## The Henokiens Case Collection



## Lessons from a 203-year-old family business



## Rania LABAKI



December 2023

**Author:** 

Dr Rania LABAKI

Associate Professor of Finance and Family Business

Director of the EDHEC Family Business Research Centre

EDHEC Business School, France

Email: rania.labaki@edhec.edu

Important note:

© All rights reserved - No part of this publication can be reproduced, stored in a retrieval system, or

transmitted in any form or by any means – electronic, print, photocopy, or otherwise – without permission

of the author or The Henokiens Association.

For any publication or presentation referring to excerpts or findings of this case study, the authors should

cite the following reference:

Labaki R., "Lessons from a 203-year-old family business: Biscottificio Grondona", The Henokiens Case

Collection, Paris, December 2023.

2

#### **Contents**

Introduction: A Family Legacy Imbued with Myths, Secrets, and Realities Spanning Over Two Centuries		
Act 1. Shedding Light on Grondona's Historical Milestones		
1.1 A Lineage of Six Generations of Family Members in Business	7	
1.2 From Origins at the Mill Producing Flour, Pasta, and Bread	12	
1.3 To Diversifying and Specializing in Biscuits	14	
1.4 From Modernization in line with Business Development	16	
1.5 To An Era of Domestic and International Expansion	19	
Act 2. The Grondona Compass from Generation to Generation	23	
2.1 A 3D Philosophy that Stands the Test of Time: The Foundational Values	23	
2.2 A Centre of Gravity Sustaining the Competitive Advantage: The White Gold	27	
2.3 An Expert Selection in the Orbit: The Finest Ingredients	31	
2.4 A Milky Way: The Recipes Inspired by Traditions	33	
Act 3. The Grondona Art of Navigating Paradoxes: Towards a Balancing Act	35	
3.1 Tradition and Innovation	35	
3.2 Internationalization and Attachment to the Roots	50	
3.3 Rational and Emotional Logics	61	
Concluding Remarks: Charting the Future with Consistency	74	
List of Figures	77	
Acknowledgements	79	
Main References	80	

# Introduction: A Family Legacy Imbued with Myths, Secrets, and Realities Spanning Over Two Centuries

Once upon a time, the narrator of the White Gold tale revealed, "Perhaps not everyone knows that in Val Polcevera, Genoese hinterland, there is a precious treasure chest. And to jealously guard it is the Grondona family, six generations of masters in the art of biscuit making and confectionery bakery"<sup>1</sup>. What secret does this treasure chest hold, embodying the competitive advantage of a family business for more than 200 years?

Exploring this enigmatic question led me to a voyage of discovery in time and space, triangulating narratives of multiple stakeholders, archival and historical data, publications from varied sources, and accounts based on field observations and artefacts of Biscottificio Grondona<sup>2</sup>. Opening the Grondona's treasure chest appealed to a journey transcending the senses to which I am inviting you to join. It starts by releasing opera music notes and embellishing the air with gourmet scents, then gradually astonishing our sight with embroidered delicacies, up to turning our leap of faith into a culinary experience at its apogee.

Grondona's experience was labelled as "an incontrovertible truth" by experts coining the neologism "Biscottimi" to designate the excellence of its products (M. Gattiglia, 2020). The experience was described as "a living demonstration" (M. Gattiglia, 2020) of the long-term continuity of "reference products" that are "undoubtedly the most qualified and traditional Italian pastry products" (M. Gobbi, 2020) for 200 consecutive years. In the eyes of Grondona, this experience is the fruit of "a long-term adventure" that is more than just "a successful entrepreneurial reality" (The Henokiens website).

Since 1820, the Grondona family has been perpetuating a legacy of passion, responsibility, and excellence around its Italian specialty biscuits and pastries while skilfully navigating challenging

<sup>&</sup>lt;sup>1</sup> IlGolosario. (2022). "Grondona: the white gold of Val Polcevera and the art of biscuits".

<sup>&</sup>lt;sup>2</sup> All accounts in this case which mention the company « Grondona » or « Biscottificio Grondona » refer to the company legally registered in Italy as « Biscottificio Grondona S.p.a ».

paradoxes - tradition and innovation, internationalization and attachment to roots, rational and emotional logics.

From an artisanal flour mill to a top-quality biscuit factory, the clues of Biscottificio Grondona's early developments can be found in a legendary notebook with a black cover, also labelled as the "Notebook of Good Things", documenting the secret recipes, ingredients, and techniques of Grondona's products. Still today, Andrea Grondona, 6<sup>th</sup> generation member, observes "You cannot name the Grondona Biscottificio without immediately thinking of one of our sweet products which have become iconic over time as the Lagaccio, the real biscuit baked and cooked twice, rough and fragrant, or Canestrelli, which have the rich consistency of simplicity". In the spirit of balancing the old and the new, Orlando Grondona, 5<sup>th</sup> generation member, explains: "For two hundred years we kept alive the knowledge of our parents for the enrichment of our children. Being custodians of a tradition did not give us the excuse to stop being surprised".

Such surprises are shared among stakeholders within and across borders as "the Grondona biscuit factory is a source of pride for the Liguria region and for Italy which it represents with its products throughout the world" (Andrea Grondona, The Henokiens Congress, 2021). Over the years, a number of awards and recognitions further demonstrated Grondona's success story both nationally and internationally. These range from the Award by the Chamber of Commerce of Rome attributed to companies that have made the history of Italy<sup>3</sup>, recognizing Grondona's 150 years of history and Italian excellence, to international nominations and awards such as the SIAL Italian Food Awards and the prestigious Great Taste Awards for traditional and new products<sup>4</sup>. A special postage stamp was also issued by the Italian Post to celebrate the 200-year anniversary of Biscottificio Grondona. The stamp depicts the historical logo representing the iconic "Circle of Life", a symbol of the philosophy that has been directing Grondona's products over the years (Biscottificio Grondona, 2020) (Figure 1).

\_

<sup>&</sup>lt;sup>3</sup> In commemoration of the 150<sup>th</sup> anniversary of the unification of Italy.

<sup>&</sup>lt;sup>4</sup> The Italian Food Awards nominated products were Baci di Dama and Pandolcini Antica Genova® in 2022. The Great Taste awarded products with 1 star were Pandolcini Antica Genova® in 2014 and Ciambellone and Baci di Dama in 2018.

The art of balancing rational and emotional logics has been perpetrated in Grondona's decisions and processes related to the long-lived "white gold" even in the subtle details. According to the ongoing myth, Francesco Grondona, 4<sup>th</sup> generation member, used to nurture the white gold, alias the white mother, 100% natural sourdough, by listening to and singing classical opera music. Until today, passion for opera remains engrained in the family's genes, reinforcing the art of mastering the unique quality of the products.

Figure 1: Commemorative stamp by Poste Italiane of the 200-year anniversary of Grondona, featuring the company's historical symbol of the "Circle of Life"



Source: Picture Courtesy of Biscottificio Grondona

The Grondona "Opera" (alias case study) will unfold in 3 Acts, leading to family business lessons that inspire.

Act 1 will highlight influential milestones in the history of Biscottificio Grondona. Act 2 will offer an analysis of Grondona's enduring philosophy, sustained competitive advantage, and distinctive features in the production process. Act 3 will expose the paradoxical tensions and rationales that Grondona managed to navigate, highlighting the main factors conducive to continuity. The opera will conclude with a glimpse of the main learnings and the strategic insights charting the future of the family business in the hands of the 7<sup>th</sup> generation and beyond.

#### Act 1. Shedding Light on Grondona's Historical Milestones<sup>5</sup>

Biscottificio Grondona is member of *The Henokiens*, an association of bicentenary family businesses characterized by common values, such as respect for product or service quality and human relationships, the know-how transmitted with passion from generation to generation and the continuous questioning of achievements<sup>6</sup>. "Joining The Henokiens is very important as it rewards the loyalty to our values as entrepreneurs", according to Gildo Grondona (LaFrecciaWeb, 2021); Since 1820, the Grondona family managed to thrive along those lines despite diverse crises and increasing market competition, passing on the business to the 6<sup>th</sup> generation. Prior to diving into Grondona's key success and resilience factors, the following overview of the family business milestones allows to reflect chronologically on its early beginnings and achievements to date.

#### 1.1 A Lineage of Six Generations of Family Members in Business

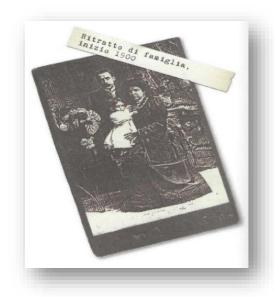


Figure 2: Grondona family portrait in early 1900s

Source: Picture courtesy of Biscottificio Grondona, depicting third generation members Orlando Grondona and Gilda Grondona with their son Francesco.

<sup>&</sup>lt;sup>5</sup> This case is not intended to provide a detailed historical account of Biscottificio Grondona. The sources of the upcoming sections are derived from the company website, 200-year anniversary book, press articles and interviews with various stakeholders. For more information and updates, the reader is invited to revert to the website: https://www.biscottificiogrondona.com/

<sup>&</sup>lt;sup>6</sup>Source: https://www.henokiens.com/

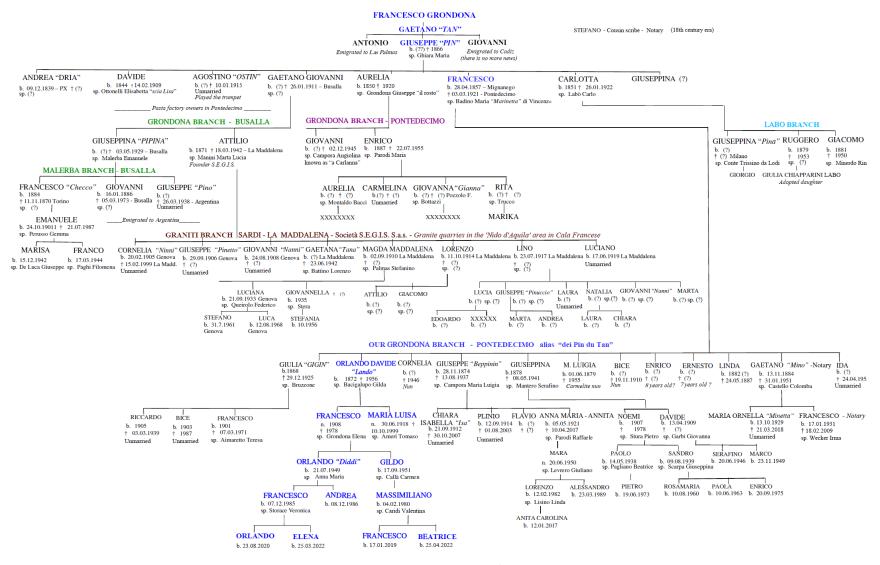
Family businesses are distinctive organizations, in the sense that they operate and develop through the interaction of three main systems: the business, the ownership and the family. Each system is defined by a set of values, norms, emotions, and objectives that can collide to different extents (Labaki et al., 2013). Understanding the evolution of Biscottificio Grondona entails, therefore, the exploration of the family, the ownership, and the business, as they overlap over time.

As illustrated by the family tree (Figure 3), the Grondona family adventure starts with the founder, Giuseppe Grondona, then continues with five generations of owner-managers. Whereas up to the fourth generation, Biscottificio Grondona was solely controlled by a male successor who also took over the leadership, in the fifth and the sixth generations, the ownership, management, and governance were extended to siblings and cousins.

A self-fulfilling prophecy, the name given to a Grondona new-born likely predicts a future role in relation with the family business, as per the intergenerational recurrence of the Francesco's and Orlando's named family members who took over owner-manager positions. Thus, in addition to the family name, the male successors tend to hold the first name of the owner-managers in previous generations. The seventh generation is not exempt of this enduring tradition, with two family members named Francesco and Orlando and a third one named after Elena, member of the fourth generation who was actively involved in the family business. In fact, although not entitled as owners, several female family members played an active role in the family business.

Andrea Grondona, sixth-generation member, recounts the influential role of the wives of the controlling owners. His grandmother, Elena Grondona, was foresighted, perseverant in turning her creative ideas into reality, and genuinely sociable. She launched a Grondona shop serving as a platform to nurturing the relationships with the local customers, which still runs to date. She played a complementary role to her husband Francesco Grondona, in terms of sales support and development, and served as sole administrator of the family business until 2010. Carmen Grondona, the wife of Gildo Grondona and fifth-generation member, was also instrumental through her complementary role as director of production in the family business.

Figure 3: Grondona family tree showing the owners-managers who are descendants of the founder



Source: Grondona Family document completed and translated by the case author/ Note: The names in navy blue represent the family branch of Biscottificio Grondona / Legend: sp. = spouse; b. = date of birth; † = date of death; (?) = unknown or uncertain information.

