

# CASE STUDY

Described for the project: "The Hexagonal Leader"

## Name of the organization

Iluminaciones Ximénez

## Website of the organization

<http://www.ximenez.com>

## Logotype of the organization



## Type of organization

- Business organization  
 Public administration  
 NGO's  
 Others (what kind?) .....

## Size of the organization

- Small  
 Medium  
 Large

## Economic sector

Secondary sector: illumination

## Brief description of the organization

Ximénez Group was founded in 1945 by Francisco Jiménez Carmona in Puente Genil (Córdoba). The history of the company goes back to a simple star that the founder manufactured and installed at Christmas in his home appliance shop as a lure.

This idea was such a success with neighbours and shopkeepers in the area that, the following year, the town council commissioned Jiménez to light the main street of Puente Genil. This first order would soon be extended to the rest of the town and, in the following years, to other towns in Cordoba.

Little by little, the company grew, illuminating Andalusian fairs, the Valencian Fallas, carnivals and Christmas in much of Spain. Over the years, the second family generation drove its national development and made it the leader in decorative lighting in the country.

At the beginning of the new millennium, Ximénez took the leap abroad with the founder's grandchildren, which has made it one of the leading decorative lighting companies in the world today.

Today, Ximénez Group is one of the leading global decorative lighting companies whose activity extends over the five continents. Specialising in the development of motifs, large light structures and light shows for popular festivities and special projects, it also develops important work in the field of window dressing and the manufacture of products for distribution in large surfaces.

The group is made up of several companies or entities:

- Ximenez Iluminación: installation of decorative lighting structures in Spain.
- Ilmex: factory and international distribution.
- Ximenez Foundation: promotion of the fight against climate change.

All of them are located entirely in Puente Genil due to their loyalty to the town where 80% of their staff come from - 500 workers a month, 100 more in the Christmas campaign. The group has subsidiaries in Barcelona, Alicante, Madrid, Vigo and Malaga, as well as international representative offices in Andorra, Portugal, France, Holland, Scotland, Sweden, Norway, the United States and Mexico.

## Case study description (situation / the problem they are facing) [max 2000 characters]

The crisis that the company had to go through as a result of the low consumption revolution was undoubtedly the trigger to start the internationalization process. A company without experience in international markets and who was not going through its best times had to set up a whole foreign trade department. Mariano Jiménez, CEO of the company: "This is a family business that my grandfather set up in 1945. It was developed all over the country and the second generation strengthened it and ended up conquering the national market. We, as the third generation - and I as the first grandson who entered the company - created this company (Ilmex) that did not exist, because we were only dedicated to installation. And when we created it, in 1998, I always had in mind that we had to go out into the world, because we saw decorative lighting projects in many countries. In 2004, In 2004, the company made the first attempt to enter the international market, however they did not achieve the expected result.

## Suggested solutions (added pros and cons)

### 1. Embrace Change

The most effective modern leaders embrace the fact that we live in a rapidly changing world. By embracing change instead of fearing or resisting change, they make themselves ready to drive meaningful change — whether that means changing themselves, their team, the systems and structures of their organization, or even pivoting their business direction and vision.

Resistance to change within organizations isn't unusual, nor is it always a bad thing. However, when a chief feature of an organization's culture is its unwillingness to adapt to changing circumstances, the business is likely headed for trouble. Product obsolescence, low employee morale, and declining industry influence can cause irreparable harm to a company.

### 2. Become self-aware

Before we can change and grow, we need to first understand our starting point. What are our own limits, motivations, and emotional states? With self-awareness as a leader, you become better equipped to make impactful decisions and explore opportunities to grow the business. It will also help you identify the areas that need more growth for you and your team.

On the other hand, neglecting self-awareness is a major mistake for anyone to make. It diminishes one's influence on others and is a sign of low emotional intelligence. While it is disadvantageous for anyone to lack self-awareness, it is especially important for managers and executives to prevent themselves from losing their sense of self-awareness. Often a lack of self-awareness is what keeps managers back from becoming truly effective and actually becoming a genuine leader rather than just a manager.

