trucks and minimal own staff. They compensated for the lack of assets by subcontracting to freelancers, who had their own trucks to which they attached the transport companies' trailers. Echemar got to the point of having 200 freelancers working exclusively for the company. At first, these freelancers were Spanish, then Portuguese, and finally, truck drivers from Eastern European countries were subcontracted.

- *"I could see something coming. And it couldn't be. After the 2008 crisis, the trucks were getting older and older, and freelancers weren't investing in them. We started to make advances so they would buy trucks and renew their fleet. But from what I observed in some clients like Michelin, I realised that something was going to happen related to the ecological issue."* - Josema Echarri, managing director of Echemar.

When other companies in the sector were still concentrating on maximising commercial margins, Echemar was already convinced that the environmental aspect would be significant in the sector. As a result of this vision, father and son decided to buy their own trucks to have a fleet not only that they could control directly, but that was also prepared for what they saw as the future of the sector: sustainable transport.

- *I was convinced that the system and the business model had to be changed. I studied it and made examples of a new type of profitability with buying trucks and having our own staff. Our in-house lawyer didn't believe in it, and he wasn't the only one. That was a difficult period, trying to convince people who had been in the sector for many years to change their conditions through negotiations, but that's what allowed me to keep the company here instead of opening offices elsewhere as other companies did. I wanted to create wealth in my territory.” - Josema Echarri, managing director of Echemar.*

Image 4. José María and José Manuel Echarri and the 40 trailers Mercedes they bought



Source: Echemar

As a result of this strategic vision, Echemar purchased a fleet of efficient trucks. On average, a heavy goods vehicle in the sector consumes 35 litres per 100, while the average of Echemar's vehicles is more efficient, consuming 28 litres per 100. Today, the company has 300 cabs with the most complete equipment on the market, along with 400 trailers designed by the company itself to optimise efficiency. The chassis is manufactured in Zaragoza and the bodywork in Pamplona, but the design is in-house. With a more adaptable and flexible format, the trailers are less resistant and more aerodynamic. The belief is that a more efficient trailer makes the transport service more sustainable and more competitive in an increasingly demanding market.

Image 5. Delivery of Mercedes trucks to José María and José Manuel Echarriri



Source: Echemar

The company started hiring more salaried drivers to avoid precariousness and thus guarantee that all employees, whether drivers, mechanics, or office workers, belonged to the same company. Indeed, all the employees are members of the “Echemar family” and the company works to transmit values of unity, equality, and respect.

- *“All the trucks are the same Mercedes model, albeit some newer than others, but we don’t differentiate when it comes to our drivers. This aspect is important to them. Moreover, some drivers are now in the traffic department. Which shows that you can progress within the company.”* - Josema Echarri, managing director of Echemar.

Furthermore, the company continuously trains its drivers regarding the efficient use of trucks and trailers, thus improving road safety and efficiency.

- *“Of the whole market, we’ve kept a small share and we offer top quality and complete service with our own truck design where we control the resources. We’re in a strategic location in Lezo, and all this is a considerable effort. My discourse was on safety, sustainability, and CO₂. Now we’re wanted, and everyone is going in our direction, i.e., being a sustainable, efficient, and profitable transport company. And with technology, it’s possible”.* - Josema Echarri, managing director of Echemar.

Echemar offers a quality service aimed at demanding, professional clients who pay attention to the results of the service that Echemar guarantees.

- *“Although this is not always the case, most large clients have been moving towards professionalisation in recent years. And this is good for us because it helps us get results. The change has been for the better. It lies in negotiating the KPIs (key performance indicators), which means more professional negotiations and management. It’s true that there isn’t a close personal relationship with these commercial managers, but it’s better for Echemar. We focus on those clients who analyse our results and management in a professional way.” - Josema Echarri, managing director of Echemar.*

Yet, despite the greater professionalisation in the sector concerning management and the relationships between the various customers and carriers, it is not unusual for negotiations, particularly when they have a strong impact on the company's turnover, to include concessions for a purchasing manager to assign loads to one haulier rather than another.

- *“On a couple of occasions, I’ve sent two very well-known clients packing. We’re an example of how when someone works well and hard, they can get to where we have, without any underhand practices.” - Josema Echarri, managing director of Echemar.*

This strategy of following a model that went against the grain of industry practice by investing in assets and personnel has not only benefited the company. It also contributes to both the municipality and the province through registration taxes, which amount to 180,000 euros in vignettes, and the company's corporate tax, which has an annual turnover of 40 million euros and never pays dividends, with the profits from Echemar's business activity remaining entirely in Gipuzkoa.