Figure 4. Portraits of Elena and Francesco Grondona, fourth generation members of Biscottificio Grondona





Source: Picture courtesy of Biscottificio Grondona

Grondona's succession over generations embodies more than the traditional transfer of business ownership. On the one hand, it is tied to the transfer of the know-how, whether engraved in the famous black notebook or developed through field experience and experimentations. On the other hand, it goes hand in hand with the transfer of the family values intended to be continuously infused in the business<sup>7</sup>.

Following in the footsteps of "hard-working Giuseppe"<sup>8</sup>, Grondona's successors were driven by strong family values and an outlook for business growth. Each generation of successors proved to be entrepreneurial in its own way, imprinting its mark on the business by contributing both to the enrichment of the production processes and to the variety of products, therefore to the business expansion.

This multidimensional view of succession guided the succeeding generation towards perpetuating the legacy for generations to come.

<sup>&</sup>lt;sup>7</sup> The reader can refer to Part 2 - section 2.1 to learn about these values.

<sup>8</sup> As described in the webpage: https://www.biscottificiogrondona.com/en/philosophy/

Starting 2019, the sixth generation took gradually the reign of the management while being supported by the fifth generation. Currently, Francesco Grondona, sixth generation member, serves as CEO of Biscottificio Grondona and works along with his brother Andrea Grondona and his cousin Massimiliano Grondona while the fifth generation is mainly involved at the governance level.

The chronology and main contributions of the six generations in business are summarized in the following figure and presented in more detail in the upcoming sections.

Figure 5: Grondona's generations of successors and their main business achievements

1820	Giuseppe Grondona
	Flour and Pasta Production
1850	Francesco Grondona
	Introduction of Bread Production
1920	Orlando Grondona
	Transition to Biscuits Production (Yeast Pastries and Malted Biscuits), Creation of the Iconic "Biscotto della Salute"
1948	Francesco Grondona
	Focus on Leavened Sweet Breads, Biscuits and Pastries, Creation of the "Lagaccio", the "Canestrelli" and the "Pandolce", Development of the Brand Image "Circle of Life", Production Modernization
1972	Orlando and Gildo Grondona
	Pursuit of Modernization, Launch of the Export Activity (1990), Investments in Communication, ISO Certification (2001) and in the Expansion of the Products Range through Innovations (with nominated and awarded products) and through Acquisitions of Duca d'Alba (2005) (Extra Virgin Oil and Sugar Free Products) and Bonifanti (2007) (Traditional Christmas and Easter Cakes), Development of a New chain of Shops (2011) and Coffee Bars fostered by the Acquisition of Bocchia (2013)
2009 – to date	Francesco, Andrea and Massimiliano Grondona
	Pursuit of the Same Philosophy of Innovation and Extension of Products Comprising Sweet and Salty Leavened Breads, Biscuits, and Pastries, Development of Digital Marketing and Communication, Development of the Domestic Market and Internationalization through Exports in 25 countries, Celebration of the 200-year Anniversary.

Source: Biscottificio Grondona Case Author (2023)

#### 1.2 From Origins at the Mill Producing Flour, Pasta, and Bread ...

The Biscottificio Grondona story begins in the early 19<sup>th</sup> century with an artisanal flour mill where peasants brought their own grain to grind and left a part of it in payment to the miller.

Giuseppe Grondona purchased this mill in 1820 and exploited it to create his pasta factory with the surplus flour left over by local farmers, using the nearby stream as a source of energy.

In 1850, Francesco, Giuseppe's son, moved to the Verde torrent, which had always been considered an area that never dries, to develop the activity by producing both pasta and bread.

He continued his father's journey through the art of preserving and growing the "white mother"9.



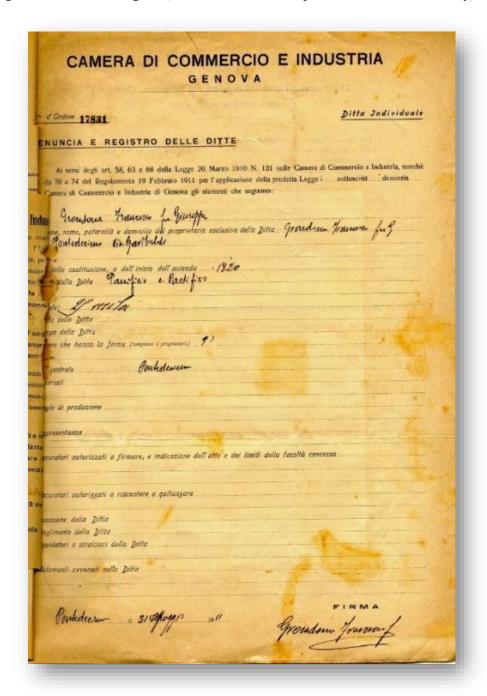
Figure 6: Grondona's factory in the early 20<sup>th</sup> century

Source: Picture courtesy of Biscottificio Grondona

<sup>&</sup>lt;sup>9</sup> More developments are provided in Act 2.

In a document issued by the Genova Chamber of Commerce and Industry, Francesco Grondona records that the company was founded by his father Giuseppe in 1820, officially naming the activity as a "bakery and pasta factory" and entering the register of companies.

Figure 7: Business Register, Genova Chamber of Commerce and Industry, 1820



Source: Picture Courtesy of Biscottificio Grondona

#### 1.3 ... To Diversifying and Specializing in Biscuits

Later celebrated as the "scholar of sourdoughs and malted cookies", Francesco's son, Orlando Grondona was born on February 7, 1872.

Over the years, he collected the historical and original family recipes in a notebook with a black cover in which he reported good, simple, natural, and timeless things. This notebook contains the traditional recipes confided by the local housewives, the secrets, and the observations of the techniques for kneading, cooking, and keeping the natural white sourdough alive. Handed down to the following generations, his records have become since a reference and a source of great knowledge.

ORLANDO GRONCONA

ORLANDO GRONCONA

7 Febbrelo 1872

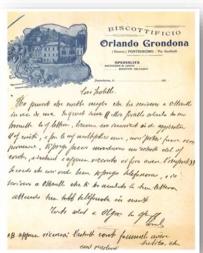
Figure 8: Portrait of Orlando Grondona, third Generation of Biscottificio Grondona

Source: Picture Courtesy of Biscottificio Grondona

Orlando chose to diversify the business by starting the production of various confectionery specialties, including "yeast pastries" and "malted biscuits". He strongly imprinted his mark on the products in terms of both content and form, as his name became an integral part of the company's denomination and branding.

Figure 9: Biscottificio Orlando Grondona, Genovese confectionary specialties: Early branding on products and correspondence stationery





Source: Pictures Courtesy of Biscottificio Grondona

Between the end of the 19<sup>th</sup> and the beginning of the 20<sup>th</sup> century, Orlando Grondona became "the most renowned biscuit maker in the country"<sup>10</sup>.

Among his many contributions, Orlando invented the healthy biscuits "Biscotto della Salute", still produced today as "Corleggeri".



Figure 10: Biscotti della Salute

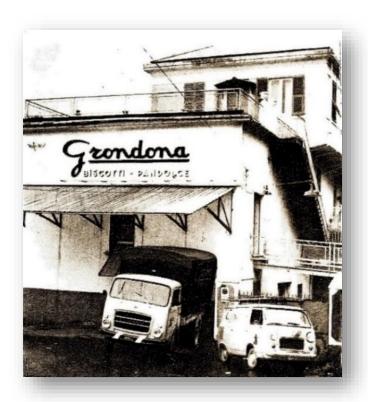
Source: Picture Courtesy of Biscottificio Grondona

<sup>&</sup>lt;sup>10</sup> Sources: <a href="https://www.biscottificiogrondona.com/en/genova-pontedecimo/">https://www.biscottificiogrondona.com/en/genova-pontedecimo/</a> and Biscottificio Grondona (2020, p. 14)

#### 1.4 From Modernization in line with Business Development ...

In 1948, Francesco, Orlando's son, abandoned the manufacture of bread and pasta to increase the production of leavened sweet breads, biscuits, and pastries. He launched the "Lagaccio", the "Canestrelli" and the "Pandolce" and laid the foundations for the company development by modernizing the biscuit factory.

Figure 11: The historic factory in the 1950s, ensuring the products distribution from Ventimiglia to La Spezia



Source: Picture Courtesy of Biscottificio Grondona

The production line in the 1950s and 1960s included the manual packaging that was delegated to the capacity and care of the female workers, as opposed to the preparation and kneading which were handled by male workers (Biscottificio Grondona, 2020, p.18).

Figure 12: The production line of Lagaccio Antica Genova®



Source: Picture Courtesy of Biscottificio Grondona

Francesco maintained close ties not only with the employees but also the local community. He shared his other passion for horses following in the footsteps of his father. As illustrated in the picture near the emblematic *Caffe Marguerita* in Genova Pontedecimo, the locals would go on a ride with him and sometimes help guard the horses while he was in town on tour.

Figure 13: Francesco Grondona in Genova Pontedecimo



Source Picture Courtesy of Biscottificio Grondona

In 1951, the company's development was marked by the creation of an iconic brand through the symbolic image of the "old man and little girl". On August 21, the patent with the designation "From childhood to old age" was registered. The image conveyed the Genoese special quality marked by the value of familiarity, and its ability to accompany us for the entire circle of life.

MINISTERO DELL'INDUSTRIA E DEL COMMERCIO Ufficio Centrale dei Brevetti per Invenzioni, Modelli e March BREVETTO PER MARCHIO D'IMPRESA Anai 90 BREVETTO PER MARCHIO N. 103258 Questo ufficio dà atto che concede il brevetto per il marchio d'impresa di cui appresso, Ufficio di deposito: Data e ora di deposito: 3 novembre 1950, are 10 a 10 ! Titolare e suo domicilio: ELACO PETETCTO CELANDO CECADONA S. A. n Genove-Pontalogico biscotti (classe 37). Colori rivendicati: Il presente brevetto non garantisce l'importanea a l'autorità det marchio, o la bontà o la provenienza dei prodotti, o l'esistenza delle altre condizioni richieste perchè il brevetto sia valido ed efficace. (Annotazioni speciali): 2 1 AGO 1951 IL DIRETTORE Tip. Lecut, Rosss - 2-2200 (c, 2000 - ord. 62)

Figure 14: Patent for the Company Trademark, 21 August 1951.

Source: Picture Courtesy of Biscottificio Grondona

The development of the business continued through leavened sweet breads cookies and pastries with the fifth generation taking over the management in 1972. Orlando became the new director, mainly in charge of finance and commerce, and Gildo the production director supported by his wife, Carmen.

In 1986, a new factory was launched in Campomoron and the old factory was used for the retail sale of the products. At the vanguard, the factory was highly technological while maintaining the original and artisanal production processes unaltered.

#### 1.5 ... To An Era of Domestic and International Expansion

The year 1990 marked a turning point for the development of Biscottificio Grondona through international expansion, namely the export of its products in the large-scale retail trade.

To meet the expansion needs and ambitions, a new warehouse was inaugurated in Genoa-Bolzaneto in 2000 and followed by the certification of ISO DNV in 2001. Grondona served the best chains and regional shops in the area, especially in Northern Italy, such as premium supermarkets and gourmet shops.

In the same line, significant investments were made in 2003 to promote the brand, specifically in communication and advertising campaigns on TV, in newspapers and local magazines.

The production was further expanded through diversification made with a series of acquisitions of other historic Italian brands.

Duca d'Alba's acquition in 2005 allowed to extend the products line to those based on virgin olive oil and sugar free while Bonifanti Srl acquisition in 2007 contributed to extend the products to the Panettone (traditional Christmas cake) and the Colomba Pasquale (traditional Easter cake). Following these developments, a new chain of shops or bakeries was inaugurated in Piedmont in 2011.

This success culminated on June 8, 2011 with the recognition of Biscottificio Grondona by the Chamber of Commerce of Rome as a business presenting the Italian excellence for over 150 years without ever changing ownership.

Figure 15: Gildo Grondona receiving a special award from the Chamber of Commerce of Rome



Source: Picture Courtesy of Biscottificio Grondona

The company's continued expansion was also marked by the the new generation gradually joining the business, with Andrea and Francesco, the two sons of Orlando Grondona, and Massimiliano, the son of Gildo Grondona.

In 2013, Grondona acquired the bar-cafeteria Bocchia and relaunched its line of products. Following this move, the company acquired an excellence in coffee roasting in Genova and coffee bars where Grondona's cookies were also commercialized.

In 2020, the continuous expansion led to doubling the space of the factory to reach 8000 m<sup>2</sup>, with new technologies and automatic warehouse solutions.

Marking the milestone of its 200-year anniversary, the company published in 2020 a book entitled "Our first 200 year-anniversary of Biscottificio Grondona".

