

<https://doi.org/10.23913/ricea.v10i20.173>

*Reseñas*

## Un modelo de negocios especial: la franquicia social

*A special business model: the social franchise*

*Um modelo de negócio especial: a franquia social*

**Máximo Eduardo León Medina**

Universidad de Guadalajara, México

[maximo.leon9413@alumnos.udg.mx](mailto:maximo.leon9413@alumnos.udg.mx)

<https://orcid.org/0000-0002-9689-3012>

**Cándido González Pérez**

Universidad de Guadalajara, México

[cgonzalez@cualtos.udg.mx](mailto:cgonzalez@cualtos.udg.mx)

<https://orcid.org/0000-0003-4876-5734>

### Resumen

El propósito de las siguientes líneas es reseñar el libro *Migrantes exitosos: la franquicia social como modelo de negocios*, editado por la Universidad de Guadalajara, donde se compilan seis excelentes trabajos elaborados con alta rigurosidad. La compilación de la obra está a cargo de Patricia Arias. Sus principales características son su fortaleza teórica y el haber sido escrita principalmente por mujeres. Además, las descripciones del trabajo de campo realizado en cada uno de los casos son claras y metodológicamente correctas. Con este libro se abre un nuevo abanico para el análisis de los modelos de negocios en el área de las ciencias sociales.

**Palabras clave:** franquicia social, migración, modelo de negocio, trabajo.

**Abstract**

The purpose of the following lines is to review the book *Successful Migrants: The Social Franchise as a Business Model*, published by the University of Guadalajara, where six excellent works prepared with high rigor are compiled. The compilation of the work is in charge of Patricia Arias. Its main characteristics are its theoretical strength and the fact that it was written mainly by women. Furthermore, the descriptions of the field work carried out in each of the cases are clear and methodologically correct. This book opens a new range for the analysis of business models in the area of social sciences.

**Keywords:** social franchise, migration, business model, work.

**Resumo**

O objetivo das seguintes linhas é fazer uma resenha do livro *Migrantes de sucesso: a franquia social como modelo de negócio*, publicado pela Universidade de Guadalajara, onde se compilam seis excelentes trabalhos elaborados com alto rigor. A compilação da obra está a cargo de Patricia Arias. Suas principais características são a força teórica e o fato de ter sido escrito principalmente por mulheres. Além disso, as descrições dos trabalhos de campo realizados em cada um dos casos são claras e metodologicamente corretas. Este livro abre um novo leque para a análise de modelos de negócios na área das ciências sociais.

**Palavras-chave:** franquia social, migração, modelo de negócios, trabalho.

**Fecha Recepción:** Mayo 2021

**Fecha Aceptación:** Octubre 2021

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**Introduction**

There is a great diversity of business models, and most authors when referring to them prioritize those related to the most advanced computer technology. In fact, it seems commonplace to think that everything related to the creation of new companies must go through that melting pot: electronic applications (Rubí and Sucre, 2020). However, with the appearance of the book *Successful Migrants: The Social Franchise as a Business Model* - coordinated by Patricia Arias (2017) - a different path opens up for the analysis of companies.

The social franchise appears as a very interesting theoretical category and with great support of information, as the authors demonstrate. What is commonly known as franchises is related to the payment to be able to use a brand, for example Oxo, Seven Eleven, Walmart

or Burger King, but the term social franchise is new and serves to explain that using the name commercially is not only a matter of logos, but also of experiences and knowledge that are transmitted between generations.

The social franchise is a cultural practice that has been used ancestrally although it had not been analyzed for academic purposes. The cases that are detailed in the publication explain in a detailed way how labor practices are taught by example and, in many cases, in months of activities in the places where they expand their businesses. The social franchise is to learn, build, expand, teach, collaborate and "send in" other members of the family to incorporate them. The social franchise is history, it is a repetition of the customs of people with humble origins who have found a way to survive or to live with great economic comfort; it is a new form of economic model that has been repeated in some cases for more than four generations.

