

02

JULY
2012

Ortega & Andic: Who are Spain's clothes retail tycoons?

Zara and Mango, the two foremost Spanish clothes retailing companies, have become a common presence in malls and high streets across the planet. Amancio Ortega, owner of Inditex, the world's leading clothes retailer, and Isak Andic, owner of its firm competitor Mango, have the two largest personal fortunes in Spain. Who are they?

Amancio Ortega



In the midst of economic depression and disappearing benefits, a handful of companies in Spain find a way to stay on top. The most successful of all is Inditex, the world's leading textile retailer, thanks to the innovative strategy of its founder and owner, Amancio Ortega, whose wealth is in direct proportion to his personal discretion. Worth an estimated \$39.5 billion, he is --according to Bloomberg-- the fourth largest fortune on the planet and the first in Europe.

Amancio Ortega Gaona (born: 1936) is the archetype of the tenacious, hardworking self-made man who has forged a business empire from scratch. Yet, his story is atypical in several ways. The son of a railroad worker, he was born in the Castilian province of León (although he is a Galician by adoption), left high school early, and began his career in fashion in his teens, working as a shop boy in a men's shirt store in A Coruña. In 1963, he started a small bathrobe workshop together with his first wife, Rosalía Mera, and his brothers. He founded his first textile factory, Confecciones GOA, in 1972.

The outstanding results of his integrated-business philosophy --which consists in being the sole manufacturer, distributor and seller of the garments produced--, encouraged Ortega to embark on a more ambitious project: the Zara brand. In 1975, he opened the first Zara store in A Coruña, soon to be followed by many more all over Spain. In 1985, he created Inditex, the mother company that started generating new fashion and accessory chains, seven of them his own (Pull & Bear, Bershka, Oysho, Zara Home, Uterqüe and Tempe, in addition to Zara, the flagship brand) and two others acquired (Massimo Dutti and Stradivarius). Inditex started its international expansion in 1988, and in 2001 the company went public. Today, Inditex's presence is global, with 5,600 stores in 82 countries, employing over 100,000 workers. Massive penetration into the Chinese market and expanding internet sales are the two coordinates of Ortega's current strategy, while he keeps on banking on a wide-ranging catalogue of cutting-edge fashion at affordable prices, and no costly advertising campaigns.

Ortega's mysterious personality attracts huge interest. Obsessed with privacy, he has never given a press interview in his life and avoids appearing in public. A picture of him appeared for the first time ten years ago, but the media have yet to record his

voice. Only in recent years have some details of his life surfaced. He has no official office, rarely wears a tie, dresses in casual clothes, and enjoys wandering around the factory and dropping by the fashion design units. He keeps a shy, very low public profile. Those who know him well say that he shuns ostentation and eccentricities. Among his hobbies: horseback riding, automobiles, sailing, aviation, and painting. A foundation bearing his name carries out philanthropic activities. Jesús Salgado, his biographer (Amancio Ortega, From Zero to Zara) describes him as the “antithesis of a businessman.”

Isak Andic



Isak Andic Ermay, the President/CEO of Mango, the fashion chain, was born in Istanbul in 1955, to a Turkish Jewish Sephardic family. Established since childhood in Barcelona, and with a talent for commerce, he garnered his first earnings in the clothing business as a street-market seller, and then through the setting up of a wholesale distribution operation of inexpensive clothing from Asia. In 1984 he launched his own brand of women’s ready-to-wear and opened his first brick-and-mortar store in Barcelona --the point of departure for a dizzying expansion into national and international markets. Today, Mango operates a network of its own stores, franchises, and corners in department stores in over one hundred countries. Eighty-two per cent of Mango’s income is earned abroad, which makes it the most global of Spanish textile firms.

Always in a team with his younger brother Nahman (the second largest shareholder and executive vice-president of the Mango MNG Holding), Isak Andic’s personality was entirely hidden until midway through the last decade, when he began to make some public appearances and to actively participate in several major institutions of Catalan and Spanish civil society. In 2010 he was elected President of the influential Instituto de la Empresa Familiar (Family Business Institute) and as such he put forward proposals for a “grand political pact” to overcome the economic crisis, and for “urgent measures” regarding the civil service, the labor market and the health care sector. Divorced, with three children, he continues to keep a watchful guard over his private life.

In 2004 Andic appeared for the first time on the Forbes billionaires list, where he ranks 221 today. His estimated \$4.8 billion worth makes him the second richest man in Spain, after Inditex’s Amancio Ortega, his great rival in the fashion guild. He owns one of the largest private art collections in the country and he is also the majority shareholder of Banco Sabadell.

A pioneer in the online sale, always concerned with logistics and the corporate image, open to working both with renowned creators and young designers, always faithful to his film-star publicity formula, Andic claims that this is the key to his success: “We create a fashionable product at an affordable price, in an environment that appeals to the consumer.” After starting his H.E. line of clothing for men in 2008, he is now to add Made in Barcelona to the Mango label.