The book features multi-voice stories, testimonies, and tales from the family and various experts, such as the writer Guido Bosticco, the oenologist Luigi Odello, the food technologist Mauro Gobbi, the entrepreneur Maurizio Gattiglia, the communication designer Valeria Bucchetti, and the professor of microbiology Massimo Vincenzini.

The publication coincided with the launch of a national commemorative stamp by the Italian Post<sup>11</sup> and of a special pastries box for the occasion.

Figure 16: Book cover, commemorative national stamp, and pastries box released for the 200year anniversary of Biscottificio Grondona



Source: Pictures Courtesy of Biscottificio Grondona

Today, the sixth generation is actively involved in the business management, leading the developments on the domestic market and the exports in over 25 countries around the world. The fifth generation remains on the board, with Gildo Grondona as President of the company.

<sup>&</sup>lt;sup>11</sup> The commemorative ceremony in the presence of the authorities of Genoa, the mayor Mr Marco Bucci and the assessor Mrs Paola Bordilli, with the Grondona active family members can be watched via the following link: https://www.facebook.com/grondonaspa/videos/2971383992961507/

Figure 17. Portraits of Gildo and Orlando Grondona, fifth generation of Biscottificio Grondona





Source: Pictures Courtesy of Biscottificio Grondona

While these milestones offer a revealing account of Grondona's rich history, the next sections will decipher Grondona's enduring philosophy, sustained competitive advantage and other distinctive features, as well as its processes of paradoxes management to ensure continued success.

.

#### Act 2. The Grondona Compass from Generation to Generation

From distant past to modern times, Biscottificio Grondona was guided by an enduring philosophy supporting its successful strategic expansion along with its sustainable competitive advantage embodied by the "white gold".

#### 2.1 A 3D Philosophy that Stands the Test of Time: The Foundational Values

The Grondona's family philosophy inspires the fulfilment of its vision as a family business for generations to come, through family and business decisions. As explained in the opening of "i nostri primi 200 anni" (2020, p.3), "The old man and the little girl express the cycle of life, "from infancy to old age"<sup>12</sup>, and for years they have been a symbol of the philosophy that directs our products. This is the reason why this symbol was chosen to consecrate the company's bicentenary".

Figure 18: The Circle of Life, From Infancy to Old Age, as the bicentenary symbol of Biscottificio Grondona's philosophy



Source: Picture Courtesy of Biscottificio Grondona

-

<sup>&</sup>lt;sup>12</sup> Translation of the italian words "dall'infanzia alla vecchiaia".

The in-depth analysis of the family business over six generations leads to the identification of three important axes that reflect its philosophy: *the journey, the excellence, and the culture*. Each axis is based on a set of unshakable values of the family in business, which are echoed in the interactions with the stakeholders, who tend to adopt them or hold on to them in return.

The following figure is a representation of Grondona's three dimensional or 3D value-based philosophy model.

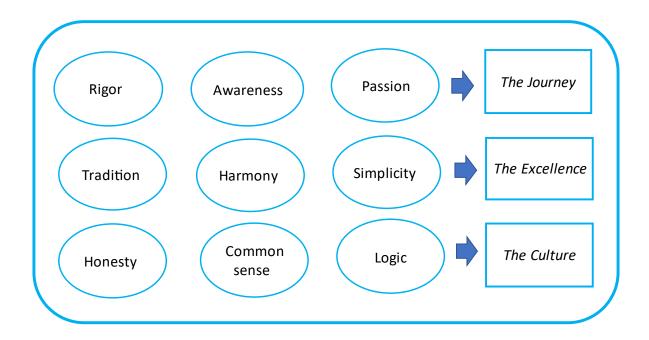


Figure 19: Core Values of Biscottificio Grondona's 3D Philosophy

Source: Biscottificio Grondona Case Author (2023)

"The Grondona's journey was made with *rigor, awareness*, and *passion*" <sup>13</sup>. These values were largely inspired by the family roots in Ligurian terrain, "a region known for its roughness, openness, rigor, and poetry" <sup>14</sup>. They have rocked the members of the family since childhood and were transferred from generation to generation. The experiences of the family members recounting their journey in the family business provide a salient demonstration of that process.

<sup>&</sup>lt;sup>13</sup> https://www.biscottificiogrondona.com/

<sup>&</sup>lt;sup>14</sup> https://www.biscottificiogrondona.com/

Andrea Grondona, 6<sup>th</sup> generation member, observes, "We were born in the dough" while Gildo Grondona, 5<sup>th</sup> generation member, adds, "Grondona [the family business] is in the DNA (...). He further recalls, "Since I was a child, a 10-year-old boy, I used to see my father making natural small dough over the weekends". Andrea also remembers, "I used to go to the production area in the summertime and observe each part of the production." Suggesting that "it is key to involve the next generation since the beginning", he points out the important role the family plays in increasing the awareness of the next generation, leading the way by example.

The emotional connotations, with passion at its peak, drive the family members in different stages of their life cycle.

Andrea not only expresses pride about the company's achievements but takes responsibility in pursuing the journey of the family business which he joined it in 2012, while illustrating with these words, "I am very proud to refill the luck". This pride is both expressed towards the past achievements and the next generation achievements. Gildo recalls seeing his father Francesco Grondona, 4<sup>th</sup> generation member, crying upon the inauguration of a new plant with an automatic line by the 5<sup>th</sup> generation. He observes, "my father was proud as he could not imagine such development to happen", while alluding to the initial scepticism his father had around the risk of losing the family DNA by engaging in this direction. This critical moment shows the fine boundaries between artisanal production and technology that the family managed to master. Gildo further insists, "we managed to keep doing the artisanal products with the same philosophy".

A philosophy connected to the products' excellence that builds on three key values: *tradition, harmony, and simplicity*<sup>15</sup>. "The things we do define us", according to Orlando Grondona (2020, p. 9), referring to "the excellence of the products which speak for themselves" as he borrows the reflection of Gianfranco Soldera<sup>16</sup>.

The excellence characterizing Biscottificio Grondona's products was consistent over the generations. As Andrea Grondona observes, during an interview with The Henokiens (2021), this

-

<sup>15</sup> https://www.biscottificiogrondona.com/en/philosophy/

<sup>&</sup>lt;sup>16</sup> "You don't need many words to describe an excellent product, because it speaks for itself".

consistency explains the longevity of the company and is reflected by a mix of essential values for the family, connected to the territory, the tradition, and the identity<sup>17</sup>.

The tradition refers to family members successively passing on their wisdom and craftsmanship to the next generation of visionaries.

The harmony between men and nature connects to the art of cultivating with respect the natural mother sourdough called "Madre Bianca" which is still used to this day.

The simplicity is about achieving maximum richness in taste and quality with a minimum of ingredients.

The third dimension of Grondona's philosophy is about culture. In three words - honesty, common sense, and logic - Orlando Grondona (2020, p. 9) conveys the key values that his grandfather and father handed down, above all by example, and which he believes most of the Biscottificio Grondona's collaborators share and represent.

This philosophy has stood the test of time, as a red thread of the family business continuity to date. The perspective on continuity bears however a distinctive perspective in terms of long-term view and performance, which is likely different from other companies in the same industry. While growth has been an integral part of strategy, the profit maximization objective that other competitors tend to seek is not the utmost focus of Grondona. Family businesses are known for the pursuit of financial and socio-emotional wealth objectives (Berrone et al., 2012). Grondona seems to exemplify these scholarly assertions.

As Orlando Grondona puts it in the preface of the 200-year anniversary book, "We have done a lot together, following a simple precept: produce in the best way you can, drawing on the knowledge you have at your disposal. Maybe it's not the formula for getting rich; but it certainly allows you to survive with dignity and satisfaction, outside the fashions and trends of the moment."

26

<sup>&</sup>lt;sup>17</sup> https://www.henokiens.com/content.php?id=21&id\_portrait=67&lg=en

<sup>&</sup>lt;sup>18</sup> The reader is invited to read section 2.2 for more details.

#### 2.2 A Centre of Gravity Sustaining the Competitive Advantage: The White Gold

"We have great taste in our blood".19

Looking back at the "White Gold" tale leads us to take a closer look at the secret that six generations, defining themselves as "the guardians of tradition", have been keeping in the treasure chest. Their objective was to ensure the great taste is transferred not only within the family but also to generations of consumers of Grondona's products.

Along with a note of humour, the family maintains on the company's website, "Grondona's best-kept secret is not our self-control that keeps us from devouring the entire stock of our own produce, but the use of mother yeast (or sourdough) to make our delicacies". The Grondona's mother yeast is also referred to as the "white mother", which conveys the "white" colour to "the gold" metaphor of the tale, and in turn alludes to its precious value. Transposing this metaphor to management studies invites us to reflect on the mother sourdough as a competitive advantage that was sustained over time by the Grondona's successive generations. From a strategic perspective, Grondona's mother sourdough holds all the properties of a sustained competitive advantage, as defined by researchers: a valuable, rare, and imperfectly imitable resource, with no strategically equivalent substitutes (Barney, 1991).

In fact, the family claims, "it is the stubbornness in the use of the mother yeast that gives our cookies their great taste". For nearly two centuries, the Grondona's have kept their sourdough "alive" through daily refreshment, without the addition of other foreign yeast. The sourdough used by Grondona consists of a mixture of flour and water, fermented by two species of yeast and one of lactic acid bacteria. Each morning, it is collected and treated with a (now rare) technique that was passed from generation to generation, emphasizing the scarcity property of the sourdough. This is in contrast with the bakery yeast, which is predominantly used by competitors, and, unlike sourdough, is a preparation consisting of cells of Saccharomyces

\_

<sup>19</sup> https://www.biscottificiogrondona.com/en/

cerevisiae without bacteria. While Grondona's sourdough is regularly monitored, its properties are since recently also analysed in collaboration with universities.

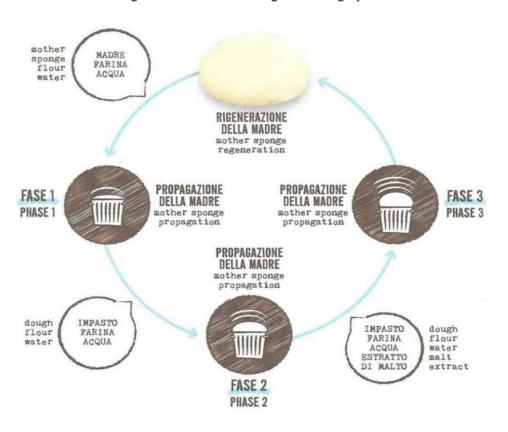


Figure 20: The sourdough working cycle

Source: Picture Courtesy of Biscottificio Grondona

Moreover, Grondona's sourdough is strongly connected to the Ligurian territory. Changes in the environment would change its properties, therefore altering its subsequent taste, conveying the *imperfectly imitable* nature of this *resource and excluding the possibility of a strategically equivalent substitute*.

Day by day, the mother yeast has been refreshed every 6 to 8 hours for more than two centuries, without ever adding the baker's yeast to speed up the process and reduce the production costs. It takes up to 52 hours of processing to give Grondona's products their unique taste. As such, it provides an unmatched airy, light texture and a rich and full flavour to the products and makes them easy to digest due to its organoleptic features.

According to research conducted by the University of Florence, the incorporation of the sourdough in the products leads to positive effects on the quality, taste, and shelf life of the product.

MAGGIORE BIODISPONIBILITÀ DI INCREASED BIOAVAILABILITY COMPOSTI BIOLOGICAMENTE ATTIVI OF BIOACTIVE COMPOUNDS Sourdough fermentation improves the level of compounds La fermentazione con lievito madre determina un incremento di composti ad attività antiossidante e anti-ipertensiva. with anti-oxidant and anti-ipertensive activities MAGGIORE CONSERVABILITÀ INCREASED SHELF-LIFE lte presso l'Università di Bari MAGGIORE BIODISPONIBILITÀ DI SALI MINERALI INCREASED MINERAL BIOAVAILABILITY I fermenti lattici del lievito madre producono Sourdough lactic acid bacteria produce lactic acid acido lattico e altre sostanze come l'acido fenil Hattico, un anti-muffa naturale. I fermenti lattici del lievito madre agiscono sui fitati Sourdough lactic acid bacteria take action insolubili delle farine liberando sali minerali che in tal on insoluble phytates improving mineral modo diventano assimilabili. assimilability LIEVITO MADRE MAGGIORE DIGERIBILITÀ INCREASED DIGESTIBILITY l'Università di Alberta, Canada Alberta, Canada RIDUZIONE DELL'INDICE GLICEMICO LOWERING GLYCEAMIC INDEX I fermenti lattici del lievito madre svolgono Sourdough lactic acid bacteria carry out are rche svolte presso l'Università di Bari Studies carried out by the Uni un'azione idrolitica a carico dei peptidi della hydrolytic activity on flour peptides, liberating e l'Università di Parma of Bari and University of Parma
Il consumo di pane ottenuto con lievito madre Sourdough bread consumption decreases farina, liberando amminoacidi semplici. free amino-acids. determina minori livelli di glicemia e postprandial glyceamic and insulineamic di insulinemia postprandiali. responses. MAGGIORE COMPLESSITÀ ORGANOLETTICA INCREASED ORGANOLEPTIC COMPLEXITY RIFOULLIRRIO DEL MICRORIOTA INTESTINALE RALANCE DE GUT MICRORIOTA La biodiversità microbica del lievito madre produce una Sourdough microbial biodiversity leads to an I fermenti lattici del lievito madre producono sostanze ad attività prebiotica, benefiche al microbiota intestinale. più diversificata quantità di metaboliti e determina improve nent of quality and quantity of metabolites, migliori caratteristiche sensoriali. improving sensory properties. Ecco perchè utilizziamo esclusivamente lievito madre L'identità del lievito madre Grondona e Bonifanti è oggetto di monitoraggio costante da parte dell'Università di Firenze That's why we only use sourdough The identity of the Bonifanti and Grondona sourdoughs is subject to costant monitoring by the University of Florance

Figure 21: The beneficial properties of the sourdough

Source: Picture Courtesy of Biscottificio Grondona

Such beneficial effects are also recognized and appreciated by consumers who choose to buy Grondona's products rather than the competitors' products.

