



# GALLARDO FAMILY GROUP OUR CASE

<https://gallardofamilygroup.com/>

**Susana Gallardo,**  
**President, Gallardo Family Group**

**FBN CZECH**  
15 SEPTEMBER 2022

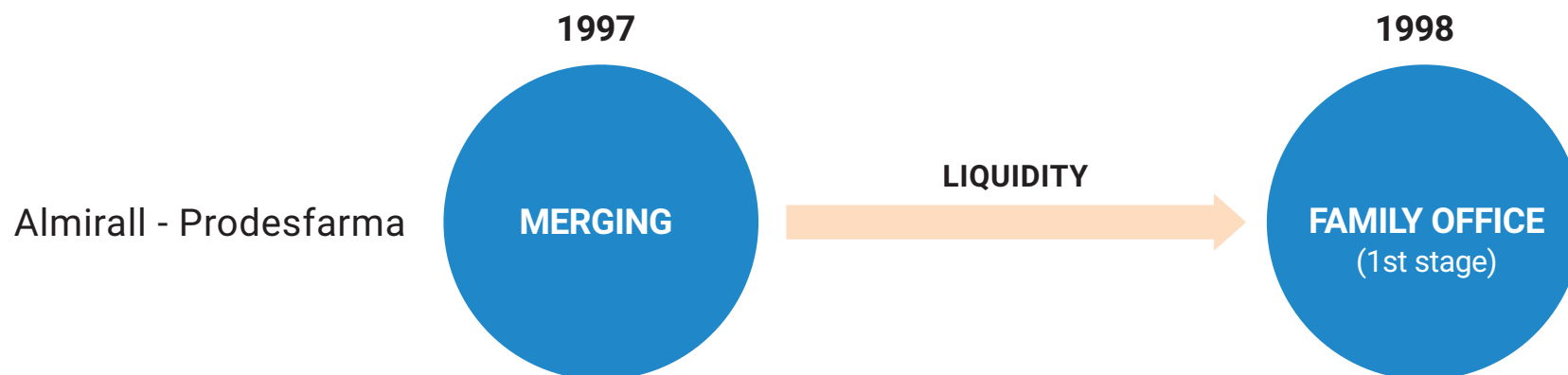
# ORIGIN OF WEALTH

## MILESTONES

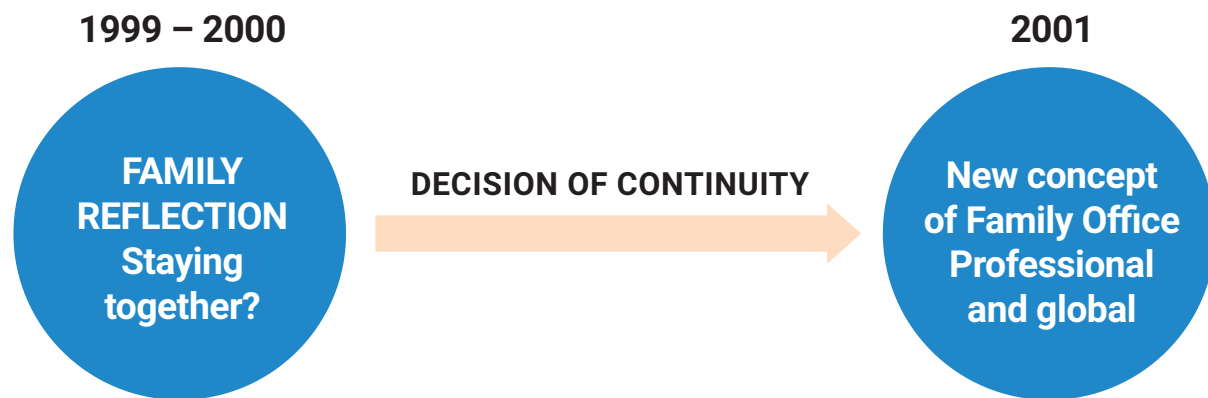
- 1943: Foundation
- 1997: Merging with a local pharma company (Prodesfarma)
- 2007: IPO → Public Company
- Key data (2021):
  - Turnover: 836,5 m€
  - Employees: 1,800
  - Geographical: Products available in over 70 countries in 5 continents