- *“I’m at the service of the business every day so that Echemar can achieve more. I am totally committed to the project and to the people with whom I work side by side. And for me, this is the driving force behind all the effort we make day-to-day; this is what matters to me. What is evident is that Echemar has made its journey alone, and we’ve come this far on our own, working honestly, without help from anyone. We feel especially lonely when the authorities, or public administrations, do not seem to meet professional standards. In any case, the message is one of hope. By starting from scratch and working, and believing in the project, it’s possible to build a company without anyone’s help. My strength is to believe in what we do, and thanks to my principles, I’ve been able to overcome difficulties.” - Josema Echarri, managing director of Echemar.*

Image 6. Echemar is recognised by Michelin as the best transport company of the world (2015)



Source: Echemar

Environment, Digitalisation and Community: levers for an Echemar connected to its territory

Echemar's business project goes beyond that of a transport services company, and it will offer intelligent logistics to large manufacturers in the future. Thanks to its command of crucial resources, specialised knowledge of the activity, the availability of its own advanced fleet, and privileged access to strategic partners, the transport company from Gipuzkoa plans to move forward in collaborative projects to respond to the future challenges of the sector.

- *“Yes, I think we’ve been visionary. Today, all the predictions we made ten years ago have come true, like when we approached public administration and told them that we needed space for a logistics centre to go the last mile, and they didn't understand us.”* - Josema Echarri, managing director of Echemar.

As well as being a customer and supplier of Echemar, Michelin is a leading company in tackling environmental issues, such as reducing CO₂. In fact, it inspired and created Movin'on, the annual event held in Canada on environmental issues related to mobility, considered the *Davos* of sustainable mobility. Furthermore, Michelin is a member of *La France Supply Chain*, which brings together all French supply chains in every sector and is involved in pioneering projects in this specialised forum, where Echemar also participates.

Echemar can join this select group of specialists because, among other reasons, it is subject to and complies with EcoVadis, the French sustainability ratings of companies that covers all social and environmental actions. The Lezo-based company has a score of 8/10, thus certifying it as a company that complies with aspects related to social responsibility. For this reason, it was asked to collaborate with the Michelin group headquarters to carry out an experimental project with the Michelin development team in Clermont-Ferrand.

Image 7. Josema Echarri's conference in the headquarters of Michel (Clermont-Ferrand, 2019).



Source: Echemar

It was also essential for the project that the entire fleet of trucks belonged to Echemar. Of the hundred or so trucks that the Lezo-based company has of the new Mercedes model, which is fully equipped and includes semi-autonomous driving, it provided 12 for the collaborative project. This made it possible to monitor the tyres used in the transport of goods and to gather data with the aim of improving the efficiency of Michelin tyres and products in comparison with other recognised brands.

Image 8. Echemar trucks on the road



Source: Echemar

Another collaboration on environmental aspects is with Mercedes-Benz, Echemar's fleet supplier, which, among other issues, is working on hydrogen vehicles. Indeed, this is one of the European challenges where the major players will develop innovation projects.

- *“These large operators earn their credibility through performance and professionalism. They’re not friends, and they’re not going to eat with you, but if you meet your commitments and objective performance indicators, then they endorse you and rely on you, and involve you in their future challenges.”- Josema Echarri, managing director of Echemar.*

Environmental efforts in the sector are closely tied to digitalisation processes. To this end, as part of a project with Renault, Echemar's trucks share their data with Shippeo, a cloud-based platform designed by a Parisian tracking start-up, in which all the hauliers collaborating on the project enter their trucks' IPs allowing real-time connection of the routes taken by the vehicles. This helps achieve greater efficiency in the traffic design of the routes when the trucks are loaded with parts for Renault's vehicles.

This collaboration has opened a window on new possibilities for Echemar, demonstrating how its fleet can be a source of information and profitability for its customers by allowing them to access and process their own data, enabling them to manage efficiency in mobility and

consumption. Thanks to a business model where customer goods are transported by 100% of the trucks and no external hauliers are subcontracted, Echemar can provide the same added value to the transport service that it currently offers its customers.