The Grondona biscuit factory has joined the Certified Italian Excellence Institute to guarantee the excellence of the products and has joined the "Narratori del Gusto" to be able to narrate it. This was a long path through which the company engaged in the establishment of a group of sensory judges, to give objective control to production and a sensorial profile generator for each product: a new contract with its customers built on a scientific basis. But the company did not just stop

here: it surveyed its consumers with hundreds of tests to confirm that the profile created was as expected (Odello, 2020).

According to a random customer I met with in Genova, "the Grondona's "lagaccio" is the best one. Together with my mother, we did a comparative tasting and study of the ingredients of different brands. It is by far the best one. It is healthy especially for people who do sports. It does not contain any chemicals but uses natural mother yeast. The price is also good".

Figure 22: Illustration of the production process of the Lagaccio Antica Genova® specialty



Source: Illustrations compilation based on Biscottificio Grondona Facebook posts

As a final touch of her testimonial, the customer adds, "Grondona's products make an excellent Christmas gift as they make people feel happy. When I have hosts for dinner who bring me Grondona products, this makes me realize that the night is going to be good".

200 Figure Contract C

Figure 23: Illustrations of Grondona's gift packages

Source: Biscottificio Grondona's Christmas Catalogue (2022)

#### 2.3 An Expert Selection in the Orbit: The Finest Ingredients

With the mother yeast as the centre of gravity of its production, Grondona dedicates a special care, based on long-standing expertise, to the selection of the ingredients of the traditional Italian cookies. In addition to the mother yeast, what makes Grondona's products unique lies in these ingredients.

Grondona never compromises on using the finest ingredients available on the market even if they are more expensive. "Quality is a family value which is fundamental to reach without compromise". Emphasized and reiterated multiple times in the interviews with the family members, this statement is enacted in two ways.

First, the family engages in the continuous search for the best raw materials where they grow, not the cheapest, and constantly checking them to guarantee their origin. For this reason, a system of traceability has been developed for the entire production chain.

Second, the family constantly uses natural ingredients, excluding genetically modified ingredients, preservatives, colourings, emulsifiers, and artificial flavourings.

A selection of the main ingredients' motives of selection and characteristics is presented herein<sup>20</sup>.

- Butter and Oil: Grondona still follows the ancestors' recipes by only using the butter obtained from fresh cream without lactose and the cold-pressed Italian extra virgin olive oil, in line with the authentic Italian tradition and without adding other oils.
- *Manitoba Flour:* The Manitoba flour is selected to facilitate the long leavening. It has a more complete taste than other types of flour and is rich in proteins compared to regular flour, making it ideal for strengthening the sourdough starter.
- Fresh Eggs: Grondona only uses Italian eggs from farms with free-range hens.
- *Italian Nuts:* The nuts make up the core of Grondona Italian fine pastries. Hazelnuts are not bought as powder but as originally refined whole nuts from Piedmont, then carefully

<sup>&</sup>lt;sup>20</sup> The descriptions are based on the interviews as well as Biscottificio Grondona's website, brochures, catalogues, and 200-year anniversary book.

peeled and roasted for maximum taste on Grondona's premises. Pine nuts are sourced from Italy, the extra "Pisa type", long and thin, more expensive but tastier, in line with the uncompromising search for quality.

- Sultana Raisins: Grondona's raisins come from the best grapes in Izmir, where they are hand checked and selected.
- Orange and Citron Peels: The peels are used whole, not pressed, with all the essential oils.
- *Madagascar Vanilla*: Grondona uses only the real vanilla beans, selected and pure from Madagascar, without the addition of any flavourings.
- Candied Fruit: Considered as natural and healthy, the candied fruit of pears, apples, peaches, orange peels, and pineapple are selected for the quality perceived through all the senses: the colour, the perfume, and the intense flavour.

To illustrate, flour, top quality butter, sugar, fresh eggs, arabica coffee, milk, honey, Madagascar vanilla pods and a pinch of salt, make up the ingredients of "Biscottoni Cappuccino", one of Grondona's specialties which belongs to family recipes.

Figure 24: Illustration of Grondona's products ingredients: The Biscottoni Cappuccino



Source: Illustration compilation based on Biscottificio Grondona Facebook posts

In the expert eyes of the food technologist Mauro Gobbi (2020), as much as mine, the visit of Grondona's factory is intriguing as it reserves a few other surprises. These include the lemon juice freshly squeezed daily on site, next to the pastry production line, intended for the pastry doughs, thus replacing the natural flavours usually used in bakery companies.

From the inside out, the Grondona's quality process is also reflected in limiting the actual shelf life of one year and a half to merely 8 months to guarantee the perfect taste and crispness of the products for the consumer. As Orlando Grondona observes, "together with our production family – managers, employees, and workers – we eat our products every day. A path that continues, without losing the wonder of the beginning" (LaFrecciaWeb, 2020).

Still, the recipe for success of this bundle of characteristics revolving around the ingredients lies in the recipe of Grondona's products since they are inspired by tradition.

#### 2.4 A Milky Way: The Recipes Inspired by Traditions

Grondona's talent of selection extends from the ingredients to the recipes: only regional recipes, traditional specialties, that go along with natural pastry production. The recipes coming from traditions are handed down from the great grandparents' generation to the current generation since 1820 and have "the taste and scent of the Ligurian land" (LaFrecciaWeb, 2021).

Pandotte
Antita Genova

Canstratt
Hintor Genova

Jordona

Figure 25: Traditional Grondona products with the historical packaging

Source: Pictures compilation from Biscottificio Grondona social media and website

"Pandolce Antica Genova®", "Canestrelli Antica Genova®", "Biscotto della Salute" and "Lagaccio Antica Genova®" are some of the exemplary products of Grondona that stood the test of time, as they are still produced today with the same traditional recipes. Their historical packaging featured in the previous figure brings us back in time up to the 1940s<sup>21</sup>.

Beyond the packaging, Grondona's iconic products have also a story to tell.

The "Gallette 1803" is one example of an ancient recipe dating back to 1803, when Mr Edward, a whimsical pastry chef in London, enriched the sailors' biscuits transforming them into sweet biscuits. With the love for traditions, Grondona reinterpreted it, putting all its passion and experience, to the benefit of sailors in the Genovese port region. This is how a simple but rich and full of taste biscuit is born, according to Biscottificio Grondona.



Figure 26: The iconic product of "Gallette 1803"

Source: Picture Courtesy of Biscottificio Grondona

Recipes represent the fundamentals of the art of pastry making. They are followed with great attention to detail. Based on these processes, Grondona has developed and extended its product range by combining traditional ingredients with its expert sense of taste<sup>22</sup>.

<sup>&</sup>lt;sup>21</sup> Featured by order from left to right: Pandolce Antica Genova® (1980), Canestrelli Antica Genova® (1965), Biscotto della Salute (1951 and 1946), Canestrelli Antica Genova® (date unknown), and Lagaccio Antica Genova® (1962).

<sup>&</sup>lt;sup>22</sup>More details about the extended range of products that are respectful of tradition as well as about the change in packaging building on the traditional branding features are provided in Section « 3.1 Tradition and Innovation ».

## Act 3. The Grondona Art of Navigating Paradoxes: Towards a Balancing Act

As a long-lasting family business, Biscottificio Grondona was and still is exposed to significant challenges at the intersection of the family, the business, the ownership, and the wider environment. What are the paradoxical tensions and rationales that stand out? How did Grondona manage to successfully navigate through them? I now invite you to a deep dive into the underlying factors balancing Grondona's tradition and innovation, internationalization and attachment to the roots, emotional and rational logics.

#### 3.1 Tradition and Innovation

To the eternal question for the next generation, "are you an agent of change or a continuator of family tradition?", one answer remains motionless. Tradition and innovation at Grondona have been two sides of the same coin for more than 200 years. Since the early beginnings, family members were pioneers in the exploration of the infinite possibilities that the White Mother and the quality ingredients can offer.

On the one hand, the stubbornness and the honesty are still found today in the recipes of confectionery and biscuits of Ancient Genova (labelled as "Antica Genova®") which have been kept intact<sup>23</sup>. On the other hand, the succeeding generations relentlessly kept on exploring the various uses and purposes of flour and yeast and exploiting new opportunities for expanding their products lines.

"The continuous search for the finest raw materials in world markets" (Andrea Grondona, 2021) may come, however at a price, as heightened competition and uncertainties rage. Recent wartimes and economic instabilities led to soaring costs of raw materials, therefore to more temptation for producers to sacrifice the quality of ingredients. Grondona's building blocks (identified in Act 2 of the case) remained unshakable though. Orlando Grondona insists that

-

<sup>&</sup>lt;sup>23</sup> https://www.biscottificiogrondona.com/en/

"coherence is very important at Grondona, no matter the circumstances". He adds that "maintaining the same line of thought requires courage. Finding partners who understand such fights for quality products certainly help".

Considering the socio-economic, digitalization, and environmental challenges, innovation at Grondona was played out at different levels in a balancing act with tradition: *the products (variety and composition)*, the production process, the packaging, and the marketing and communication.

First, on the *products*' level, Grondona was continuously in search of new and quality tastes that express the soul of its traditional know-how while infusing them with the family values. As such, the succeeding generations developed and extended the product range by combining traditional ingredients with their own sense of taste<sup>24</sup>. A taste which has received awards and nominations, attesting the success of the Grondona "recipe" of innovation through tradition.

Figure 27. Grondona's award-winning Great Taste product: "Ciambellone", a typical dessert for community celebrations, banquets; and family lunches.



Source: Biscottificio Grondona Christmas Catalogue (2022) and Website

Among these products stand the "Ciambellone" which received an award-winning star by the Great Taste in 2018. Grondona still uses a manual process to make this product, respecting the tradition of Italian pastry. This dessert is made soft by traditional natural leavening, with natural

36

<sup>&</sup>lt;sup>24</sup> https://www.biscottificiogrondona.com/en/philosophy/origin-of-grondona/

yeasts obtained from the sourdough refreshed daily. Following a traditional recipe, the selected and genuine ingredients are carefully processed – 100% brown sugar, raisins, orange blossom water, vanilla pods and real candied orange peel – to make the flavour unique<sup>25</sup>.

The "Baci di Dama" is another Grondona's product, originally sought of as an Italian traditional pastry of Northern Italy meaning "Lady's kisses". According to the legend, it was born from the fantasy of a cook of the Savoy family in the autumn of 1852, after Vittorio Emanuele II asked him to develop a new sweet, which was then served on the royal tables of Italy. As the legend continues to unfold, home-made Baci di Dama reappeared at the kitchen table of Elena Grondona then made it successfully to the first small Grondona shop.

Grondona revisited the main Baci di Dama recipe in its own way, using the finest natural ingredients, Piemontese Hazelnuts and the purest fondant chocolate among others. The special secrets of production have conveyed to Grondona's Baci di Dama a recognition that extends the Italian royalties with the Great Taste Award in 2018.

Figure 28. Grondona's award-winning and nominated products: Baci di Dama and Pandolcini
Antica Genova®







Source: Picture on the left featuring the Baci di Dama product which received the Great Taste Award (2018) as courtesy by Biscottificio Grondona, and pictures on the right featuring two nominated products (including Baci di Dama) by the Case Author at the SIAL exhibition in Paris (2022)

<sup>&</sup>lt;sup>25</sup> https://www.biscottificiogrondona.com/it/prodotto/ciambellone-2500g/

The Lunette is another example of an innovative Grondona product launched in Italy in 1975, inspired by the first voyage of Orlando Grondona, fifth generation member, to the United States. Reinterpreting the American chocolate chip cookies in the Italian style, Grondona introduced a hint of coconut with pure chocolate, creating an unusual encounter between the authentic Ligurian tradition and the fresh flavours of exotic places.