# ORIGIN OF THE FAMILY OFFICE



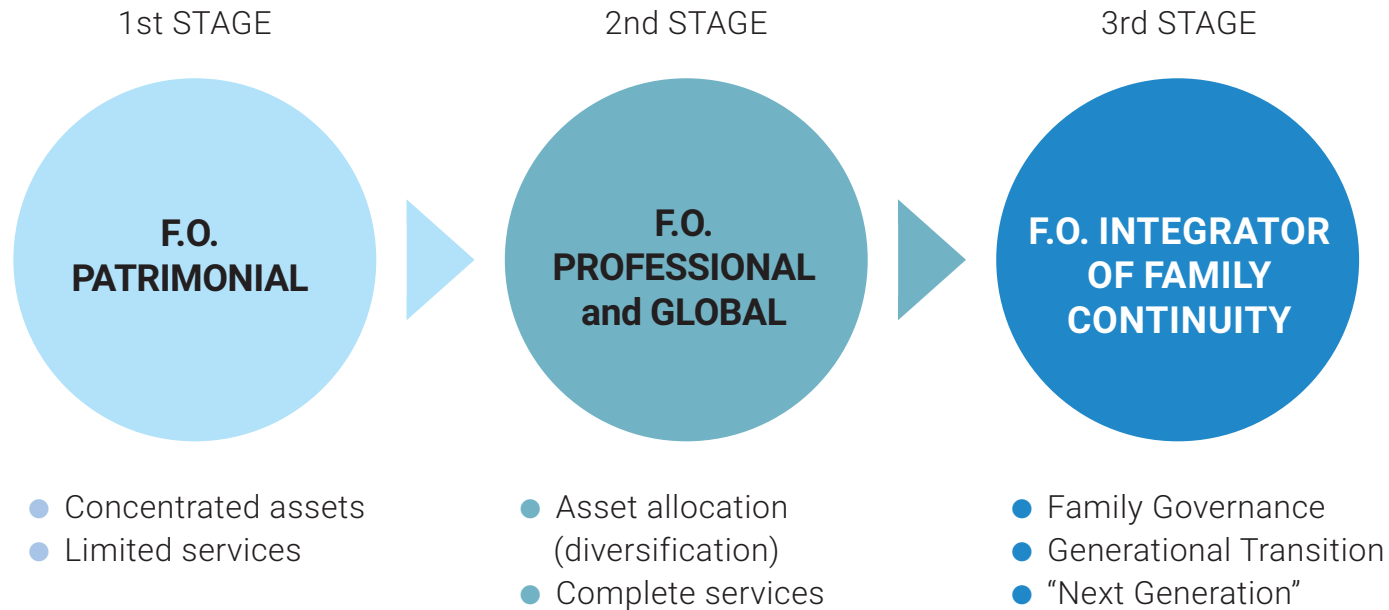
# EVOLUTION OF THE FAMILY OFFICE



## Advantages identified for continuity:

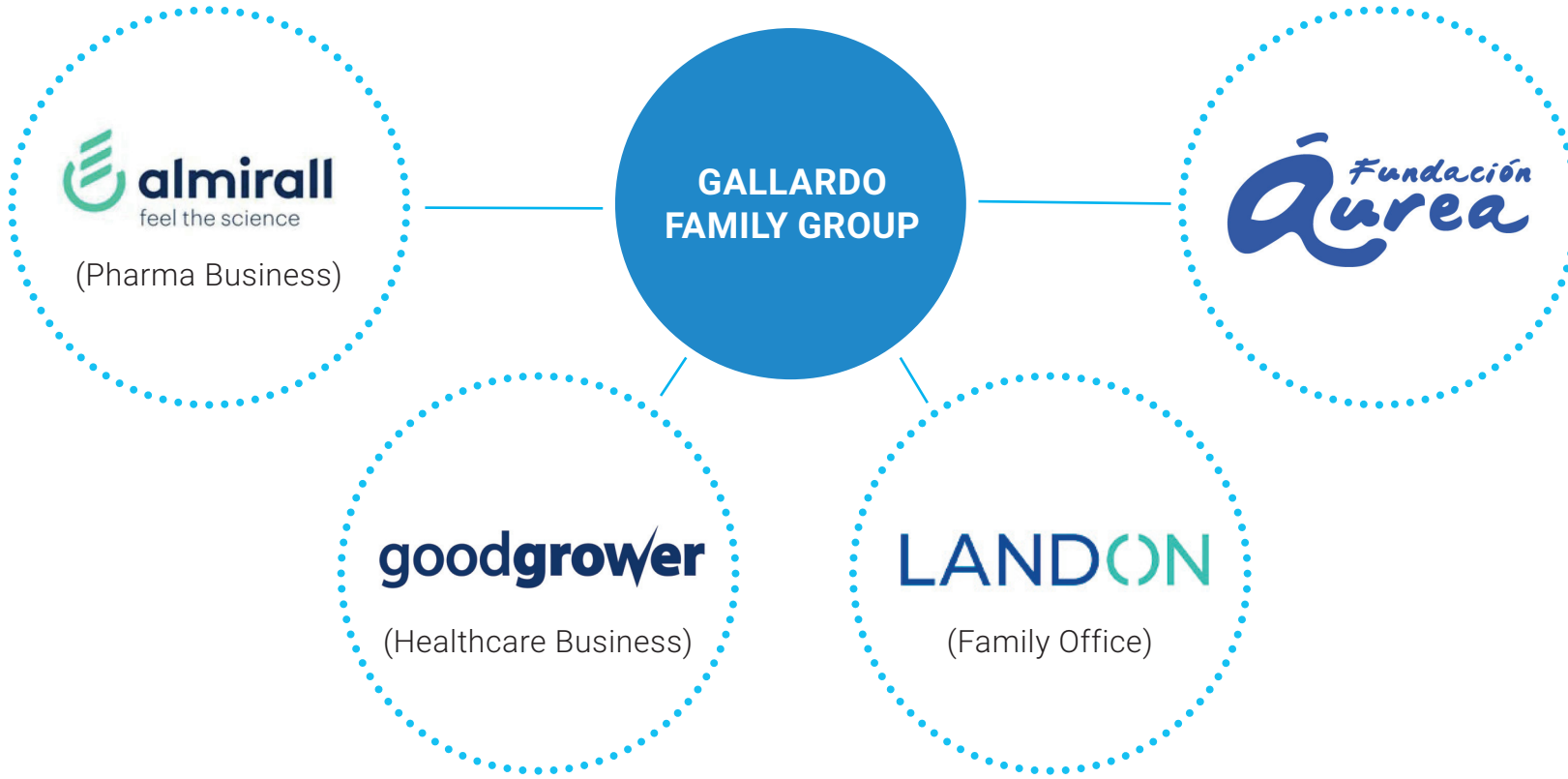
- **Scale economies** when negotiating with financial entities (deposits, credits, financial products, etc.)
- Possibility of **undertaking projects** otherwise difficult to implement from individual position.
- **Risk reduction** due to diversification capabilities.
- **Tax optimization.**