The social relevance that this type of franchise represents is evident in the populations of origin because one of its main characteristics is the continuous return of the initiators. The management holidays, for example, are the occasion for the annual cyclical return to demonstrate (show off) economic achievements. In the thanks to the Patron Saint they show themselves and also there they hire the new worker-partners in the economic expansions. The social franchise makes possible the incorporation of family members, godchildren and countrymen (in that order).

## Methodology

The methodology used in the book reviewed is in-depth interviews, with very extensive fieldwork visits, bibliographic reviews to support the theoretical bases and ethnographic analysis of the religious festivals in the populations of origin. A methodological aspect that should be highlighted in the analysis of the social franchise is the constant self-exploitation, because that is where its source of economic success comes from. In other words, reducing production costs through the reduction of variable capital (labor) is more competitive and it is more difficult for competition to eliminate them from the market.

They carry out something similar with respect to constant capital (buildings, machinery and equipment): they invest as little as possible and they themselves produce part of what is required. That is, they inhabit work spaces to reduce costs and avoid transportation payments using their own means. The well-documented histories of each of the six cases

correspond to groups that have the characteristics of having started from the lowest levels of social classes.

It is well known in Mexico that most jobs are generated in small and medium-sized companies, hence that is where the experiences of the social franchise are located. Workers who acquire the knowledge and skills necessary for the development of a business in the family nucleus (theorists call it social capital) have played a leading role in the generation of national income (gross domestic product).

### **Development**

The cases that are analyzed in the book *Successful Migrants...* correspond, in the first place, to the paleteros of Mexxicacán, which reflects the profound abandonment of the municipality, located in the Altos de Jalisco region, on the border with Zacatecas. It is a small municipality with no more than 7697 inhabitants in the year 1963 (date of the study), where the main economic activity was agriculture and livestock, an activity owned by the few favored and a source of employment for the rest of the population. . In this environment, migration was favored due to the lack of opportunities, but at the same time some inhabitants developed an entrepreneurial sense in times of limited economic resources.

Thus arose the business activities shown in the work. The antecedents were the elaboration of sweets and the business of selling lollipops in traveling cinemas (this during the decade of 1940-1950); later, the business that detonated and on which the case is centered was that of pallets in other cities. It is known that Ángel González was one of the initiators when he established his first business in Aguascalientes. There he experimented with a novelty: instead of waiting for customers to come to the store, he would look for them on the street and build his first refrigerated pallet truck with tires. He did well with his way of breaking new ground and asked the Martinez brothers, in addition to producing the pallets, to create refrigeration equipment to expand their sales.

Businesses were proliferating and in a short time it had more than thirty ice cream shops with their respective teams. The next step was to hire people from Mexxicacán - first relatives (men only) -, then from the most extended family (compadres, godchildren) and when the small circle was exhausted, he began to hire simple countrymen. To save money, the workers slept in the businesses and later became partners in the company. Instead of workers, he had partners and that turned out to be very successful. It did not follow a pattern,

since some were partners in different proportions, while others were simple workers (it was always sought that they were originally from Mexxicacán). He provided them with different forms of financing, which could be a simple loan, then he sold equipment in exchange for work and they divided the market strategically. Where sales were not profitable, they closed and a new space was sought.

The presence of paleterías - whose origin is in Mexxicacán - has spread throughout most of the Mexican Republic and they have maintained an efficient system of distribution of supplies and equipment. In this context, family relationships have been consolidated because most attend the patron saint festivities every year.

The second case is constituted by the town of Juanchorrey, Zacatecas, a town dedicated to making tortillas. In the beginning, it was in Torreón, Coahuila, where the first Juanchorreyenses ventured into the business. First, Juan Gámez, with the help of Melesio Nava, created a small tortilla stand and later took a qualitative leap when they opened their first tortilla shop (called La Bola) in 1951.

In the fifties, a strong impulse was given to the production of tortilla throughout the republic, mainly in urban areas, because the work of the workers demanded that their wives not spend much time producing nixtamal and visiting to the mills. The fashion of buying the product already made was imposed and the tortillerías grew exponentially.