Through the Lunettes, Grondona extended Orlando's experience by embarking customers on a voyage of delicacy beyond the boundaries of time and age.

Figure 29. Lunette, the chocolate cookie by Grondona linking discovery with taste



Source: Picture Courtesy of Biscottificio Grondona

Innovating with tradition can also be the fruit of collaboration with external partners. On Christmas 2022, Biscottifico Grondona engaged in an unprecedented partnership in the Ligurian region with Amaro-Camatti, the Ligurians' most beloved and the world's best bitte.

Blending two products issued from the Genoese tradition, sweet and bitter, gave birth to the Camatti-style pandolce, an innovative product with an inimitable taste celebrating Liguria with a recipe that encapsulates its typical flavours, combined with the unmistakable fragrance of an infusion made from herbs, flowers and roots.

In this new version, the candied fruit, raisins from Smyrna, and pine nuts characteristic of pandolce recall the history of Genoese seafarers and are combined with the secret recipe for the bitter "useful on sea voyages" <sup>26</sup>.

Figure 30. Amaro-Camatti Pandolce Genovese, a product of collaboration between Amaro-Camatti and Biscottificio Grondona



Source: Picture from Biscottificio Grondona Facebook Post

Second, at the *production process* level, Biscottificio Grondona made the choice of technology at the service of tradition. It has managed to "combine family traditions with refined industrial technology without losing history and deeper meaning"<sup>27</sup>.

As Orlando Grondona puts it, digital transformation is not synonymous with distortion or alteration, but adaptation to a new story, without ever losing track of one's identity (Zanon, 2020).

<sup>&</sup>lt;sup>26</sup> https://www.amarocamatti.it/en/camatti-and-grondona-bitter-pandolce-for-christmas-2022/

<sup>&</sup>lt;sup>27</sup> https://www.biscottificiogrondona.com/en/philosophy/origin-of-grondona/

Figure 31. Technology at the service of tradition: From the early use of automation to date





Source: Picture on the left by Author of the Case (2023) featuring an ancient machinery displayed at the premises of Biscottificio Grondona and picture on the rights as courtesy of Biscottificio Grondona featuring current automatization processes at the factory

Gildo Grondona explains, "we are guided by our ethics and DNA. Rather than moving from artisanal products to industrial products, we chose to use automation of the production process while maintaining the same philosophy".

Orlando Grondona recalls how his father has always believed in innovation while looking to invest in machinery that fits the production and not the other way round so as not to distort the final product. He adds, "the product's ingredients and quality never change; the new machines are there just to support the production" (Zanon, 2020). "A robot moves boxes regardless of their contents, and yet what matters is what's inside" (LaFrecciaWeb, 2020).

Orlando further acknowledges that the Grondona family managed to win a difficult bet: combining family management, where the owners get their hands dirty with flour, refined industrial technologies, and artisan care in processing the production, along with significant presence in terms of distribution (Zanon, 2020).

The result is that Grondona makes the same quality products, with methods in step with the times. As the headline of an article dedicated to Biscottificio Grondona suggests, "tradition and technology united to recreate the flavours of the past" (Il secolo xix, 2014).

According to the food technologist Mauro Gobbi (2020), technology also extends to the packaging of Grondona's products.

Third, Grondona's innovation operates at *the packaging* level, whether in terms of technology processing, design, and composition in line with the changing environment.

Gobbi (2020) stresses the ability of Grondona to maintain the high quality and tradition of the products by trying to reduce costs not in the raw materials or in the production processes, because this could compromise the quality, but by mechanising the manual operations of packaging.

As for the packaging design, Grondona was a first in the pastry industry to use blue in its packaging. Gildo and Orlando Grondona made a breakthrough with their visionary outlook which was well-received by customers at a time when experts recommended yellow packaging like most of the pastry products at the time. With a sense of humour, Andrea Grondona recalls some foreign customers asking for "Tiffany's cookies" in reference to Grondona's cookies. This alludes to the blue-coloured packaging that Grondona adopted coupled with the clients' perception of Grondona's high quality products abroad as part of luxury.

In 2023, Grondona decided to change its packaging look to address the increasing environmental challenges. Francesco Grondona, sixth generation member and current CEO, explains, "we made a move beyond recyclable packaging and reduced the packaging material by 30%."

Grondona engages in making the products better for the environment without losing sight of their traditional quality.

As put forth in the social media communication, "sustainability and tradition meet!" with this move being "a first step towards a greener future!" 28.

٦

<sup>&</sup>lt;sup>28</sup> These citations are attributed respectively to Biscottificio Grondona's LinkedIn post in March 2023 and Facebook post dated June 1, 2023.

Figure 32. New packaging of Biscottificio Grondona's products towards a greener future



Source: Biscottificio Grondona Facebook post<sup>29</sup>

Fourth, the innovation extends to the *marketing and communication* level while being nested in the Grondona story that continues today as yesterday.

Figure 33. Historical graphic features of Grondona's products presentation



Source: Picture Courtesy of Biscottificio Grondona

42

<sup>&</sup>lt;sup>29</sup> The translation reads: "Reducing the package, not the product!"

Figure 34. New Grondona's products presentations inspired by historical graphic features



Source: Pictures compilation from Biscottificio Grondona Catalogue (2023) and social media

Some distinctive graphic features that were unique in the past have been updated recently so that the brand keeps up with the communication requirements of a company in the modern times, as seen in the previous two figures.

The type of packaging in the past inspires the present. An interesting illustration is Grondona's rounded gift boxes (the old version on the top of the next figure) proposed with two options, either filled with Genovese pastries or with the Lagaccio Antica Genova® (the two consecutive versions follow the old one).

Figure 35. The old inspiring the new Grondona's gift boxes



Source: Pictures compilation from Biscottificio Grondona social media (first picture in order) and Catalogue (2022; 2023) (second and third pictures)

Moreover, albeit some initial resistance, the fifth and sixth generations decided to consolidate the presence of Biscottificio Grondona on the web through online communication along with online sales. The new website was recently completely renovated with versions available in Italian, French and English. The online shop also became operational, allowing delivery of orders all around the word. According to the latest records, the website is visited by over 40,000 users per year, indicating the expansion of the pool of customers of the brand nationally and abroad.

Grondona also remains in step with the times, using the most important online Social Networks, such as Instagram (nearly 3K followers), Facebook (nearly 9K followers) and LinkedIn (nearly 2.5K followers), with regular posts and interactions with the followers.

The marketing and communication along these channels range from the products announcements, to sharing historical insights and recent achievements, promoting causes supported by Grondona, and celebrating different occasions with the customers.

Figure 36. Illustrations of social media posts promoting Grondona's products: from making announcements to sharing insights and tips

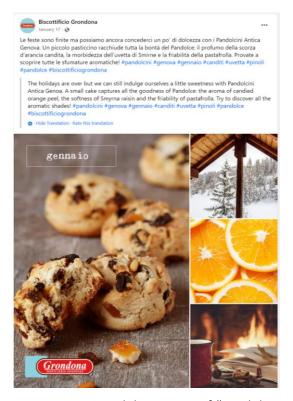


Annoucing the arrival "La Colomba" product



Degustation suggestion and description of of the "Moretti" product

Figure 36. Illustrations of social media posts promoting Grondona's products: from making announcements to sharing insights and tips (continued)



Suggestion and description of "Pandolcini Antica Genoa" for the month of January Biscottificio Grondona
November 17, 2022 - Q

Ecco alcuni passaggi della produzione dei nostri Canestrelli Antica Genova, preparati secondo
l'antica ricetta di famiglia. Materie prime di grande qualità, per noi una scelta irrinunciabile. Per
arricchire di profumi la nostra pastafrolla utilizzamo solo il succo di limone spremuto al momento
e le basche di vaniglia del Madagascar, non aromi ma veri e propri ingredienti naturali, così come
il burro, ottenuto per centrifugazione da panna fresca. #canestrelli #genova #produzione
#ingredienti

Here are some stages of the production of our Antica Genoa Canestrelli, prepared according to
the old family recipe. High quality raw materials, an indispensable choice for us. To enrich our
pastafrolla with fragnances we use only currently squezed lemon juice and vanilla berries from
Madagascar, not aromas but real and their natural ingredients, as well as butter, obtained by
centrifugation from fresh cream. #canestrelli #genoa #production #ingredients.

Q - Hide Translation- Rate this translation

IN FABBRICA CON NOI

IN FABBRICA

The production process of "Canastrelli Antica Genova" in pictures

Figure 37. Illustrations of social media posts in celebration of various occasions



Celebrating Mother's Day



Celebrating the 2020 New Year

Figure 37: Illustrations of social media posts in celebration of various occasions (continued)



Celebrating Mid-august



Celebrating star constellations



Celebrating the Summer Holidays



Celebrating Valentine's Day

Figure 38. Illustrations of social media posts sharing about Grondona's events and activities



# Whoopi Goldberg visiting Grondona's booth at the Summer Fancy Food in NY



Grondona's Golf Cup 2019



# Information to visit Grondona's booth at Tutto Food Exhbition Milano



20<sup>th</sup> edition of Grondona Cup

Grondona continues investing in advertising and brand promotion in traditional ways too. It has created advertising campaigns on local TV channels of reference and sponsored a well-known program on the territory. It promotes its products through poster campaigns in Genova, articles and advertisements in newspapers, dressing buses and other television commercials, as well as its participation to local and international fairs and markets.

These efforts contribute to the recognition of Grondona on the public scene, as shown recently following the publication of the article "Grondona: the white gold of Val Polcevera and the art of biscuits" by IlGolosario in 2022. Awarded with the title "Champion of Golosario" at the 25<sup>th</sup> anniversary of the IlGolosario renowned guide to the thousand and more good things in Italy, Grondona was invited on stage among 100 companies that are champions of Italian quality.

CAMPIONI DEL GOLOSARIO

CAMPIONI DEL GOLOSARIO

Questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
questa azienda, presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente fin dagli ini nela Guida alle cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,
que su presente accusation de la cone buone d'Italia,

Figure 39. Biscottificio Grondona, Champion of Golosario 2023: Award and ceremony

Source: Pictures from Biscottificio Grondona and Golosaria Facebook Posts

This fine balance between digital and traditional communication allows Grondona to reach and communicate with customers of all generations and digital preferences, balancing its digital and traditional brand image. As Orlando Grondona reveals, "Our skill (...) was not in inventing a new process but in finding a balance between past and future" (Zanon, 2020).

Looking into the innovative future of Biscottificio Grondona, Francesco Grondona, sixth generation member and current CEO, explains "The history is a guarantee of quality (...). [At the same time] the quality of our products is also about sustainability. Beyond the product packaging, we invest in solar panels on our factories' roofs and in new machines that consume less energy,

among other green solutions (...). Sustainability is about healthy products for the customers and for the environment. We plan to engage in further certifications efforts to bring the family business to the next level with the B-Corporation certification."

The history of the future imbued with entrepreneurship that is respectful of the history of the past is certainly promising and yet to be written by the sixth and the subsequent generations.

### 3.2 Internationalization and Attachment to the Roots

With around a hundred employees, 120 sales agents, 30 foreign distributors and 22 million Euros of annual revenues (out of which 25% from export), Grondona stands as an international SME.

This raises the question of its growth strategy, managing tensions between internationalization and regional development with the attachment to the roots as a red thread.

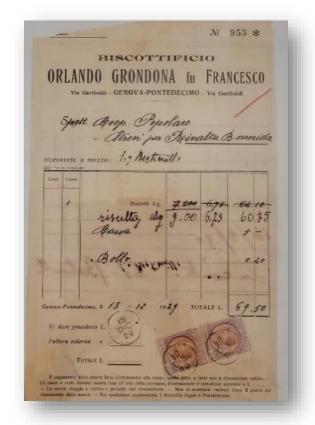


Figure 40: Invoice of Grondona dated 18 December 1929

Source: Picture Courtesy of Biscottificio Grondona

The Grondona roots are embedded in Ligurian terrain; "a region known for its roughness, openness, rigor, and poetry"<sup>30</sup>. From these roots stem the Grondona family's work and their one-of-a-kind traditions. Still today, the Grondona family strongly believes in the relationship: "Land, Tradition, Territory, and Identity". An identity that was constructed over the centuries regionally but that the family is proud to perpetuate internationally with special care and under certain conditions.

Since the early 1990s, the internationalization strategy of Grondona has been focused on exports, by selling its original products in countries around the globe and producing for other international brands.

CANESTRELLI
Italian
Ring Cookies
Index, Daviel With
Condectioner's Sugger
Aspecialty of Coroca

Pages

LINDT & SERVICES D.