# FAMILY OFFICE EVOLUTION



**... With a progressively larger number of clients.**

# STRUCTURE OF THE FAMILY GROUP



# GOODGROWER

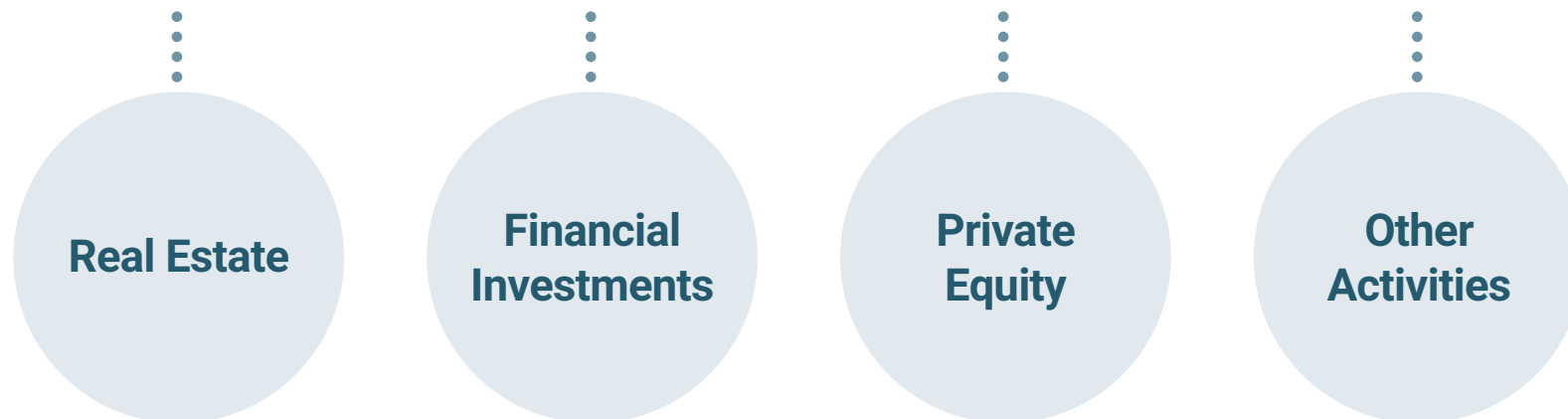


- Started in 2006
- 2nd private hospital operator in Spain with a turnover of €600m
  - 20 hospitals + 29 Vithas Health Centres
  - More than 10,000 employees