Population growth and the development of various growing cities in the country favored the proliferation of these types of companies. At that time - according to what is narrated - the growth of the cities was directly related to the interference of the Mexican government, which fostered development in certain regions, although with the imposition of certain measures and regulations.

The situation changed in 1992 with the entry of the neoliberal system that opened up competition and allowed the free market. This had a direct impact on the tortilla industry, for which the people of Juanchorrey were organized in the first instance as the Union of Millers and later in 2006 they formed the National Union of Dough and Tortilla Industries. The success of this business model - cultural issue because the tortilla is a fundamental element in Mexican gastronomy - is reflected in the Juanchorrey festivities, since - as explained in the book - each year the businessman who will organize the holidays, for which you must invest large amounts of money.

The party becomes relevant in the business model, since it brings together the most important entrepreneurs in the tortilla industry, most of them from the town, although their activities take place elsewhere. The reason for the party is to meet people in the middle to establish relationships that can unite families, which serves for the growth of the industry and to stay current in the market. It is well known that during the patron saint festivities they do raffles for tortilleria teams to support the celebration of the festivities, but always linked to their work environment.

The third case corresponds to the taqueros from Santiaguito de Velázquez, a delegation from the municipality of Arandas. The pioneers were forced to leave their homes and their crops because the Cristeros "had made barracks" in their locality and they fled. They went to Mexico City and at first they were dedicated to the sale of minced fruit, but somehow they changed their direction because they entered the business of selling bones: they bought heads in the slaughterhouse, they cooked them to remove the meat and then they marketed the bone. On occasion - due to the smell given off by the meat being removed from the bone - it was considered to give a further treatment. After many experiments, including putting a pot of water under the container where the work was done, they created the head studs. They were always kept warm by the steam they added to it. They were very successful and then their main objective was to create the best sauces, which is their main attraction and distinction.

In a similar way to the paleteros of Mexxicacán, they hired relatives and after them other inhabitants of Santiaguito de Velázquez. They have spread so much throughout the republic and have made so much fortune that for many years the main attraction has been to show off who has the best house in town and the most striking mausoleum. Large amounts of money are invested in the construction of buildings that are inhabited one or two weeks a year at the time of the supervisory holidays. As an anecdotal case, on some occasions in the fireworks dollars are blown so that visitors can collect them in a playful way. It is even known that since the 1960s they entered the US market, mainly in the state of Texas.

The social franchise, in this case, has taken shape in that the new workers are acquiring the knowledge, skills and abilities of what is required to make head tacos. Then they open their own businesses with loans provided by those who invited them to venture into the company. For the particular analysis of the role of loans in this type of business model, we recommend reading Salazar's work (2021).

However, the rise of women has been slower than that of men, since there has always been a preference for men. The descendants of the first taqueros have inherited the fortune, but not the tradition, of returning to Santiaguito de Velázquez for the patron saint festivities in December. In other words, they are already originally from other cities, so the huge houses will remain uninhabited.

The fourth case corresponds to the groceries of San Ignacio Cerro Gordo. The social franchise in this case consists of participating as tenants, workers or managers of grocery stores. Since 2000, San Ignacio businessmen have spread throughout the republic and there is information that they own more than three hundred establishments.

The initiators have followed the same unwritten rules of the tortilleros of Juanchorey, of the taqueros of Santiaguito de Velázquez and of the paleteros of Mexxicacán: starting a new business, self-exploitation of family workers, savings in the payment of housing and , in this case, credit and retail sales. In many cases, they buy grocery stores that are in decline, open longer hours (self-exploitation), sell cigarettes in pieces, and grant loans to neighbors; They prepare lunches for the workers in the environment and put together pieces that they buy in parts to sell complete products.