### 3. Recognize and reward the value of learning in failure

Failure is inevitable when it comes to running a business. Leaders that learn from their mistakes and add these lessons into their personal toolkit are better equipped to continually push the boundaries of their own growth and that of their teams. It's also important to create a culture in your company where failure is recognized as a learning tool. This way, your team will be encouraged to grow and take innovative risks.

We learn more from our failures than from our successes. Ignoring our failures almost certainly results in us perpetuating them, but analysing our failures can provide us with knowledge that will help us prevent such failures in the future. In other words, failure teaches us what didn't work. As Thomas Edison is said to have pointed out, "I have not failed. I have just found 10,000 ways that will not work."

### 4. Focus on the process as an ongoing project

No team or company will execute perfectly, 100% of the time. There will be moments when results do not meet expectations. This is why it's important to also focus on the process. By focusing on the process, you'll grow your team to achieve continued marginal improvements in execution.

Paradoxically, simply focusing on results will cause you to lose track of your project's purpose and end up failing on most occasions, having not worked on the basis of your planning system.

Visualising results and defining them in detail should be taken as a specific part of project planning, but not as the main purpose of the project. If you base success or failure simply on results, and with it, mood, then probably:

- You will easily lose your way
- You will end up discouraged and frustrated
- You will fall prey to procrastination
- It will decrease your confidence
- You will suffer from anxiety and stress
- You will transfer this situation to your team
- You will lose the confidence of your team
- You will make the same mistakes again

#### 5. Practice perseverance

An oak tree does not grow forty feet overnight. The fruits of growth require time, and so perseverance is key. Learning to push through failure, treat obstacles as challenges, and persist in spite of difficult situations will allow you to lead a team to more impactful goals. Perseverance is a determination generated by the instinct not to give in and never to give up. It comes from a spirit that refuses to accept the failure of renunciation.

They always pursue something bigger: goals that are difficult to achieve. They feel they have something to prove to themselves and/or others. They have a direction; they know what they want and they hate not getting it.

On the other hand, the lack of perseverance can turn the most talented individual in the world into one of mediocrity. Simply, perseverance or the lack thereof, has a gravitational pull in either a positive or negative direction. Remember, failure is not a mistake but rather an opportunity for learning and a gateway to future success because the greatest lessons are not learned in the peaks but rather in the valleys.

### Chosen solution

The company chose the number 1, 2,3,4 and 5.

- Embrace Change (Number 1)

From the beginning, the company understood perfectly the need for change and progress in order to prosper. Companies need to adapt and innovate continuously. That means that change is the norm for most of them.

As his grandson Mariano Ximénez says, "Puente Genil was the second town in Spain to have electricity, after Girona". The story is usually told since my grandfather founded Iluminaciones Ximénez in 1945, but in reality, it all started with my great-grandfather, who was one of the first accountants' readers in the country. There was an important jump in the river, which the flour factory took advantage of to move the mill. A railway bridge crossed the river and one of the engineers who worked on the train became very friendly with the owner of the factory. This is how he proposed to go one step further and set up some turbines to generate electricity by taking advantage of the force of the water" Since then, Puente Genil has been the city of light.

Mariano adds: "One Christmas, inspired by what he saw in foreign films, he decided to decorate his shop with a star that he had built with a carpenter and that he himself had lit. This was the attraction for the neighbours: "Everyone wanted to go and see Francisco's star. The following year, he lit up the whole street and, the following year, the town council asked him to decorate the main street. The

surrounding villages were added in the following Christmas. And so, it was that my grandfather transformed the small electrical components shop into the Ximénez lighting company. My grandfather was the Steve Jobs of lighting in Spain. He began by supplying the fiestas in Andalusia and ended up building a large emporium".

In the 1960s, they started to manufacture their own components and even registered a patent for a revolutionary waterproof lamp holder. "This allowed us to make the leap into decoration with micro-bulbs that could be adapted to any material and shape".

And so, while in winter they decorated the streets of half of Spain, the rest of the year they were dedicated to manufacturing interior products.

