

**Background**

The restructuring process of the Supermercados DinoSol group appears due to the purchase of 99.9% of the group's social capital by risk capital investment group Permira, from the Dutch parent company undertaking Royal Ahold. The chain stores are present mainly in Madrid, Catalonia, Andalusia and, especially, the Canary Islands.

New ownership imposes a process to purge the group's assets, implying the closing down of 60 establishments (stores and warehouses) and the revision of 800 jobs.

New management and trade unions have designed an Employment Plan that decreases the practical effect that the rationalisation process has on the social part of the undertaking. The Employment Plan has managed to maintain practically all employment and has been carried out fully, with such success that it has been extended due to its versatility to articulate industrial relations in a group dominated by the dispersion of its assets throughout the national territory.

The result seems optimum and the group is reorganised. It aspires to improve its position within the sector, it has let go of assets that all stakeholders considered to be obsolete. Employment has not suffered significant losses and the mechanism of industrial relations has been strengthened, with an increase in membership of the most representative trade unions as a response to management of the crisis situation.

The sector and the case

In recent times, the retail commercial distribution sector in the EU has been subjected to an intense concentration process, encouraged by the dynamism and the social changes in consumption. In some countries, there is still a sufficient margin to be able to carry on with sales operations and restructuring, because there is still a profit margin for profitability. Apart from its social importance, the business of commercial distribution has notably increased its weight in the GDP of some national economies.

The case of Dinosol takes place in a sector that is generally not included in the studies on restructuring, which are aimed more at the large multinational companies or at the industrial sectors. In spite of a large number of affected workers, it is a *silent* restructuring operation. This is due to the atomisation of the production units, the stores and supermarkets and its dispersal all over Spain, therefore having little incidence on the social and working fabric of its surroundings. This case leads us to reflect on the permanent, hidden adjustment processes that are carried out in economic activities within the services sector, out of sight from public opinion and the Media and that are not usually subject to analysis.

Anticipation

In spite of the fact that all the signs from the markets, the professionals from the sector, insurance companies and the suppliers have been announcing an imminent crisis, no operative or strategic steps have been adopted to prevent or palliate the restructuring process. That is to say, although there are no anticipation mechanisms either in the company or in the sector, paradoxically, the warnings did work.

Restructuring cases are unique

Many different processes and operations are covered by the name of restructuring. Although in the imaginary group they are associated with resitings, close downs and wholesale redundancies, its causes and representations are very varied. In one way or another, either at the source or at the outcome, each restructuring process usually has a unique profile. At the source, general motive forces may be seen (globalisation, concentration processes...); but the methods and solutions found may be very different.

The Dinosol case shows the wish to take advantage, (under very critical conditions – virtually in temporary receivership) of certain favourable conditions: new purchasers, professional management teams who know about the business, realistic trade unions, aware of the difficulty of the situation (particularly due to being used to managing business crises), the need to not damage the image of a commercial consumer brand... The purchaser, an Investment Fund specialised in operations including the purchase, reorganisation and subsequent sale of companies is a restructuring *professional*.

What the DinoSol case does prove is that the direction of restructuring processes should have no all-purpose effective or canon models.

Original solutions forced by need and by advisability.

The agents flee from the beaten track and invent a new ball game. The simplest decision would have been to negotiate an agreement for the cancellation of the contracts (this takes place in 99 percent of these cases). As the existing situation cannot be adapted, a new, pragmatic working relation has been created. The traditional instruments, including the workers' representation organs in a sector with atomised personnel, are replaced by other spaces for the negotiations. The agreements are extended in time and start to reach other topics initially not included in the agreement for the job maintenance....

A virtue is made out of necessity. The case proves that nothing should be written down. The *ad hoc* solutions should be the guideline, with the agents.

Stakeholders

There are no stakeholders affected. At no moment has the Administration intervened (there is no mediation or economic aid). The costs for the employment plan are absorbed by the company, which gains social peace to apply its reorganisation plan. It is a win-win agreement. Although the calculation is difficult because the agreement that has been reached is based on the voluntary nature of the redundancies, it is believed that the costs are more expensive for the company than if a mass redundancy procedure had been enforced, approved by the Labour Administration.