LINDT & SER

Figure 41. Illustrations of early exported products by Biscottificio Grondona

Source: Pictures by the Case Author at Biscottificio Grondona's premises

Pursuing these business development efforts, the Grondona family decided to expand the production by purchasing other historic Italian brands, while maintaining the same line of conduct. This entailed unnegotiable factors that mattered in the decision-making process on three strategic levels: *acquisitions*, *exports*, *and regional development*<sup>31</sup>.

The Grondona family aimed at value creation which was not only intended to be financial but also socio-emotional, through all *acquisitions* made in the neighbouring localizations.

<sup>&</sup>lt;sup>30</sup> www.biscottificiogrondona.com

<sup>&</sup>lt;sup>31</sup> The following sections are based on interviews with family and non-family members of Biscottificio Grondona and Bonifanti as well as on information from the website of Biscottificio Grondona.

First, the family acquired Duca d'Alba, a historic company of Lower Piedmont, characterized by its ancient recipes and attention to the nutritional aspects of its high-quality biscuits.

Figure 42. The Duca d'Alba historic brand



Through this acquisition in 2005, the family expanded its distribution channels by introducing new product lines which use virgin olive oil and are sugar free, dedicated to specialized shops, while being compatible with Grondona's quality criteria. Belonging to tradition, Duca d'Alba products grew from the love for the local confectionery culture and from a region that is internationally known for the production of exquisite delicacies and great wines.

Figure 43. Illustrative picture of the Duca d'Alba's region of origin



Source: Picture Courtesy of Biscottificio Grondona

In addition to the local territories' characteristics, historical research on the ancient art of confectionery has led to the rediscovery of recipes and forgotten processing methods that have led to the creation of Duca d'Alba biscuits today.

With the Duca d'Alba production, Grondona has enriched its products lines with specialties that are consistent with its founding principles as well as the family origins of recipes.

These products have also incomparable ancient flavors thanks to the high quality of rigorously selected raw materials, attention to simplicity and the respect for local traditions.



Figure 44. Illustrations of Duca d'Alba products

Source: Picture Courtesy of Biscottificio Grondona

In 2007, the family added to its portfolio Bonifanti, a family business producing mainly Panettone and Colomba cakes.

Figure 45. The Bonifanti brand





Since 1932, Bonifanti has been following traditional recipes with an obsessive attention to the quality of the ingredients and using the same natural yeast from the white mother. It has also always made the same difficult choice than Grondona: managing a much longer and articulated production process that respects the natural times of slow fermentation by using only pure and natural ingredients, not contaminated by artificial or chemical aromas which would modify the delicate environment where sensitive microorganisms live.

The final Bonifanti product is therefore aromatic and tasty, softer, and more digestible. As is the case of Grondona, Bonifanti's only interest was to make a quality product<sup>32</sup>.



Figure 46. Illustrations of Bonifanti's Panettone and Colomba cakes





Source: www.bonifanti.com

<sup>&</sup>lt;sup>32</sup> This is reflected in the recently awarded Bonifanti Panettone Classico Glassato which received two gold stars by the Great Taste Award (2023).

The opportunity of this acquisition emerged as the Bonifanti founding family - in lack of a family successor to take over - was looking for a reliable buyer who understood the core processes and interests of the business. The Grondona family saw in Bonifanti a value-fit in terms of family values, tradition, and quality products. Cherry on the cake, the export portfolio of Bonifanti was a valuable asset that could be leveraged to open new markets in line with Grondona's internationalization strategy.

Looking back at Grondona's decision-making of the acquisition of Bonifanti, Fabbri Giuseppe, administrative and finance director of Biscottificio Grondona (since 1997) and CEO of Bonifanti (since 2014), referred to both companies as "sleeping giants". Several synergies were identified at that time to unleash the potential of both companies in terms of market development and internationalization. These included the history, the know-how of the traditional characteristics of the products, the commercial skills, the consolidation of the suppliers and distribution networks, as well as the strengthening of the relationships with the banks.

The mutual development of social capital extends from the export agents to the suppliers and the customers. As Maria Paola Groppo, manager of the purchasing office at Bonifanti, observes, the collaboration with long-standing and trusted suppliers of Grondona and Bonifanti has been beneficial for both companies, whether in terms of sourcing the best quality of raw materials or gaining negotiation power. Francesca Zarattini, export sales assistant at Bonifanti, adds, "our strength lies in the loyalty of the (B2B and B2C) customers, which builds on the trust they have in the product".

Both companies do not only have similarities but also complementarities in terms of diversity of products lines. Marco Camia, the export sales manager, explains, "whereas Bonifanti's products were mainly sold during Christmas and Easter times, Grondona's products were sold all year round. When promoted together, the international reputation and subsequent higher demand for the Panettone products - especially during festivities - had the potential to benefit Grondona's export sales. The other way round proved to be true during regular periods of the year".

Following this acquisition, Grondona and Bonifanti's products were always featured alongside each other at international exhibitions.

Figure 47. Joint exhibitions of Grondona and Bonifanti at international food fairs





Source: Pictures Courtesy of Biscottificio Grondona featuring on the left the Fancy Food Show in New York – U.S.A (2023) and on the right the ISM Cologne Exhibition in Germany (2023)

The display of Grondona's and Bonifanti's products alongside was also extended to points of sales abroad, as shown at the Galeries Lafayette Gourmet in France during Christmas times.

Figure 48. Joint displays of Grondona and Bonifanti products in foreign points of sales





Source: Biscottificio Grondona Facebook post

Overall, the value created by these joint efforts, based on common values and complementarities of both companies, seems undisputable.

Such exhibitions contribute to the international visibility of Grondona and the pride of the Ligurian region, reaching renowned celebrities such as the Oscar-winning American actress Whoopi Goldberg, one of the few celebrities to have achieved an EGOT<sup>33</sup>. Visiting a food exhibition in New York, the actress was invited by Rosanna Piturru to taste the specialties of Grondona's products, namely the typical Ligurian canestrelli, the pastry biscuits and the shortcrust pastry with cocoa. As put in the article by Genova Today (2023), "in her pantry, there will also be a small piece of Liguria".



Figure 49. Actress Whoopi Goldberg, canestrelli and traditional Genoese sweets

Source: Genova Today (2023)

The most recent acquisition of the Grondona family is Bocchia, which has been since 1958 a symbol of excellence in coffee roasting in Genova. As stated on its website, "Grondona has acquired Bocchia for its history". While in line with the previous acquisitions, this powerful statement motivates a quick historical detour from the cultural, family and business perspectives.

<sup>&</sup>lt;sup>33</sup> i.e. to have won the four main awards in the field of American entertainment: an Emmy, a Grammy, an Oscar and a Tony Award.

Culturally speaking, drinking coffee is part of an Italian social ritual founded on sharing. Friends and families gather around a cup of coffee to talk and have a moment of communion. This is also an occasion to enjoy delicacies with the drink, which makes it relevant from a coffee bar perspective to add the production of artisan delicacies.

Figure 50. The Bocchia brand



Still run by the same family since 1958, Bocchia was founded by Tosello Bocchia. He opened a small but well-stocked grocery store in Genova and started the creation of his own blends with a toasting machine. In the next years, he started experimenting and dedicating himself with passion to high quality coffee beans.

His son Franco later shared his enthusiasm and supported him in developing the business over the years. Offering a wide range of coffees, he expanded the business to the Riviera di Levante, travelling within Italy and abroad, to find artisanal products that go well with the new blends.

Franco Bocchia was afterwards supported by his daughters Emanuela and Raffaella who enthusiastically continued to lead the family business following the ownership control by Grondona in 2017. Grondona's activities extended to 5 coffee shops and 4 coffee bars, where you can also find Grondona's biscuits, with a particular presence in touristic areas of the Liguria region<sup>34</sup>.

\_

<sup>&</sup>lt;sup>34</sup> Recco, Rapallo, Chiavari, Sestri Levante, and Goldo del Tiguglio.

Figure 51. Illustrations of Bocchia's products





Source: Biscottificio Grondona's Catalogue (2023)

As in the previous acquisitions, combining family values with quality imperatives and territorial roots, contributing to the development of social connections, and complementing the products offering were the key drivers of the successful growth strategy of Grondona, whether nationally or internationally spanning 35 countries around the world.

The "Grondona Bistrot" is the latest development initiated by Orlando Grondona, furthering the anchoring of the family business in its territorial roots with an international touch.

Inaugurated on October 26, 2023, the bistrot of gastronomic excellence spans 250 square meters in the renovated spaces of the building in Piazza Cavour in Genova, a symbolic place which is the former Fish Market.

Along with the Grondona's institutional colours which elegantly imprint the bistro through the display of the products (Liguria Food, 2023), the refinement of the space resonates with the original mosaic in glass tiles dating back to the 1930s, created by the Gianese factory in Venice based on a design by Pietro Dodero.

Figure 52. The Grondona Bistro in Piazza Cavour - Genova



Source: Pictures Courtesy of Biscottificio Grondona

Through this new venture, Grondona builds new relationships and tightens existing ones with the customers by extending the Grondona experience "with an international atmosphere from breakfast to aperitif", as suggested by Mentelocale Genova (2023).

The symbolism of the space is coupled with its history as it stands at the center, between Porto Antico and the Levante Waterfront, a point of reference for Italian and international tourists, but also for the approximately 4,000 people who work in the area.

The Grondona press release suggests that "the dishes are destined to become a point of reference for Genoese people and tourists eager to rediscover the most authentic and intriguing flavours of our gastronomic tradition".

In the bistro hosting 30 tables for around 60 seats, customers can enjoy breakfast, lunch, snacks and aperitif every day from 9 am to 8 pm. Ligurian specialties are served, prepared with the raw materials and ingredients that distinguish Grondona, Bonifanti, Caffè Bocchia and Duca d'Alba brands that make up the Group.

According to Orlando Grondona, featured in Mentelocale Genova and Sensory News (2023), "the aim is to create a quality lounge and offer our guests excellent and unforgettable dishes, precisely because they are prepared with ingredients and raw materials of the highest choice. In other words, we have brought the philosophy that distinguishes our products for over 200 years. We are sure that the public, both the local one and the tourists who will visit this space, rich in history and charm, will appreciate the choice of a menu made up of a few items, but full of emotions and substance".

Thus, Grondona maintains its development strategy with a *fine balance between internationalization and territory roots*. Its latest entrepreneurial endeavour with the Grondona Bistro is an additional but probably not the last illustration of this well-managed paradox.

## 3.3 Rational and Emotional Logics

At Grondona, the human factor embraces all stakeholders at once, whether in terms of relationships quality, mutual sharing of knowledge and passion, or emotional and financial support. The rational and emotional logics intertwin continuously to act in favour of the business, the family, and the wider community.

The culture of giving back to the community is engrained in Grondona's purpose emotionally, beyond the financials.

This can take different forms, starting with Grondona's engagements in the city of Genova and the region of Liguria. Among them, Grondona's displays and participation in local fairs and markets are important occasions for the family and for the employees to meet with the local customers, build and consolidate relationships with the community, and reaffirm their attachment to the territory.

In this line, Andrea Grondona, sixth generation member, spends significant time representing the family business in the markets, whether during the Christmas period or other occasions. Reflecting on Andrea's dedication, Marco Camia, the export sales manager, points out that such

initiatives, which require substantial investments with relatively little financial return, are "run from the heart". He adds, "this is called passion". The passion that family members have for their products is conveyed to the outer world not only B2B but also B2C with the C going beyond the customers to include the community, therefore the common good.

Figure 53. Grondona's manifestations at the Christmas market in Genova









Source: Pictures by Biscottificio Grondona (2023) and the Case Author (2022)

The culture of giving back also extends to philanthropic engagements of the family in several causes over the long run.

Figure 54. Illustrative philanthropic engagements: Grondona's support for research on children's diseases





Source: Pictures courtesy of Biscottificio Grondona

As Andrea Grondona puts it, "philanthropy is connected to a sensitive side we have." Among several initiatives, Grondona produces a special edition of heart-shaped cookies, in dedicated packaging designed for Telethon, in order to support research on rare genetic diseases.

In addition to having such initiative described as "the gift that gives hope to many mothers" (Telethon, 2023), Grondona received an award in 2021 for its charitable giving initiative for children's multi-sclerosis (Figure 54). When the Covid-19 pandemic was raging in 2020, some of Grondona's lines of production were maintained. As Francesco Grondona puts it, "we do not forget people who need help, who are in the front lines". Dessert products were distributed to Hospital San Martino in Genova in support during the pandemic, triggering the local newspaper to name Biscottificio Grondona as "the angels of San Martino".

Grondona also thrives to share sweetness and passion in other domains. In sports, Grondona engages in partnerships and sponsorships of tournaments, competitive challenges and associated activities.



Figure 55.Illustrative engagements of Grondona's in the sports domains



Source: Pictures from Biscottificio Grondona social media posts and Tuttocampo (2022) online article

In golf, Grondona supports different tournaments in the Liguria region. In particular, Grondona is a historic sponsor of the Rapallo Golf and Tennis Club since 2007.