- Become self-aware (Number 2)

Only a few years later, with a flourishing and expanding market, the company had to face a major crisis that would eventually be the trigger for its subsequent internationalisation. The raw material for all its structures, the incandescent bulb from which they bought 5 million per year, had become obsolete, having been forced to destroy 25% of their production. A company with no experience in international markets and which was not going through its best times had to set up a whole foreign trade department. Starting a process of internationalisation practically from scratch is not simple. They recognised their own strengths and weaknesses and took responsibility for them, constantly asking for feedback to improve through a programme of continuous professional development, finding suitable professionals and equipping themselves with licences, permits, languages and technology. According to Francisco Jiménez (grandson of the founder), they had made a mistake, not going abroad and seeing where the trends were moving: "when a company does not go abroad, it not only loses clients, but it does not realize what is happening in the world".

The process began by attending the major trade fairs in the sector and recognising the quality of their competence in countries such as France, Austria or Greece (former suppliers). Thus they began to be present at the main events and national and international events in the sector. First recognizing products, novelties, trends, later showing their own progress: "We had to find something very, very new to face the competition and to fight against the stereotype that was the Spanish in 2007, we only exported sun and beach, the industry was not recognized".

- Recognize and reward the value of learning in failure (Number 3)

Mistakes and failures are an inevitable part of the life of organizations, especially when it comes to doing things differently and innovating. Fear of failure is a tough barrier to overcome. Yet without a culture that celebrates failure to - there will be no innovation. By focusing on what is learned through failure, people build resilience - a key factor in creating organizational adaptability. To experience disappointment/ failure should be a stepping stone towards success. Skills such as tolerance for frustration; trying out new ideas or approaches to tasks; trying out different solutions to problems and even asking for help are valuable qualities (even life skills) gained from struggling through failure. Ximénez is a family business created in 1945 that was developed all over Spain and the second generation strengthened that and ended up conquering the national market. The third generation - and more specifically Mariano Ximénez, grandson of the founder, always had international expansion in mind. As he himself acknowledges: "We saw decorative lighting projects in many countries. Much more than in Spain. Places like the USA, Asian countries, Latin America... are places where there is a lot of lighting, a lot of decorative lighting is used. It was in 2004 when we made the first attempt to go out to the international market, which was a very simple action, going to a fair in Germany. I call it 'attempt'

because we went for two years but we realised that the product was not yet ready for the international market. It lacked the issue of certifications; it was not adapted. And after two fairs with many expectations but few results, we stopped and adapted the product totally to the European certificates and conditions”

- Focus on the process as an ongoing project (Number 4)

To make a goal a reality, it is best to focus all our emotions, motivations and strategies on the processes, not just on the objective. What really counts is what we do on a daily basis. In this sense, Iluminaciones Ximénez has been aware of the importance of all the steps to be taken to achieve this, such as delivering the product to the final consumer, the competition, the costs and most importantly, the customers, achieving a total satisfaction experience.

In Mariano's words: “We have managed to produce projects that our clients, apart from enjoying the decorative aspect, live an experience in themselves. This means that people travel to the places where we install these projects and that, in short, they move around. Moving people to have that experience is the secret of the success we are having lately. We have more and more problems and difficulties to compete in price with companies that manufacture in low-cost countries. Bear in mind that any of them manufacture 80% in Asia, in China specifically, and the rest in Eastern countries such as Bulgaria, Romania and even Tunisia. Prices are 'hyper-competitive' and it costs us our lives to continue manufacturing here in Spain. Our strategy is one of differentiation. Of very defined and polished projects that make our customers live experiences”

- Practice perseverance (Number 5)

Perseverance is one of the key ingredients to achieve anything worthwhile in life and professionally. Growth is not always linear: there are often ups and downs. Sometimes it can even feel like you've taken two steps backwards when you were trying to move forward. It is at times like these that perseverance is most useful; it encourages us to keep going.

Iluminaciones Ximénez has had to face several setbacks throughout its history, such as the process of technological transformation that the company has undertaken to integrate LED technology in all its projects, the beginning of an internalisation process practically from scratch, competition with low-cost manufacturing countries the generational change. It is one of the few family businesses in this country that reaches the third generation. A little less than two out of ten achieve this survival. Part of its growth has been based on its perseverance, facing challenges and overcoming them. These have helped them to grow as professionals and to position themselves as an international reference in the ornamental lighting sector, reaching 25 countries this year.