# STRUCTURE OF THE FAMILY GROUP

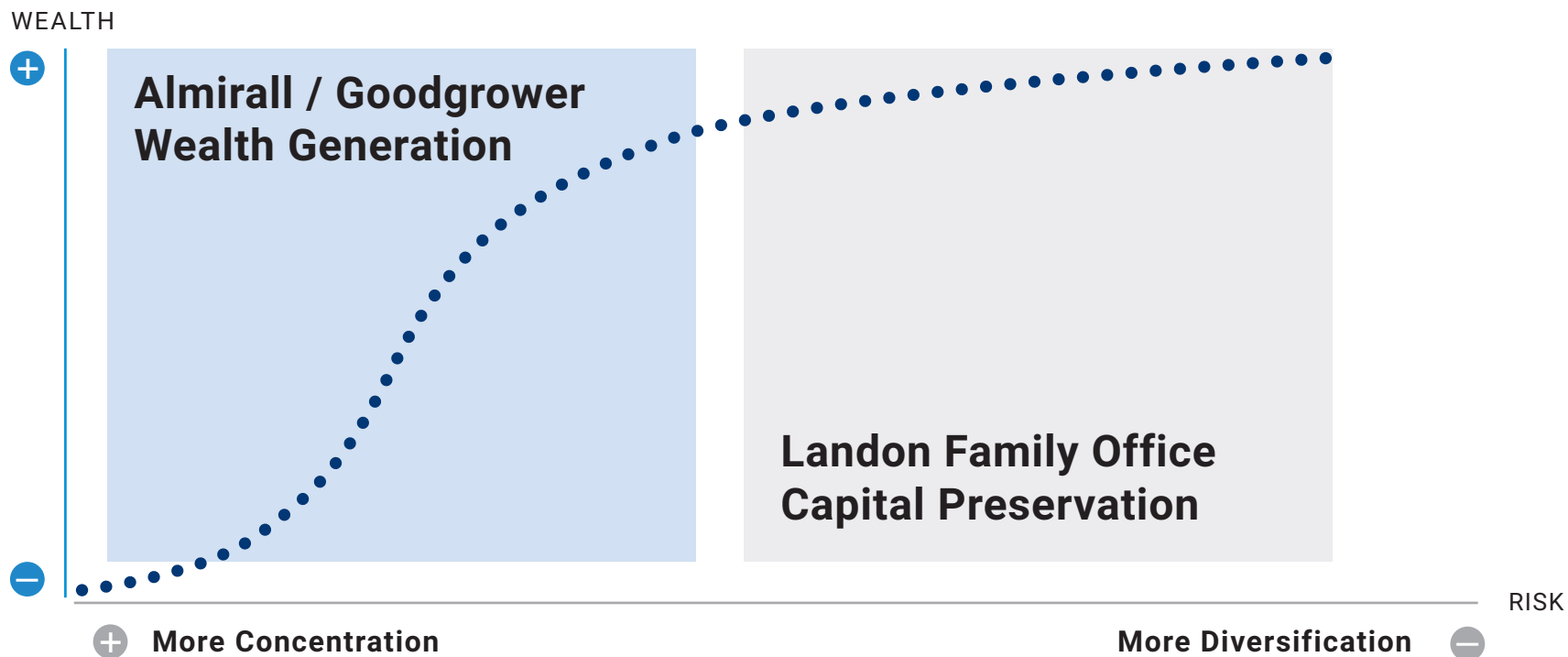
LANDON

**Grupo Corporativo Landon (Family Office)**

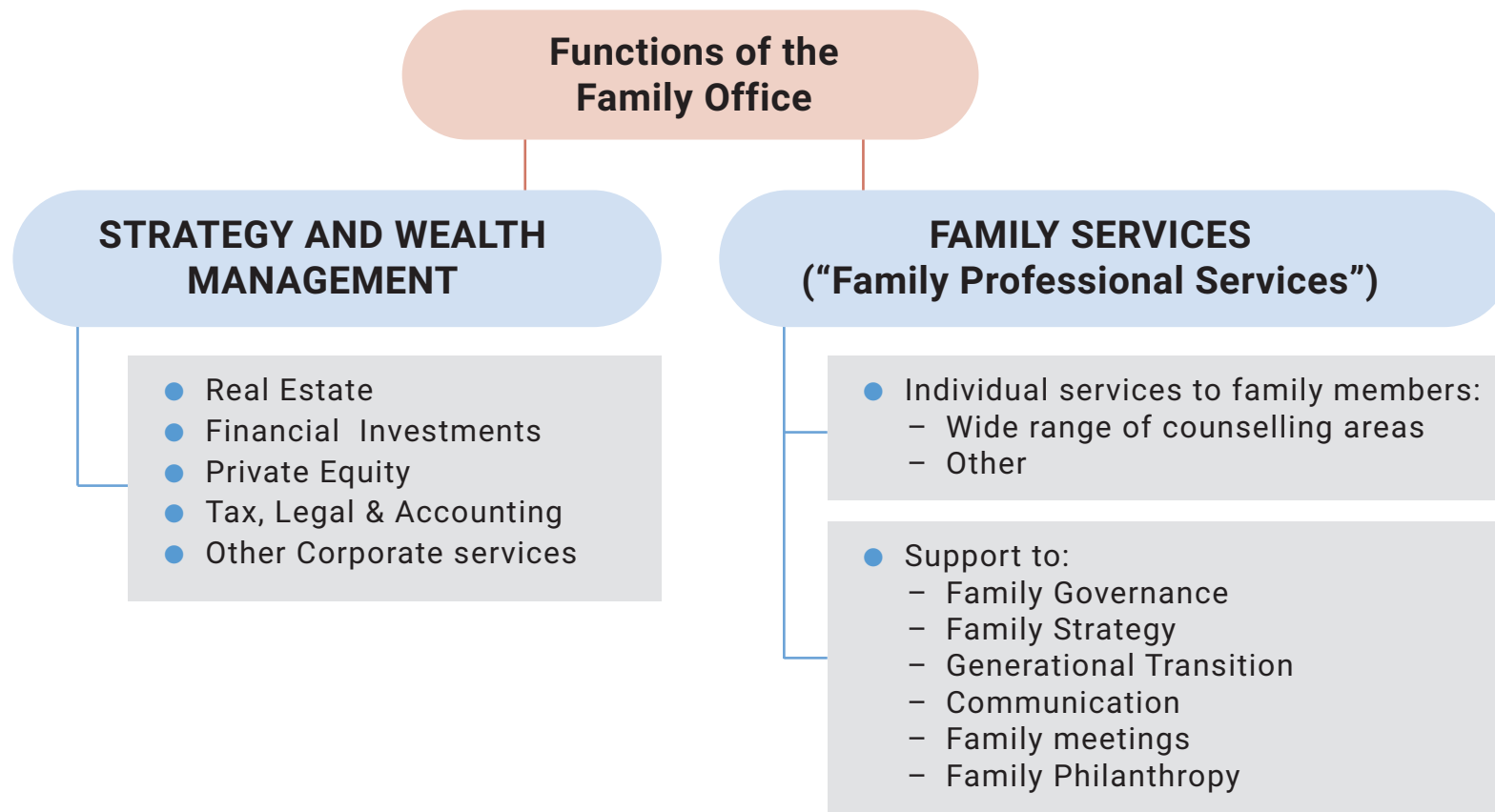




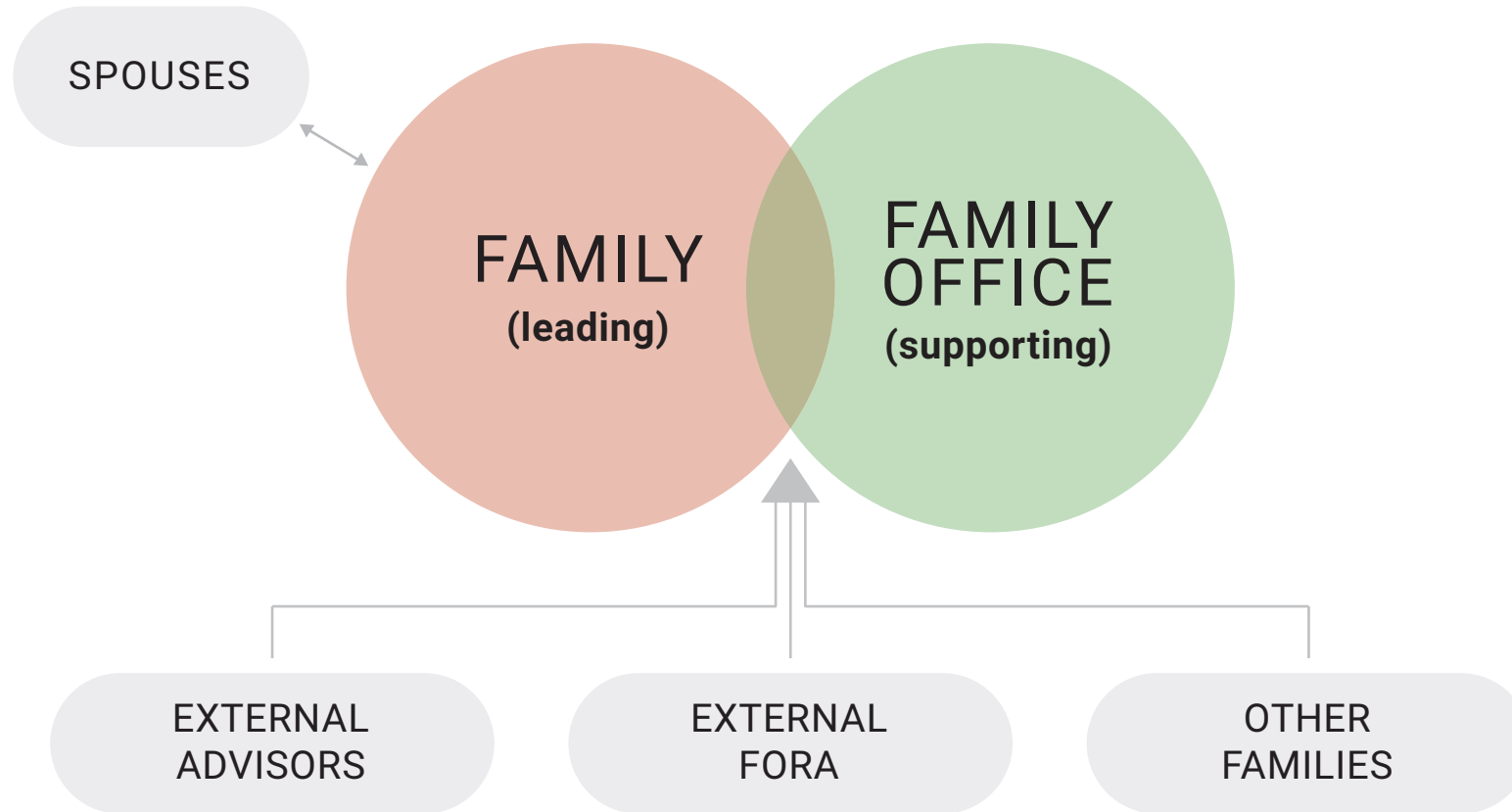
# CONTRIBUTION OF EACH BUSINESS SEGMENT TO THE FAMILY WEALTH



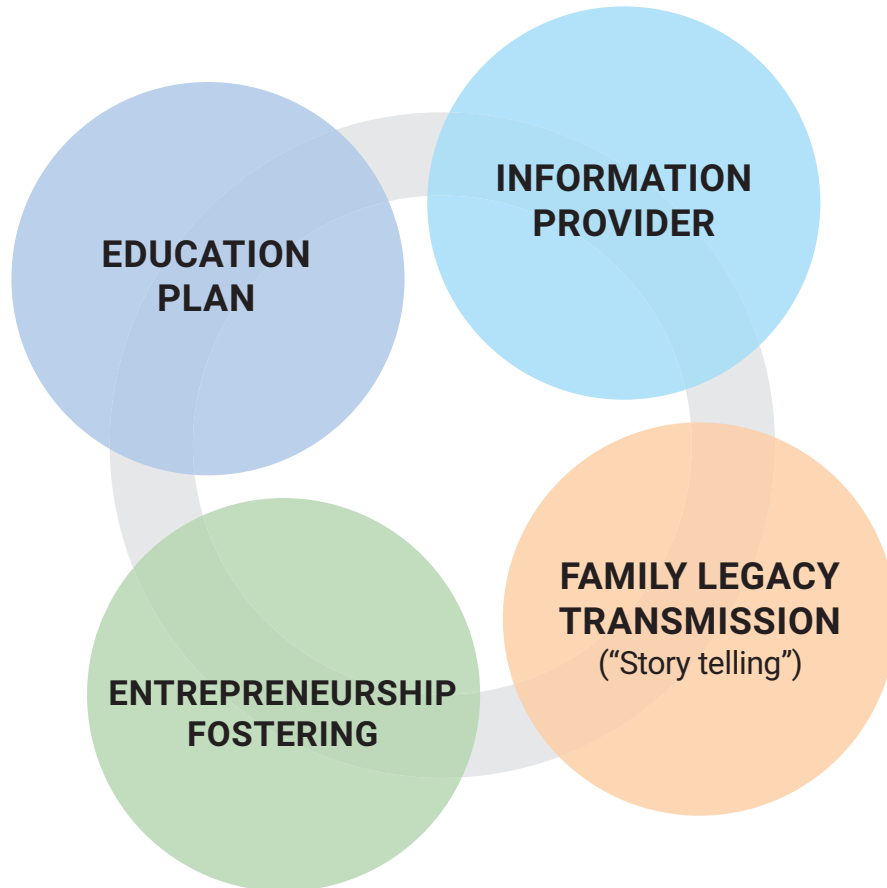
# FUNCTIONS OF THE FAMILY OFFICE



# FAMILY OFFICE AND THE NEXT GENERATION



# FAMILY OFFICE AND THE NEXT GENERATION



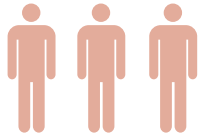
# THE NEXTGEN ENGAGEMENT PROCESS



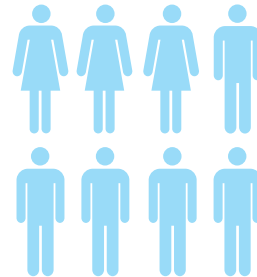
# WHO ARE THEY?