In soccer, a notable example is the Grondona Cup, now in its 22<sup>nd</sup> edition<sup>35</sup>, organized in collaboration with the Athletic Club Albaro, a local youth soccer tournament allowing children from the most prestigious clubs in Genova and the province to play. For the 200-anniversary of Biscottificio Grondona, the Club paid homage by offering its yellow-black-green shirt personalized with the number "200". Reflecting on this recognition, Andrea Grondona declared, "for us it is important to support events linked to the territory, children and sport (...). Thanks to Athletic for this t-shirt which recalls our over two hundred years of life, all in the name of work and tradition" (Tuttocampo, 2022).

Grondona also supports the Ravano Tournament, presented in its social media posts as "an important opportunity to pass on to primary school children the passion for team sports. An initiative that aims to spread values of sustainability, healthy lifestyle and respect for the environment". This event is the biggest Youth School Tournament in Europe, promoting sport and its values. It involves around 6500 children and 12 Sport Federations, with many sports disciplines represented, including football, rugby, volleyball, basketball, cycling, sailing, and tennis.

Figure 56. Illustrative engagement of Grondona in the family-run marathon in Genova



Source: Pictures from Biscottificio Grondona social media

<sup>&</sup>lt;sup>35</sup> Excluding a two year-pause due to the Covid-19 pandemic.

Grondona was also one of the main sponsors of the 2023 family run marathon in Genova. As Grondona puts it in its social media following the end of the marathon, "it is difficult to contain the emotion of this weekend in the name of sharing and passion for sport. The Genova Half Marathon as a setting for the taste of Ligurian cuisine! Where there is Liguria there is Grondona!".

In addition, Grondona has a history of sharing its knowledge coupled with passion for its fine products to a variety of audiences whether students, associations or experts.

The below picture features the recent visit of the Grondona factory by aspiring chefs from the training school "Monza & Brianza Community Foundation".

Figure 57. Illustration of Grondona's engagement in sharing knowledge and passion: Factory visits and seminars tailored to a variety of audiences



Source: Pictures from Biscottificio Grondona social media

Marco Camia, the exports sales manager observes, "it is also important to educate the export agents about our products so that they can convey what we do to the customers". This is in line with the statement by Biscottificio Grondona, "more than 120 sales people are proud as our organization devotes time to the training of agents who are the true spokesman for the direct consumer and familiar with the process steps and the processing of natural sourdough."

Figure 58. Illustration of Grondona's engagement in sharing knowledge and passion: Dedicated program to distributors and dealers from Australia at the factory premises (2023)



Source: Picture from Biscottificio Grondona social media

As mentioned by Andrea Grondona in the social media, "today great guests came at Biscottificio Grondona S.p.a, our friends, distributors and dealers of Grondona in Australia. As they visited the biscuits factory in Val Polcevera, it was hard for us to hold the emotion. It was a great opportunity for our team to organize an exclusive event to meet and share with them our latest achievements, news and items for the Australian market and exchange ideas. We would like to thank them for their support and trust and for being part of our growth."

This statement illustrates the uniqueness of the connections developed between Grondona and their external agents, whether through dedicated events, meetings at exhibitions, and other informal reunions, entertwining emotional and economic dimensions at once.

Taking the knowledge sharing experience to another level, the Sweet Academy was launched on March 31<sup>st</sup>, 2023. As suggested by Fabbri Giuseppe, CEO of Bonifanti, it comes as the culmination of a historical journey of research into excellence, shown by the certification of many of Bonifanti's products by the Certified Italian Excellence Institute. He adds, it is precisely from Bonifanti's legacy and research whose value and weight are confirmed by independent competent people that the Sweet Academy was born.

Figure 59. Launch of the Sweet Academy



Source: Picture courtesy of Biscottificio Grondona

Fabbri Giuseppe further explains that when training starts in a manufacturing company, a virtuous circle is generated in which knowledge is codified and translated into good practices to be transferred externally, until it reaches the customer. The initiative of the Sweet Academy extends though the transfer of knowledge beyond the customers, to the students of the taste and the amateurs.

More specifically, "it is designed to sales agents, so that the story of products of excellence is even more reknown; to consumers, so that they can get to know the manufacturing processes of our products and develop sensory competence — to become "connoisseurs"; to teachers and students, so that the culture of leavening baked cakes, made with only sourdough, is extended and developed; and customers, so that they can touch the truth of our stories — and because we want to cultivate the relationship built over the years."<sup>36</sup>

To the question, "what is the power of an academy that comes from a company?", Fabbri Giuseppe provides an answer that underscores the importance of the non-financial logic in a stakeholders' perspective.

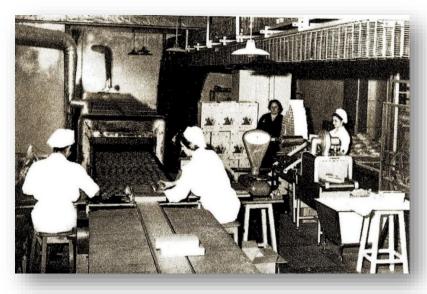
<sup>&</sup>lt;sup>36</sup> The sources are a compilation of LinkedIn posts and a youtube video by Fabbri Giuseppe : https://www.linkedin.com/in/fabbri-giuseppe-8523b724/ and https://www.youtube.com/watch?v=xxWroh19F5E)

The power lies in generating "a virtuous circle in which customers actually enter the business community". He further explains, "for years we have been thinking about how to disseminate the sensory and digestive benefits of using pure sourdough, without transmitting it as a marketing message or an exclusively self-referential value. We finally found the answer in a scientific academy."

At Grondona, the culture of giving also extends beyond the external stakeholders to the internal ones, the human resources.

Orlando Grondona writes in the preface of the 200-year anniversary book, "Mario, Angiolina, Samuele. They were the first names I heard, the first faces I recognized, when I was just a kid, and I saw them collaborate with my grandfather, who had hired them in his time; along many others. Yes: they collaborated and didn't work, because anyone could immediately sense their pride and desire to do well in their respective tasks."

Figure 60. Old illustration featuring employees at the Biscottificio Grondona factory



Source: Picture courtesy of Biscottificio Grondona

Time has passed at Grondona. More than 200 years already but the strong human connections at the employees' level, the pride and the collaboration do not seem to have changed much.

On the one hand, employees still recognize the value of working for the family business and display pride and loyalty. Those I had the opportunity to interview commonly shared about the warm atmosphere that prevails and the positive culture that motivates them at work. They particularly expressed pride of being part of the Grondona journey and their attachment to its values and products.

On the other hand, the Grondona family recognizes the value of its employees and displays its pride for their achievements and attachment to their development, whether male or female. As mentioned in the social media post celebrating International Women's Day (2020), "we want to thank all the women who are part of our story; thanks to their work our company has grown and managed to achieve important milestones".

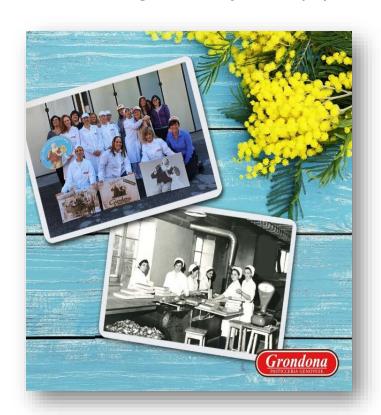


Figure 61. Illustration celebrating Grondona's female employees: Past and present

Source: Biscottificio Grondona social media post (March 8, 2020)

These assertions seem to be also true not only in the historical Biscottificio Grondona business but also the acquired businesses. Andrea Grondona notes, "we invest and strive to create a common culture beyond the historical origins of each company so that employees feel that we are one big family".

Figure 62. Joint photo of Grondona and Bonifanti export teams at the Tuttofood Milano Exhibition (2023)



Source: Biscottificio Grondona LinkedIn post

In the same line, Fabbri Giuseppe shares about the importance of human resources to achieve business sustainability, illustrating the activities at Bonifanti in this direction. As mentioned in his LinkedIn post, "a company is first and foremost the people who live in it. Being able to create a positive environment can really contribute to the smooth running of a business. Just a few weeks ago [June 2023], we dedicated an entire day to sustainability, not only in environmental terms. We started from the ethical theme, deepening the enhancement of people and their talents and the optimization of processes and resources. But it wasn't just theory: we put ... hands in the dough! To put ourselves to the test, we divided ourselves into teams to prepare the perfect pizza: great attention to the ingredients, to the processing, to amalgamate the knowledge of the team.

All this, with one difficulty: each team was entrusted with the "secret ingredient", linked to one of the goals of the 2030 Agenda that our company is pursuing. It was a memorable day of reflections on the future of the company, teamwork and lots of fun."

Figure 63. Illustration of employees' engagement: Andrea Grondona and Bonifanti's employees during the Sustainability team building activities (2023)



Source: Picture courtesy of Biscottificio Grondona

In light of the positive work-family culture, it is not unusual for employees to be working in the Grondona and Bonifanti for several years, up to around 25 years. As I was meeting them during my visits to the factories, some were introduced and openly referred to by the family as the "Pillars of Grondona". As a matter of fact, they have inherited the knowledge from previous generations and have been sometimes working in the business from generation to generation.

Grondona's employees are a source of invaluable know-how to the family business and acknowledged as such by the Grondona family. This recognition of the employees' loyalty and competencies is paramount.

Figure 64. Non-family employees as pillars of the family business





Source: Photos by the Case Author featuring Fulvio Carabelli at Biscottificio Grondona factory (on the left side) and Ivano Milanesio at Bonifanti factory (on the right side)

These observations of both *mutual recognition* and *support of the employees and the Grondona family* convey a fertile ground for a sustainable family business. They resonate with the words of Orlando Grondona in his preface of the 200-year anniversary book, "I am convinced that work is a way to improve mankind and that through it people can obtain benefits and gratifications for themselves and future generations. And therefore, (...) I feel it is my duty and right to thank all those who, albeit in silence and without showing off, have contributed to ensuring that this company reaches the venerable age of 200 years."

# **Concluding Remarks: Charting the Future with Consistency**

"My dream is to perpetuate the business to the son of my son and to learn that he has the same dream" (Orlando Grondona)

The opera music is still playing in the background. A thousand and one aromas now permeate our habitat. A myriad of thoughts uplifts our minds, hearts, and souls in admiration and enchantment. The journey of exploration of Biscottificio Grondona is about to come to an end.

Reading the future of Biscottificio Grondona is still not possible yet, however. One last story is missing. Touching, inspiring, and foresightful.

Let's travel back in time. One beautiful image: A river. A factory. A family. A community. All interconnected.



Figure 65. Via La Torre - Pontedecimo

Source: Photo courtesy of Biscottificio Grondona

1993. An unexpected turn of events. A flood. A devastation in the factory, the family, and the community.

Recounting the story, Gildo Grondona feels very emotional. "The water was 1.80 m high. Production lines were destroyed." Orlando Grondona recalls, "I told my brother, we have no choice but to leave. Everything is flooded with water".

Next chapter of the story.

The employees commit to work without certainty about being paid.

The clients commit to keep the orders and wait.

The suppliers commit to delay the payments and wait.

The banks commit to provide loans.

The community commits to help draining the water and rebuilding the factory.

The government commits to providing financial aid.

The ecosystem gave the family the power to continue. It took only 22 magical days for the factory to restart. And you know by now how success and growth unfolded since.

This is a miniature story of Biscottificio Grondona, as part of a legacy of more than 200 years of resilience, built on an unshakable philosophy of values, and embedded in interlocking bonds with all stakeholders from generation to generation.

Consistency in striking a fine balance between innovation and tradition, internationalization and attachment to the roots, rational and emotional logics embodies the Grondona's key to master the challenges at all times.

The closing goes to the Grondona Grand Masters.

"The business in 1820 by Giuseppe Grondona was destined to grow or rather, to leaven, in a natural way" (Gildo Grondona).

The show must go on with the 6<sup>th</sup> and 7<sup>th</sup> generations and beyond.

"Being custodians of a tradition does not give us the alibi to stop being surprised..." (Orlando Grondona).

The new Acts of the Grondona Opera are yet to be written, played, and chanted by the next generations with their own share of surprises.