Francisco Jiménez, son of the founder explains: "As far as the future is concerned, the company's focus is on continuous improvement through technological innovation and a tireless commitment to responsible consumption, as well as constant expansion to a greater number of cities around the world".

### Rationale of the decision taken

In Ximénez all its generations have been characterized by having a growth mindset and not being afraid of change or going out of their comfort zone. They have seen every setback as an opportunity to learn. For them, success comes from the consistent effort to work through challenges with a focus on process rather than outcome, a clear example of growth-minded leaders. On the other hand, the company's strategy is centred on differentiating itself from the rest of the companies in the same sector with very

defined and polished projects that make its clients live experiences, as well as its growth at an international level.

This achievement was only possible thanks to the growth mentality of the three generations, who supported and inspired his team to develop their talent and expand the business.

On the other hand, the planning of generational change carried out within the company has been essential to maintain the family business structure. Proper planning has not only allowed the progressive adaptation to the new role of each of the family members, but has also facilitated this process. The family is not a business, the business belongs to the family.

"It's a job that passes from parents to children," says Mariano: "I always say that this is a family business from beginning to end"

### Solution implemented in practice

The company has evolved from providing a service such as street lighting in cities, which it also continues to do more and more efficiently, to designing and producing authentic works of art with the support of international designers such as Adolfo Domínguez, Amaya Arzuaga, and architects such as the German Ben Busche, who create elements that make light a product marketed worldwide. The group enjoys an excellent positioning and is continuously expansion process towards new foreign markets. Ilmex has changed the concept of lighting and decorating the streets with designs that are also eye-catching during the day and that create shows. The "Wow effect", causing surprise, amazement and admiration. The light and sound tunnel installed in Calle Larios in Malaga in the Christmas 2016 is an example of these actions (it is estimated that only this installation received more than 2.7 million visits).

The company is also daring with record projects, such as an Osborne bull with 22,000 LED bulbs and the largest Christmas tree in Europe (55 metres) in Granada. These are projects that have wide media coverage and represent a remarkable push for the company's notoriety. As reflected in the manager's own words:

"We adapt the product completely to European certificates and conditions. We transformed the factory completely to be able to make this type of product and it was already in a second initiative, in 2009, when we started again the international journey with our own department in fairs, to make known a product a little different to what was being done until then. More contemporary, with more polished finishes and above all, and very importantly, manufactured in Spain, in Europe. Because most of the companies that competed worldwide manufacture in low-cost countries. Moreover, unlike these companies, we were in charge of transport and installation. After this second stage with more intensity and a very defined product, with work and effort, doors and markets began to open in different parts of the world. This has allowed us to create more concrete projects which have given us more international development, because in the end, until you make a project that puts you on the map, they do not start to look at you and trust you"

### Lesson learned

- View challenges as opportunities: Having a growth mindset means relishing opportunities for self-improvement.

- Replace the word “failing” with the word “learning: When you make a mistake or fall short of a goal, you haven’t failed; you’ve learned. Instead of regretting a failure, study it for strategies to win in the future.
- Value the process over the end result: Intelligent people enjoy the learning process, and don’t mind when it continues beyond an expected time frame.
- Emphasizing growth over speed sometimes requires allowing time for mistakes.
- Cultivate some grit: People with that extra bit of determination and effort will be more likely to seek approval from themselves rather than others.
- The ability to adapt and respond to changing work situations, is even more important than ever before.
- Commitment: Since the needs of the family are at stake, there is a greater sense of commitment and accountability. This level of commitment is almost impossible to generate in non-family firms.
- Long-term Outlook: Non-family firms think about hitting goals this quarter, while family firms think years, and sometimes decades, ahead. This “patience” and long- term perspective allows for good strategy and decision-making.

#### Connection to the six skills depicted in the project

- Growth mindset
- Decision making
- Manager transition