**NEXT  
GEN**ERATION

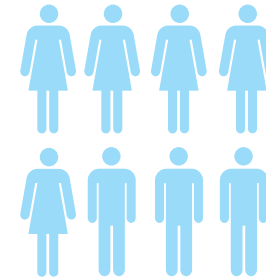
**3 (X) G4**  
AGES:  
5–11 YEARS



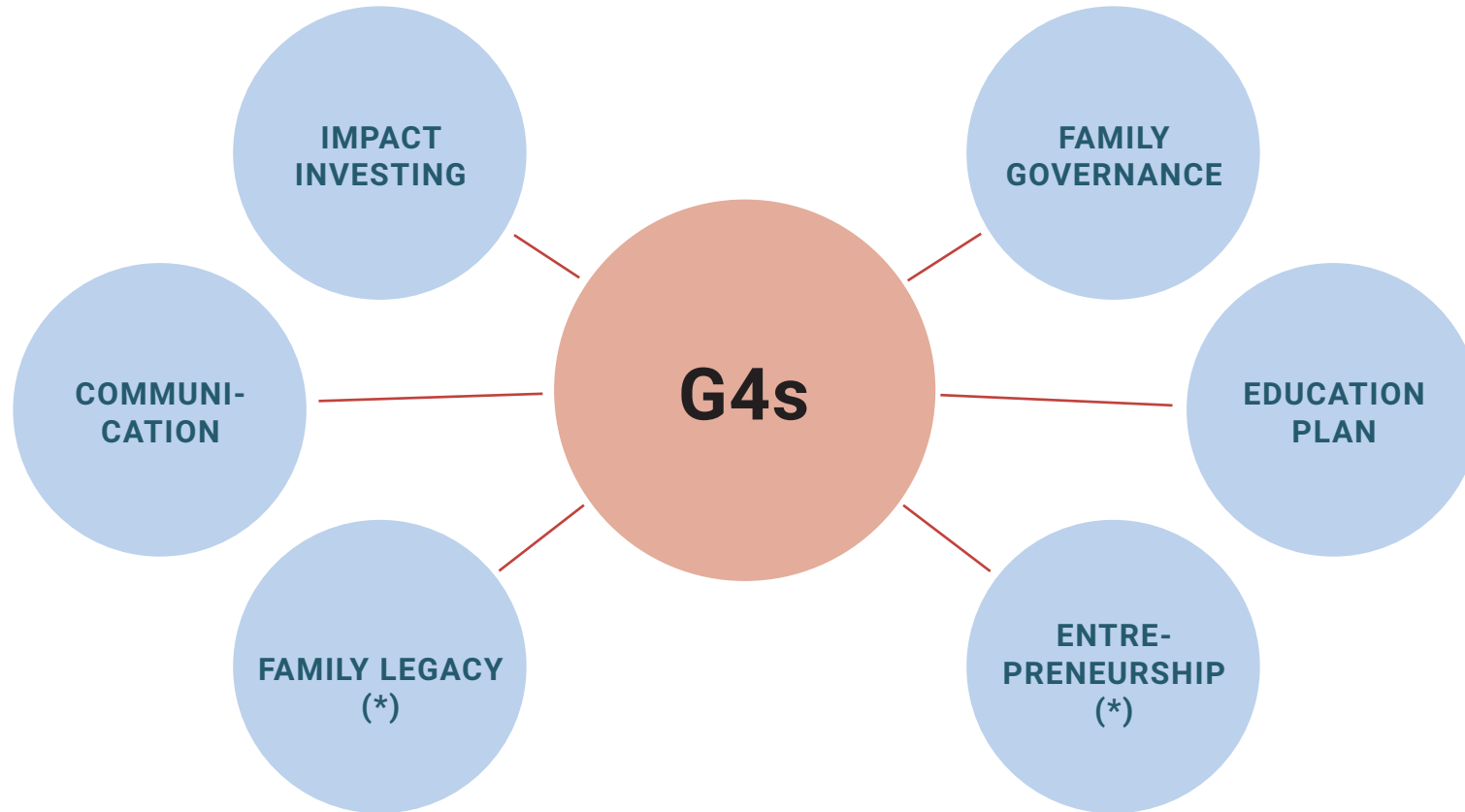
**8 (X) G4**  
AGES:  
12–17 YEARS



**8 (X) G4**  
AGES:  
18–32 YEARS



# WHAT ARE WE DOING?



(\*) Included in the Education Plan

# WHAT ARE WE DOING? EDUCATION PLAN

## Education program

- Education Plan based in groups of ages and 5 main dimensions.
- OBJECTIVE: Educating responsible shareholders with an excellent comprehensive education background.





# WHAT ARE WE DOING? G4 EDUCATION PLAN

## Some examples of activities done

- Training sessions on:
  - Family Constitution, Family Governance and Family Office
  - Introduction to Financial Investments and Portfolio Management
  - Introduction to Private Equity
  - Diversification companies

## Visits to

- Pharma Research Center
- A Private Equity company owned by the Family Office



# WHAT ARE WE DOING? ENTREPRENEURSHIP PROGRAM

Promote Entrepreneurship and Educate about Skills and Abilities	Offer tools and Support to Entrepreneurs	Provide Access to Funding Sources for New Ventures	Establish Mechanisms for Virtuous learning cycle within the Family
<p><b>Concept</b></p> <ul style="list-style-type: none"> <li>Promote Entrepreneurship by inspiration and encouragement</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Promote a G4 Entrepreneurship Club to serve as forum to discuss ideas and projects. A president will be appointed.</li> <li>The Entrepreneurship Club to promote a lunch'n learn program with speaker entrepreneurs that will share their stories.</li> <li>Identify and fund training programs to expose G4 to global trends that create investment opportunities.</li> <li>Set up an Annual Prize for best business ideas (3 age categories)</li> </ul>	<p><b>Concept</b></p> <ul style="list-style-type: none"> <li>Provide family entrepreneurs with coaching sessions to challenge their ideas and assess their Business Plans, and with continued support once the new company is formed</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Encourage (and partially fund) entrepreneurs to attend courses that provide training for skills required to support their venture.</li> <li>Identify knowledgeable friends and family, Angel Investors or incubators to serve as business coaching team for start-up</li> <li>Once start-up is solid, help form business advisory board for continued support and good governance</li> </ul>	<p><b>Concept</b></p> <ul style="list-style-type: none"> <li>Young entrepreneurs will be provided access to financing for their projects.</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>Set up a investment process to fund projects. The process will be steered by a newly formed Entrepreneurship Committee.</li> <li><i>[Consider going beyond the family and being a catalyst of entrepreneurship in our community]</i></li> </ul>	<p><b>Concept</b></p> <ul style="list-style-type: none"> <li>The family will learn from the entrepreneurial experiences and improve along all dimensions in its task to foster and support entrepreneurship</li> </ul> <p><b>Strategies</b></p> <ul style="list-style-type: none"> <li>The family entrepreneurs will share their projects annually at the Family Gathering or Family Trip, sharing their lessons learnt. A prize might be awarded.</li> <li>Once a year a summary of entrepreneurial activities, from training to projects, will be presented at the Family Board</li> <li>In depth review of educational program, tools, and funding mechanisms after the first year of operation, and every 3 years thereafter.</li> <li>Continuous exchange of best practices with other families.</li> </ul>

# WHAT ARE WE DOING? FAMILY LEGACY

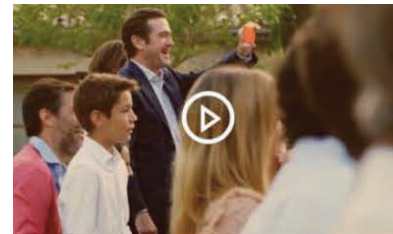
## Family Legacy

- 6 videos ("pills" of 15 minutes) have been produced with the participation of all Family Members
- Objective: To transmit te Family history and legacy in a friendly way