The spaces they cover are the poor areas of large and medium-sized cities because that is where the families who prefer to buy retail without immediately disbursing the payment live. Unlike the cases previously explained, work in stores did require a greater presence of women, either as employees, owners or companions of men to do household chores. The success has resided in the soft credits that are made between the members of their families, compadres or - in the last of the cases - countrymen. They are invited as workers, they can be promoted to co-owners and then to owners. The process is repeated and in this way new entrepreneurs are incorporated that cover uncovered routes.

Fruit sellers in the metropolitan area of Guadalajara represent the penultimate of the cases of the application of the social franchise as a business model. The promoters are indigenous Nahuas from the Huasteca de Hidalgo, who have located in the most remote and poorer parts of the city to save on installation fees. In this regard, the reading of Rodríguez Herrera (2020) is recommended.

Newcomers are supported by paying no rent and only half the cost of electricity. Once they are settled - and their business is up and running - they bring family members to broaden the spectrum of care. When they have covered the range of relatives, they add compadres and





friends, as described in the previous cases. They all learn in the chopping of the fruit and build similar carts that are transported in vans to the places where they offer their merchandise.

The phenomenon began in the nineties of the last century and there are dozens. They can reach more than two hundred members. Two characteristics of this group are that because they are an indigenous community they are more isolated than other groups and for social reasons they tend to stay united; the other is that these are people whose highest aspiration is to survive, so the creation of wealth is not sought as in the previous cases.

The Capacuaro furniture makers represent the last of the examples exposed in the book. It is another group of indigenous people who produce furniture of low or fair quality that they sell to the broad layers of the middle class in the Guadalajara metropolitan area. Similar to the fruit vendors, they live in compact groups on the shores of Guadalajara and Zapopan. They bring relatives to learn the trade and sales. At first they are workers, then co-owners and finally they create their own business. Unlike the previous ones —and because they constitute the smallest group—, the level of development has caused few family members to participate and they have not exceeded that level to date. They are few dozen and they came to Jalisco at the end of the last century.

In short, it can be said that the book reviewed in this document (which is also in an electronic version) is highly recommended for students, teachers and the general public, since it is easy to read and its language accessible.



**Tabla 1.** Concentrado de información

Pregunta/franquici a	Paletería	Tortillerí a	Taquerí a	Abarrotero s	Frutero s	Mueblero s
¿Producen algunos de sus insumos?	Sí	Sí	Sí	Sí	Sí	Sí
¿Contratan a familiares y/o paisanos?	Sí	Sí	Sí	Sí	Sí	Sí
¿Han utilizado sus empresas como dormitorio para ahorrar en gastos?	Sí	No	Sí	Sí	No	No
¿Su mercado abarca más de la mitad del territorio nacional?	Sí	Sí	Sí	Sí	No	No
¿Regresan cada año a las fiestas patronales?	Sí	Sí	Sí	Sí	Sí	No
Número aproximado de generaciones familiares que abarca	Cuatro	Cuatro	Cinco	Una	Dos	Dos
¿Requiere mayor presencia de hombres o mujeres?	Hombre s	Hombres	Hombre s	Mujeres	Mujere s	Mixto

Fuente: elaboración en base a los datos obtenidos directamente del libro “*Migrantes exitosos: la franquicia social como modelo de negocios.*”

## Conclusions

We consider that with the publication of works such as the one compiled by Patricia Arias, the panorama for experts in business analysis is broadened because, first, the perspective of social franchising is novel in these areas; second, because it is uncommon to carry out field work in historical and social aspects of small groups of producers and, third, because generally those based on new technologies have been considered as business models, thereby disdaining those that have been developed for three, four or more generations, where the transmission of knowledge and skills originate in the family.

The social franchise requires the careful elaboration of particular analyzes such as those exposed in the reviewed work. In fact, it is necessary to scrutinize in each case on economic self-exploitation, the particular knowledge that is passed from generation to generation and in a strict order of family closeness, the participation of women (there are cases today where they are forbidden income), the use of work spaces as bedrooms to save on expenses, cyclical returns to "prove" that businesses have been prosperous, reproduction between generations, and so on.

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