Figure 66: The Grondona family in business in 2023

Source: Picture by the Case Author at Biscottificio Grondona's premises (2022)
From the right to the left: Andrea Grondona, Gildo Grondona, Orlando Grondona, Massimiliano
Grondona and daughter Beatrice Grondona, Francesco Grondona

# **List of Figures**

Figure 1: Commemorative stamp by Poste Italiane of the 200-year anniversary of Grondona, featur	ing
the company's historical symbol of the "Circle of Life"	
Figure 2: Grondona family portrait in early 1900s	7
Figure 3: Grondona family tree showing the owners-managers who are descendants of the founder	·9
Figure 4. Portraits of Elena and Francesco Grondona, fourth generation members of Biscottificio	
Grondona	10
Figure 5: Grondona's generations of successors and their main business achievements	11
Figure 6: Grondona's factory in the early 20 <sup>th</sup> century	12
Figure 7: Business Register, Genova Chamber of Commerce and Industry, 1820	13
Figure 8: Portrait of Orlando Grondona, third Generation of Biscottificio Grondona	14
Figure 9: Biscottificio Orlando Grondona, Genovese confectionary specialties: Early branding on	
products and correspondence stationery	15
Figure 10: Biscotti della Salute	15
Figure 11: The historic factory in the 1950s, ensuring the products distribution from Ventimiglia to	La
Spezia	16
Figure 12: The production line of Lagaccio Antica Genova®	17
Figure 13: Francesco Grondona in Genova Pontedecimo	
Figure 14: Patent for the Company Trademark, 21 August 1951	18
Figure 15: Gildo Grondona receiving a special award from the Chamber of Commerce of Rome	
Figure 16: Book cover, commemorative national stamp, and pastries box released for the 200-year	
anniversary of Biscottificio Grondona	21
Figure 17. Portraits of Gildo and Orlando Grondona, fifth generation of Biscottificio Grondona	
Figure 18: The Circle of Life, From Infancy to Old Age, as the bicentenary symbol of Biscottificio	
Grondona's philosophy	23
Figure 19: Core Values of Biscottificio Grondona's 3D Philosophy	24
Figure 20: The sourdough working cycle	
Figure 21: The beneficial properties of the sourdough	
Figure 22: Illustration of the production process of the Lagaccio Antica Genova® specialty	
Figure 23: Illustrations of Grondona's gift packages	
Figure 24: Illustration of Grondona's products ingredients: The Biscottoni Cappuccino	
Figure 25: Traditional Grondona products with the historical packaging	
Figure 26: The iconic product of "Gallette 1803"	
Figure 27. Grondona's award-winning Great Taste product: "Ciambellone", a typical dessert for	
community celebrations, banquets; and family lunches.	36
Figure 28. Grondona's award-winning and nominated products: Baci di Dama and Pandolcini Antica	
Genova <sup>®</sup>	
Figure 29. Lunette, the chocolate cookie by Grondona linking discovery with taste	
Figure 30. Amaro-Camatti Pandolce Genovese, a product of collaboration between Amaro-Camatti	
and Biscottificio Grondona	
Figure 31. Technology at the service of tradition: From the early use of automation to date	
Figure 22. Now packaging of Riccottificio Grandona's products towards a granner future	

Figure 33. Historical graphic features of Grondona's products presentation	42
Figure 34. New Grondona's products presentations inspired by historical graphic features	43
Figure 35. The old inspiring the new Grondona's gift boxes	44
Figure 36. Illustrations of social media posts promoting Grondona's products: from making	
announcements to sharing insights and tips	45
Figure 37. Illustrations of social media posts in celebration of various occasions	46
Figure 38. Illustrations of social media posts sharing about Grondona's events and activities	48
Figure 39. Biscottificio Grondona, Champion of Golosario 2023: Award and ceremony	49
Figure 40: Invoice of Grondona dated 18 December 1929	50
Figure 41. Illustrations of early exported products by Biscottificio Grondona	51
Figure 42. The Duca d'Alba historic brand	52
Figure 43. Illustrative picture of the Duca d'Alba's region of origin	52
Figure 44. Illustrations of Duca d'Alba products	53
Figure 45. The Bonifanti brand	53
Figure 46. Illustrations of Bonifanti's Panettone and Colomba cakes	54
Figure 47. Joint exhibitions of Grondona and Bonifanti at international food fairs	56
Figure 48. Joint displays of Grondona and Bonifanti products in foreign points of sales	56
Figure 49. Actress Whoopi Goldberg, canestrelli and traditional Genoese sweets	57
Figure 50. The Bocchia brand	58
Figure 51. Illustrations of Bocchia's products	59
Figure 52. The Grondona Bistro in Piazza Cavour - Genova	60
Figure 53. Grondona's manifestations at the Christmas market in Genova	62
Figure 54. Illustrative philanthropic engagements: Grondona's support for research on children	ı's
diseasesdiseases	63
Figure 55.Illustrative engagements of Grondona's in the sports domains	64
Figure 56. Illustrative engagement of Grondona in the family-run marathon in Genova	65
Figure 57. Illustration of Grondona's engagement in sharing knowledge and passion: Factory v	isits and
seminars tailored to a variety of audiences	66
Figure 58. Illustration of Grondona's engagement in sharing knowledge and passion: Dedicated	t
program to distributors and dealers from Australia at the factory premises (2023)	67
Figure 59. Launch of the Sweet Academy	
Figure 60. Old illustration featuring employees at the Biscottificio Grondona factory	69
Figure 61. Illustration celebrating Grondona's female employees: Past and present	70
Figure 62. Joint photo of Grondona and Bonifanti export teams at the Tuttofood Milano Exhib	tion
(2023)	71
Figure 63. Illustration of employees' engagement: Andrea Grondona and Bonifanti's employee	s during
the Sustainability team building activities (2023)	72
Figure 64. Non-family employees as pillars of the family business	73
Figure 65. Via La Torre - Pontedecimo	74
Figure 66: The Grondona family in business in 2023	76

# **Acknowledgements**

I would like to sincerely thank the members of the Grondona family, namely Mr Andrea Grondona, Mr Francesco Grondona, Mr Gildo Grondona, and Mr Orlando Grondona, for their valuable support and for sharing with me the fascinating stories of the family business as well as their unique insights and rich experience that helped shape the case study.

I would also like to extend my thanks to the non-family employees and managers for sharing their knowledge and experience, particularly Mr Marco Camia, Mrs Daniela Farina, Mr Fulvio Carabelli, Mr Fabbri Giuseppe, Mrs Maria Paola Groppo, Mr Ivano Milanesio, and Mrs Francesca Zarattini as well as non-family stakeholders for informal conversations.

I am particularly grateful to The Henokiens Association for the opportunity to write and publish the Biscottificio Grondona's case.

## **Main References**



## **Articles, Books and Book Chapters:**

Amaro-Camatti (2022), Camatti and Grondona bitter pandolce for Christmas 2022, Retrieved from: https://www.amarocamatti.it/en/camatti-and-grondona-bitter-pandolce-for-christmas-2022/

Barney, J. (1991). Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), 99.

Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional Wealth in Family Firms: Theoretical Dimensions, Assessment Approaches, and Agenda for Future Research. *Family Business Review*, *25*(3), 258-279.

Biscottificio Grondona (2020) i nostri primi 200 anni : Storie, racconti, testimonianze: un percorso a piu voci / Our first 200 years: Stories, tales, testimonies: a journey with many voices, Biscottificio Grondona S.p.A., Genova, Italy.

Biscottificio Grondona (2020) Commemorative 200-year anniversary ceremony, https://www.facebook.com/grondonaspa/videos/2971383992961507/

Biscottificio Grondona (2022) Christmas Catalogue

Biscottificio Grondona (2022, 2023) Products Catalogue

Gattiglia M. (2020) Una storia per svelare i segreti, In i nostri primi 200 anni : Storie, racconti, testimonianze: un percorso a piu voci, Biscottificio Grondona S.p.A., Genova, Italy, pp. 64-67.

Genova Today (2023) All'attrice Whoopi Goldberg canestrelli e dolci della tradizione Genovese/ Actress Whoopi Goldberg canestrelli and traditional Genoese sweets, July 2, 2023; Retrieved from: https://www.genovatoday.it/social/whoopi-goldberg-biscotti-grondona.html Gobbi M. (2020) Uno sguardo sui robot della tradizione bicentenaria, In i nostri primi 200 anni : Storie, racconti, testimonianze: un percorso a piu voci, Biscottificio Grondona S.p.A., Genova, Italy, pp. 58-62.

Grondona, A. (2021) Portrait - Andrea Grondona/Interviewer: The Henokiens, Retrieved from: https://www.henokiens.com/content.php?id=21&id portrait=67&lg=en

Grondona A. (2023) Interview by TeleGenova, Part 1:

https://www.youtube.com/watch?v=2ZrFLBT-GWU&ab\_channel=TELEGENOVA; Part 2: https://www.youtube.com/watch?v=HCDWduwzl3c&ab channel=TELEGENOVA

Grondona O. (2020) Prefazione, In i nostri primi 200 anni : Storie, racconti, testimonianze: un percorso a piu voci, Biscottificio Grondona S.p.A., Genova, Italy, pp. 9-11.

IlGolosario. (2022). Grondona: l'oro bianco della Val Polcevera e l'arte della biscotteria / Grondona: the white gold of Val Polcevera and the art of biscuits, Retrieved from: https://www.ilgolosario.it/amp/it/grondona-l-oro-bianco-della-val-polcevera-e-l-arte-della-biscotteria

IlGolosario, The Milanese event, which has come of age, closed the 2023 edition with a boom in visits and an unprecedented media affirmation, 17/10/2023, Retrieved from: https://www.ilgolosario.it/it/a-golosaria-l-innovazione-e-tradizione

Il secolo xix (2014) I segreti della Pasticceria Grondona, un'antica storia golosa tutta Genovese, 15/02/2014.

Labaki, R., Michael-Tsabari, N., & Zachary, R. K. (2013). Exploring the Emotional Nexus in Cogent Family Business Archetypes. Entrepreneurship Research Journal, 3(3), 301–330.

LafrecciaWeb (2020) Biscotti Grondona, a Genova festa per i 200 anni di una storia di bellezza, 13/10/2020, Retrieved from: https://www.lafrecciaweb.it/2020/10/13/biscotti-grondona-agenova-festa-per-i-200-anni-di-una-storia-di-bellezza/

LafrecciaWeb (2021) Il Biscottificio Grondona compie 200 Anni ed entra nell'esclusivo "club" Les Hénokiens / The Grondona biscuit factory turns 200 years-old and enters the exclusive « club » of The Henokiens, 13/03/2021, Retrieved from: https://www.lafrecciaweb.it/2021/03/13/il-biscottificio-grondona-compie-200-anni-ed-entra-nellesclusivo-club-les-henokiens/

Liguria Food (2023) Grondona Inaugura Un Nuovo Spazio Dedicato Alla Ristorazione Nell'ex Mercato Del Pesce Di Genova, 04/11/2023, Retrieved from :

https://www.liguriafood.it/2023/10/24/grondona-inaugura-un-spazio-dedicato-allaristorazione-nellex-mercato-del-pesce-genova/

Mentelocale Genova (2023) Genova, aperto il nuovo Grondona Bistrot in centro: dalla colazione all'aperitivo 04/11/2023. Retrieved from https://www.mentelocale.it/genova/19491-genova-aperto-nuovo-grondona-bistrot-centro-dalla-colazione-aperitivo.htm

Odello, L. (2020) Un racconto che parla di piacere, In i nostri primi 200 anni : Storie, racconti, testimonianze: un percorso a piu voci, Biscottificio Grondona S.p.A., Genova, Italy, pp. 54-57.

Sensory News (2023) Grondona inaugura un nuovo spazio dedicato alla ristorazione all'interno dell'ex mercato del pesce di Genova, 31/10/2023, Retrieved from: http://www.assaggiatori.com/blog/2023/10/31/grondona-inaugura-un-nuovo-spazio-dedicato-alla-ristorazione-allinterno-dellex-mercato-del-pesce-di-genova/

Telethon (2023) Telethon 2023 cookie hearts: the gift that gives hope to many mothers, https://www.telethon.it/partecipa/eventi/siamo-in-piazza-con-tutto-il-cuore

Tuttocampo (2022) Tornano i tornei dell'Atheltc Club Albaro: dalla 21° Coppa Grondona al 48° Minitrofeo Albaro, 04/04/2022, Retrieved from:

https://www.tuttocampo.it/Liguria/GE/News/1483568/tornano-i-tornei-dell-atheltc-club-albaro-dalla-21-coppa-grondona-al-58-minitrofeo-albaro

Zanon G. (2020) Le storie dei nostri clienti: i 200 anni del Biscottificio Grondona, Be4 Innovation, 23/11/2020, Retrieved from: https://www.be4innovation.it/le-storie-dei-nostri-clienti-i-200-anni-del-biscottificio-grondona/

#### Social Media:

Biscottificio Grondona Facebook: https://www.facebook.com/grondonaspa

Biscottificio Grondona Instagram: https://www.instagram.com/grondona\_spa

Biscottificio Grondona LinkedIn: https://fr.linkedin.com/company/grondona-biscottificio-s-p-a

#### Websites:

Biscottificio Grondona, www.biscottificiogrondona.com

The Henokiens Association, www.henokiens.com

# Lessons from a 203-year-old family business Rania LABAKI