- "A normal Family"
- "An intangible legacy"
- "The Furure"
- "Almirall"
- "Diversification"
- "Chronology"



UN LEGADO INTANGIBLE



UNA FAMILIA NORMAL



# WHAT ARE WE DOING? COMMUNICATION

- A tailor-made Gallardo Family App has been developed and is running since January 2020
- Objective: To become the main vehicle for the Family communication, particularly with Next Gen



# WHAT ARE WE DOING? **IMPACT INVESTING**

- We have invested in Impact Investment Funds
- These are small size funds with projects focused in Spain
- We have a seat in the Investmnet Committee (or similar) in two of the funds

## Objectives

- 1) Start learning about this investment sector
- 2) Engage G4 (2 G4s regularly attend Impact Investing meetings)

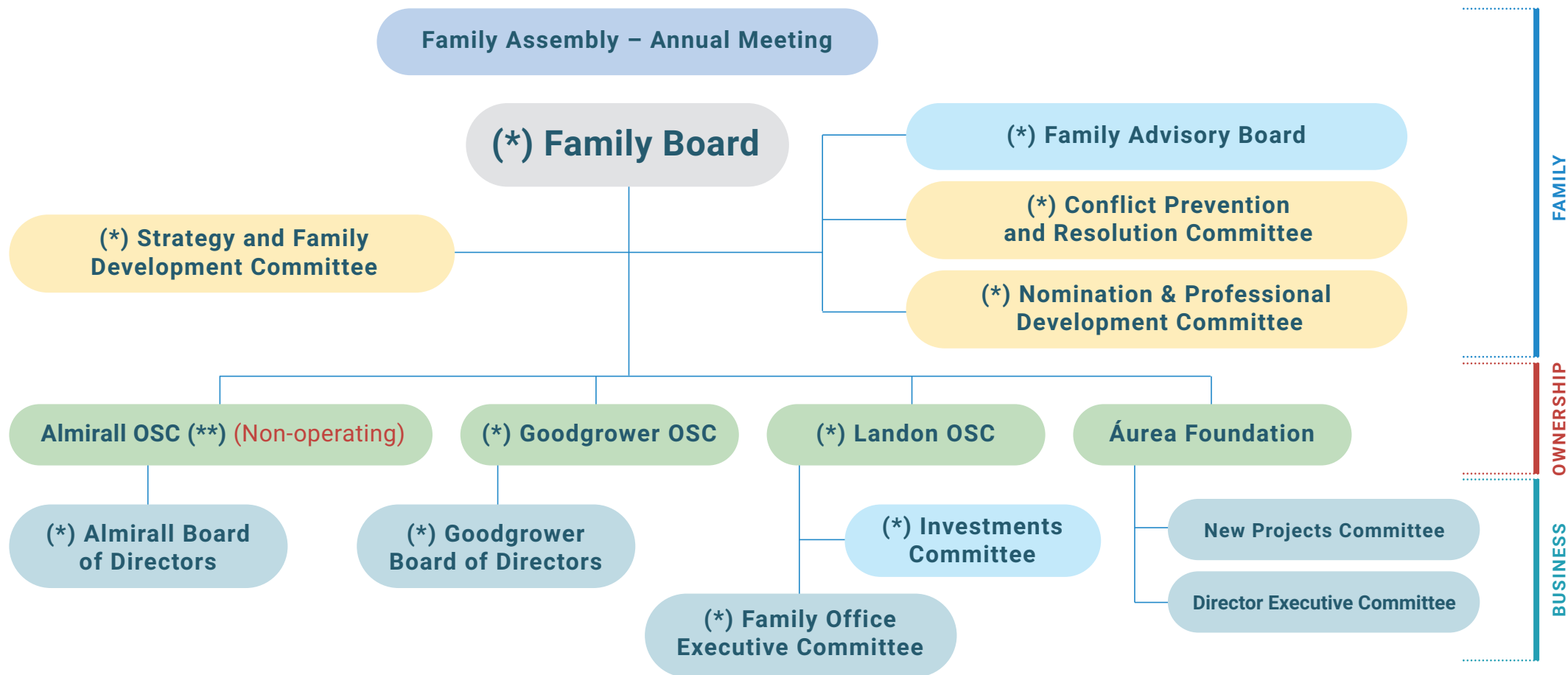


# WHAT ARE WE DOING?

## FAMILY GOVERNANCE STRUCTURE



# ORGANIZATION OF THE GALLARDO FAMILY



(\*) With independent members

(\*\*) OSC: Supervisory Syndicate Body (= Board of Owners)

# FAMILY GOVERNANCE DOCUMENTS

## FAMILY CONSTITUTION

### (LANDON, GOODGROWER AND ALMIRALL):

- Regulation of the Owners Committees  
(functions, composition, decision making process)
- Conflict Resolution procedures
- Mechanisms of exit ("Exit Policy")
- Dividend policy

### OTHER

- Role and functions of the Independent Directors
- Regulation of specific committees





# FAMILY CONSTITUTION CONTENTS

1. **Definition of the “Gallardo Family” and “Gallardo Family Group”**
2. **Mission, Values and Principles**
3. **Gallardo Group:**
  - Management and Governance of the Business Group
  - Employment policy for the family members in the Family Group
4. **Organisation of the Gallardo Family:**
  - Family Board
  - Other Committees



# FAMILY CONSTITUTION AND NEXTGEN

## Family Constitution

- G3s may be accompanied at the Family Board by their children older than 25 years if approved by the Board. G4s would have voice but not vote.
- In the future: 1 G4 older than 25 years for every G3
- S&FDC: 1 G4 older than 21 years / 2 years term (rotation)



