

CAFÉ CABRALES AND THE LEADERSHIP SUCCESSION¹

Martín Cabrales, president of Cabrales S.A.—one of Argentina’s largest family-owned coffee companies—faced a crucial challenge in early March 2025. After decades of family leadership, the fourth generation had decided to transition to professional management by appointing an external CEO, who would operate under the supervision of a revamped board of directors. Following reforms to the company’s statutes and a significant update to the family protocol, and after nearly six months of searching and negotiations, Ignacio Navia was hired as the new general manager. Yet, while the most visible step had been completed, the real challenge was only beginning: ensuring a smooth transition from family to professional management, adapting the board’s role to new circumstances, and maintaining focus on the company’s growth and performance. The road ahead would not be easy, but Martín knew this was the necessary step to secure Cabrales S.A.’s future in this new stage.²

HISTORICAL BACKGROUND OF THE FAMILY BUSINESS

Antonio Cabrales, Martín's grandfather, was 18 years old when he emigrated from Asturias, Spain, to Argentina, fleeing the devastating crisis caused by the Spanish Civil War. His great-uncles had moved to Argentina a few years earlier.³ Once in the country, Antonio settled in Buenos Aires, where he found employment at “Al Grano de Café,” a small shop in the city center. This business, run by Spaniards, was dedicated to roasting, packaging, and selling coffee beans imported from Colombia.

The city of Mar del Plata was undergoing a significant transformation at the time, establishing itself as a tourist and summer destination, especially for the middle class. In this context, Antonio Cabrales quit his job and moved there to take advantage of the opportunities offered by the city's growth. Thus, on November 10, 1941, he founded his own business, called “La Planta de Café,” specializing in Colombian coffee, beginning his career as an entrepreneur.

Antonio’s decision to enter the coffee business was not accidental but rather a response to the historical circumstances of the time. During that period, most Spanish immigrants

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² Source: <https://www.martincabrales.com.ar/> accessed in May 2025.

³ Between 1936 and 1959, more than 500,000 Spaniards emigrated to Argentina.

who settled in Argentina became involved in the food industry, and many of the companies engaged in the coffee trade were founded by descendants of Spaniards.

La Planta de Café offered freshly ground coffee, delivered in a golden package featuring a steaming cup as its logo (see Annex 1). Slowly but steadily, the company grew and began incorporating new varieties of coffee. Its main objective was to meet the demand from hotels, cafés, and restaurants—known as the “cup market,” or what is now referred to as the HORECA⁴ channel.

From the very beginning, the Cabrales family (see family tree in Appendix 2) reinvested all profits into innovation, quality, studying coffee market trends around the world, and building business relationships. In 1960, they expanded their specialty to include roasted coffee. Martín added:

I was the eldest grandson and lived near my grandparents' house, where I often spent weeks with them. My mother went every day to have tea with my grandmother. Both my grandfather and my father had strong personalities, but any arguments, confrontations, or differences that arose were resolved within the company and never carried over into the family sphere. I never experienced a hostile atmosphere; on the contrary, we were a very close-knit family

He continued:

My father and uncles gradually joined the family business. Antonio Néstor, known as “Quique,” and Jorge Fernando, the middle brother, focused more on hospitality and gastronomy, while José Manuel, nicknamed “Coco,” concentrated on sales. Coco was a versatile and innovative person, especially in marketing and packaging, and he also had a strong passion for manufacturing.

However, the relationship between my father and my grandfather became complicated, particularly when it came to the coexistence of the two generations. Faced with this situation, in 1965 my grandfather decided to accelerate the transition. Quique Cabrales and his brothers ultimately bought their father's shares.

Quique became president, marking the second generation of the family taking control of the company and leading an unprecedented expansion. Under this leadership, the Cabrales family drove exponential growth: the company became a corporation, adopted the family name as its flagship brand, and expanded its product portfolio, incorporating tea among other specialties.

During this period, the family also undertook several notable initiatives, including the construction of a new building, the expansion of the sales room, and entry into the main supermarket chains, which enabled the company to achieve nationwide coverage. Reflecting on this era, Martín Cabrales recalled his early experiences within the business:

⁴ The HORECA channel is an acronym that refers to the first two letters of “hotels, restaurants, and cafés.” It is used on a daily basis to refer collectively to businesses in this sector.

My father (Quique) became the president of the company, my uncle Jorge was in charge of sales to restaurants and the HORECA channel, while Coco took care of supermarkets.

We were part of a small group of pioneers in our field who ventured into selling to supermarkets. At that time, few manufacturers valued marketing as we conceived and applied it. Our conviction and effort made a difference that continues to resonate today.

I have memories of accompanying my father to the Colombian Coffee Growers Federation and meeting the three Juan Valdés.⁵



I also met several Colombian presidents; in fact, my father was honored by the president of Colombia, Iván Duque, as a Knight of the National Order of Merit of Colombia. Years later, I also received the same award from the Colombian government.⁶

At the end of the 1970s, the third generation joined the company: Antonio, Germán, and Marcos, followed a little later by Pilar and Jorge. An office building was constructed, and the Rivadavia store headquarters was expanded. In 1988, the company established its first offices in the federal capital and, through the opening of new warehouses, reinforced its expansion in both the retail and HORECA channels.

Antonio Cabrales passed away in February 1990. His shares had already been distributed among Quique and his siblings. Although he no longer held any shares or had a formal role in the company, he continued to go to his office and involve himself in the day-to-day operations, remaining a leading figure.

That same year, the production plant was inaugurated in the Mar del Plata–Batán Industrial Park, near Provincial Route 88, just nine kilometers from downtown Mar del Plata. This investment incorporated advanced technology, enabling the company to begin planning its entry into the export market.

At the end of 1993, the Liquor Store was inaugurated at 1343 Alberti Street, followed in 1996 by an expansion that included a terrace on the first floor.

Parallel to the development of the business, Cabrales S.A. has always sought visibility by sponsoring various sporting, artistic, and social events.

In 1997, it inaugurated the *Espacio de Arte* (Art Space) in Mar del Plata, a venue open to all artists, both emerging and established. Beyond their business careers, Antonio Néstor and, especially, Martín have distinguished themselves in the cultural sphere through their strong commitment to the community and their serious approach to corporate social responsibility, promoting education, social inclusion, strengthening cultural

⁵ Valdés was an advertising model representing Colombian coffee.

⁶ <https://www.infobae.com/vidriera/2022/06/28/90-fotos-martin-cabrales-fue-condecorado-como-caballero-de-la-orden-nacional-al-merito-de-colombia/>, accessed in May 2025.