- *“The big operators create their own digital platforms. Renault, for example, has Shippeo, and can see where the trucks carrying their goods are on a map. We’re on Shippeo and we’re adding value to it by improving the system. Right now, we’re also working on this process engineering project, generating data miners, traffic operators, and data. We’ve gained invaluable know-how that digital start-ups haven’t got. We know the sector, we have the fleet, and we can monitor everything that is happening inside the truck. So, we have advantages that add value.”* Felipe Blanco, Administrator at Echemar.

Image 9. Echemar trucks on the way to Lezo



Source: Echemar

But Echemar's digital journey is not something new. In fact, it dates back to 2010 with the in-house development of a management software tool that made it possible to visualise the trucks' movements and their routes.

- *“In 2010, each employee controlled the route information shown on a screen, and from there, the trucks were assigned to meet the specific delivery commitments. Today, with 300 trucks, each worker has three screens to visualise the trucks by geographical area. In this way, we can assign trucks according to the schedule of obligations to be fulfilled. We’ve also got an invoicing system that, in addition to invoicing, allows us to extract detailed management information, loads per customer and truck, and efficiencies”,* explains Felipe Blanco, Administrator at Echemar.

In 2010, the company went a step further in its digitalisation processes by incorporating the geolocation service offered by Mercedes-Benz trucks. Together with Mercedes, Echemar has contracted the most sophisticated level of geolocation, which offers a whole series of data on the trucks, helping Echemar optimise its routes. At this point, what is the next step in digitalisation?

- *“Digitilisation is useful if it adds value. But you must assess very carefully what you want to do with the systems and where it adds value, and not merely digitalise for the sake of it”, stresses Felipe Blanco, Administrator at Echemar.*

And finally, the community. Echemar has earned credibility because it offers a reliable service to its customers. But that would not be possible without the commitment of Echemar's staff to the job. Work ethic, an ethic not only towards customers, but also towards employees, is the key to achieving commitment and excellence. Josema recognises that, even with a vision, the business would not be sustainable without a committed team. The Echemar team is a fundamental asset when it comes to being competitive in this demanding sector.

- *“The family aspect is a plus, and both Josema and his father have always set an example in this regard. Echemar was a business project where we started out with some construction huts. And I left my job and believed in the project because of the people; now I’m at the end of my career, and I’m happy to have been here. At Echemar, commitment is not only rewarded financially but also morally. Everybody is treated well, and gratitude is always rewarded, as financial rewards alone cannot earn commitment. And when you demand something, you also have to set an example.”- Felipe Blanco, Administartor at Echemar.*

Image 10. Collaboration of Echemar with Hondarribi’s women to send food to Syrian’s refugees



Source: Echemar

In a sector as demanding as the transport one, remaining in business is in itself a success. Echemar also projects itself as an organisation that, without leaving behind its core business, is willing to respond to the social and environmental challenges of the sector in Gipuzkoa. A commitment that is put into practice through investments in fleet equipment and ecological tyres, training in efficient driving, and the reduction of CO₂ emissions. As a result of all its work and these commitments, the company received Michelin's Quality Award in 2015, Renault's Quality of Service Award in 2017, and was given the Business Lifetime Achievement Prize by Todotransporte in 2019.

- *“But the biggest prizes of all are collaborations like those we have with the Adecco Foundation helping eight families from Lezo with disabled children, or sending two trucks to Greece in 2018 with humanitarian aid for Syria’s refugee exodus; being able to give football shirts to the San Marcial Irun football team where some of our employees’ children play; the Lezo Basque ball (pelota), providing a table for 20 people to have lunch every day at the Irurtzun bar in the Lezo industrial estate, and a bag of sandwiches at 8 am for the workshop staff; watching an employee retire after spending his whole working life , more than 40 years, at the company. All of this is the essence of our company.”* Josema Echarri, managing director of Echemar.

Image 11. Jose Mari and Jose Manuel Echarri with the Best Transport company Award of Michelin (2015)



Source: Echemar

Today, this company that is deep-rooted and anchored in its community sits at the table with leading international stakeholders, with humility but without any complex, ready to collaborate on increasingly sustainable transport services, loyal to its early days as a transport company from Gipuzkoa.

- *“For better or worse, that’s the way we were educated; it’s no coincidence.”* - Josema Echarri, managing director of Echemar.