

ILUNION: Sustainable and responsible corporate growth (A)

A project by people for people

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Alejandro Oñoro had just received the “2017 Shared Value Report.” He watched with satisfaction, knowing that the work done by his team over the last few years was bearing fruit. Both the economic results and the creation of employment of the ILUNION Group were above the expected growth levels. The strategic plan had been completed and now it had to set a new course with which to continue expanding the business and generating quality employment for people with disabilities.

History of the group

The business project of the ONCE social group had begun almost 30 years earlier, when both ONCE and the ONCE Foundation saw in their companies a vehicle with which to fulfill their founding purposes.

The ONCE (National Organization of the Spanish Blind) had been born on December 13, 1938 as a means for blind people to establish themselves through a model of their own creation. For this purpose, on May 8, 1939, the first drawing was held, whose winning number was 922.

The ONCE Foundation for Cooperation and Social Inclusion of People with Disabilities had been established by ONCE in 1988 as an instrument of solidarity with other people with disabilities. A year later, the ONCE Foundation created FUNDOSA with the aim of being a sustainable group that could create employment for people with disabilities other than blindness.

In 1989, ONCE, with the aim of obtaining a source of revenue that would be complementary to its gaming products and continuing to create employment for the Spanish blind, created several companies and acquired stakes in others that operate in different sectoral divisions (see **Figure 1**). In 1993, these companies were merged into Corporación Empresarial ONCE (CEOSA).

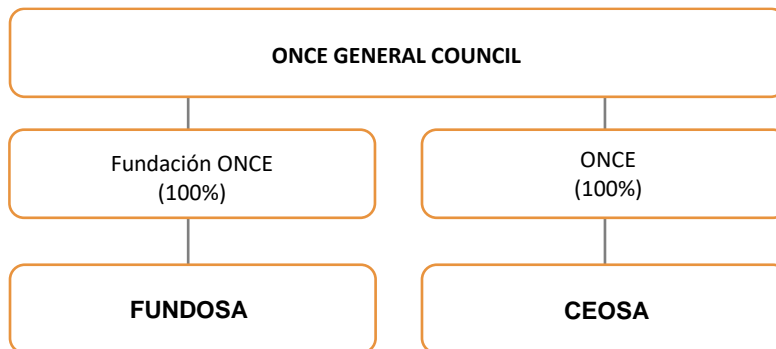
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Figure 1
Sectorial divisions of the ONCE General Council



Little by little, the two business groups grew in different sectors, both through the acquisition of shareholdings or through the launch of their own activities, and they were always very focused on achieving the purposes for which they were created. FUNDOSA sought to have a presence in labor-intensive sectors of activity, allowing it to generate a large volume of quality employment for people with disabilities. Meanwhile, CEOSA focused on generating resources for its shareholders and creating jobs for individuals with severe visual impairment.

Over the years, the existence of both business groups with different management teams began to cause dysfunctions that led to difficulties in explaining the ONCE Social Group's business project, both internally and externally and, in some cases, a lack of a sense of belonging to the institution, as well as a lack of external awareness of the business project.

The onset of the economic recession that began in 2008 was keenly felt by CEOSA due to its presence, either direct or through investments, in the most severely affected sectors: property, hotels and services. The ONCE General Council began to see that there was a need to establish a roadmap for a potential common project involving its two business groups, to identify synergies between the different businesses.

With this idea in mind, in 2011, Alberto Durán was appointed Chair of CEOSA, a position he concurrently held with that of Chair of FUNDOSA. Meanwhile, Alejandro Oñoro was appointed Managing Director of CEOSA, while also maintaining executive responsibility, as CEO, of Flisa (Fundosa Lavanderías Industriales), the flagship company of FUNDOSA, a leading company in its sector and a clear example of how economic and social profitability were perfectly compatible. These were the first of many steps towards achieving the unification of both business groups. Their teams began working in a coordinated manner, believing in the project that would ultimately lead to the establishment of ILUNION.

In July 2011, the first corporate management department common to both groups was also created—the CSR, Corporate Alliances and Synergies Department—which would later become the CSR, Corporate Communication and Institutional Relations Department.

Bridges continued to be built between both organizations between 2012 and 2014 with the appointment of common directors for certain corporate departments such as Auditing, Sales and Systems.



A new project: ILUNION

“We’re missing a color,” Miguel Carballeda, Chair of the ONCE Social Group, was told by his son one Saturday afternoon when they were about to play a game of Parcheesi. The ONCE General Council, the ONCE and the ONCE Foundation were already represented on the board with the colors yellow, green, and red, but blue was missing. With the business group in mind, the comment from his son made Miguel reflect. He saw that the institution needed a new color: a single business group, with a single brand and a clear objective: to make economic and social profitability compatible. With this idea in mind, the “Parcheesi Project” was launched at the end of 2013.

The Parcheesi Project, led by the ONCE General Council, gave shape to what had been on the minds of the management team of ONCE and its Foundation for some years, marking the beginning of the unification of both business groups to achieve their foundational goal.

The merger process took place in five phases: brands, functional areas, legal, physical, and technological unification. In the meantime, another process was taking place across the board: the merger of two very different corporate cultures.

In December 2014, ILUNION was launched as the new brand identifying all the companies, replacing what up to then had been 30 different brands (see **Exhibit A1**). The process had not been without its difficulties, involving high costs due to the rebranding of more than 500 workplaces, more than 1,000 vehicles and different work uniforms for most positions. Some companies were leaders in their sector, so major efforts were required to convince their CEOs and agree on the adoption of the single brand. This was one of the main internal barriers. “It involves a sacrifice in the present in order to gain in the future,” explained Alejandro.

In the first quarter of 2015, Alejandro was appointed CEO of both business groups and FUNDOSA changed its name to Grupo ILUNION, S.L. Before the end of the first quarter of 2015, the Group's Shared Services Center was officially established for the Group's Human Resources, Finance, and Purchasing areas. The year ended with the obtaining of the necessary authorizations and with the approval of the merger by the General Meetings of both business groups (CEOSA and Grupo ILUNION, S.L.).

At the end of the following year, in December 2016, the process to relocate all the head offices of the companies to Torre ILUNION began. These new corporate headquarters were located on one of the main access roads to Madrid. Internally, Torre ILUNION represented a significant step toward creating a unified corporate culture and strengthening the sense of belonging to the Group. Externally, it had become a symbol of accessibility and diversity, as the office building with the highest number of employees with disabilities in the world, with over 1,000 employees.