# **SOME EXAMPLES**

## **THE EDUCATION PROGRAM FOR G4**



## EXAMPLE

## ACTIONS PROGRAM FOR A GROUP OF AGE BY DEVELOPMENT AREA

Family History					
	The grandfathers explain the family history and the Company's, and pass on values	Overview of the group companies	Attendance at the Family Board Meeting	Group activities	3G activities with 4G
<b>GROUP A</b> (Older than 18 yrs.)	1. They will read the family book and deal with family values at Sunday lunches with the grandfathers. 2. They will take part in 100 Questions activity (film to reflect the family history, with interviews and chats with the grandfathers).	Annual meeting with FO Director, Company's CEO and Goodgrower CEO to give an overview of the development of the companies.	Attendance as observers from the age of 25 (subsequent to an invitation from their mother/father and approval by the Board).		Once a year, one or two G3 will treat group A to dinner.
<b>GROUP B</b> (12-18 yrs.)	1. They will read the family book and have an informal chat with the grandfather. 2. They should also go to the group C meeting. 3. They will take part in the 100Qs activity.	For the 16 to 18-year-old: annual meeting with some G3s in charge, to give an overview of the development of the companies.		Once a year, a G3 (by turns) will organise a special event for them, such as going to an amusement park, go-karting, skiing, a day trip on a boat, etc.	During the activity chosen, some time will be spent working together on the family narrative.
<b>GROUP C</b> (5-12 yrs.)	1. Annual meeting with the grandfathers (the grandmothers will also attend). Subject: what was I doing when I was your age? Old photographs and written materials to create a shared narrative about the family and the business.  2. They will take part in the 100Qs activity.			Two afternoon teas will be held (on a Friday) at the homes of the G3 by turns.	During the teas on these two Friday afternoons, some time will be spent working together on the family narrative.

## EXAMPLE

# ACTIONS PROGRAM FOR A GROUP OF AGE BY DEVELOPMENT AREA

Leadership/ Entrepreneurial skills							
	EVENTS	SCHOOL / UNIVERSITY	FOUNDATION	FAMILY EVENTS	FAMILY ENTERPRISE	MENTORING	OTHER
<b>GROUP A</b> (Older than 18 yrs.)	1) They will go to leadership/entrepreneurship conferences. (Mentor)		1) Part time involvement in a core project throughout the year.		1) They will sit on committees as per the Constitution.	1) It is recommended that they find a mentor. 2) They should share their experiences with members of group B (once a year, rotational).	
<b>GROUP B</b> (12-18 yrs.)	1. They will attend summer camps. 2) They will go to youth leadership conferences.	1) They will participate in group and sports activities. 2) They should consider becoming a class representative. Family	1) They will participate in foundation core projects (1 week/year). Responsibility for specific chores/tasks.		1) 1 week internship (ages 16-18) (mentor)	1) They will pair up with an older G4 as mentor (by groups; see above).	1) They should speak in front of large groups at school. These are good opportunities for practising communication and public speaking skills. Recommended (mentor) in family gatherings.
<b>GROUP C</b> (5-12 yrs.)	1) They will go to summer camps. Attending camps allows children to get away from home and develop independence in a structured environment. Most camps provide great opportunities for enhancing their leadership skills.	1) They will participate in group and sports activities.	1) They will participate in foundation core projects (1 action).				

## EXAMPLE

# ACTIONS PROGRAM FOR A GROUP OF AGE BY DEVELOPMENT AREA

	Personal development			
	EDUCATION	FOUNDATION	BUSINESS	OTHER
<b>GROUP A</b> (Older than 18 yrs.)	Professional Development Committee. Once they have joined it, Mentoring Committee? Support and advice on the move from education to a career. Advice on postgraduate courses.	They will attend the introductory talk on the Foundation's activities. They will go to a meeting of the Foundation's New Projects Committee. Support in individual donations.	Internships (could potentially be completed at FOX (Chicago), a consultancy specialised in family offices (FBN family exchanges).	Insights: participation in group dynamics to learn how to work in a group and have deeper self-understanding.  Family gathering: attendance at additional G3 talks and activities.  Personal presentations on the activities currently being undertaken.
<b>GROUP B</b> (12-18 yrs.)	Support will be given to those who have special educational needs. Advice on the choice of degree course.	They will attend the introductory talk on the Foundation's activities.  They will receive and read the Foundation's newsletter.	Introduction to the difference between a business and family ownership.	Family gathering: exercises and activities intended to develop communication skills, teamwork, etc.
<b>GROUP C</b> (5-12 yrs.)	They will learn how to interact with the other Family Members: knowing the names of and relationship with the rest of the family. They will learn how to write thank-you letters. They will learn the importance of wishing the other Family Members all the best on special occasions. They will attend special family events.	They will receive and read the Foundation's newsletter.	Introduction to what a business is and how it works. -	Activities and games intended to encourage teamwork during the family gathering. For example, playing at setting up a company, role-playing, designing a product, etc. Filling in-creating a family tree.

## EXAMPLE

### ACTIONS PROGRAM FOR A GROUP OF AGEBY DEVELOPMENT AREA

Financial independence				
	EDUCATION	FAMILY BUSINESS	MENTORING	OTHER
<b>GROUP A</b> (Older than 18 yrs.)	1) They will attend a training programme on basic accounting and financial principles.  2) Training on understanding financial reports.	1) They will attend investment committees meetings or similar.  2) They will learn about the potential of using the FO for managing personal savings.	1) Support in understanding concepts of personal financial balance.  2) Sessions for understanding the financial position of affiliates in the group. Group work for sharing criteria.	1) They will have access to toolkits to learn how to buy a car, ask for a loan, etc.
<b>GROUP B</b> (12-18 yrs.)	1) The value of things. 2) Lifestyle. 3) Budgeting income and expenses.			1) It is recommended that as a family, concepts be examined on financial planning (pocket money, saving for a rainy day, managing a current account, making provisions for contingencies)
<b>GROUP C</b> (5-12 yrs.)				1) Starting to pay pocket money should be considered.

**Any questions?**  
**Thank you for your attention.**



**Susana Gallardo,**  
**President, Gallardo Family Group**

