Wineries’ Performance, Response to a Crisis Period
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Objectives
This study investigates the key variables to explain the crisis effect in the performance index of the wineries in CLM (Castilla La Mancha – Spain), according to the accounting variable.

At the core of the discrepancies lies the difference between the performance variable used to measure the wineries and, in turn, the impact upon the existing asymmetry between the consequence of the commercial and financial strategies adopted.

On one hand, the study will analyze the presence of similarities and differences in the whole period; on the other, we will study the differences of the performance variables between the two periods: growth and crisis.

In this paper, the hypotheses about performance measures are tested with Panel Data Analysis.

Design/methodology/approach
The data needed to carry out the analysis include the wineries operating in CLM (Spain), from 2004 to 2010. This period corresponds, firstly to a growth economic cycle (2004-2006) and secondly a crisis period 2007-2010.

Our database arises from financial statements filed at the Register of Companies (SABI Database). All the enterprises whose data have been analyzed in the paper include two financial statements: Balance-Sheet and Profit and Loss, which permit to calculate the performance measures. Our database is an unbalanced data for the period 2004-2010. As the average sector, our database includes the micro-firms (<10 workers) which represent the 73% of the database and the SMEs the 98%.

Measures of managerial performance comprise index of Value Added (VA), EBITDA (Earnings before Interest, Taxes Depreciation and Amortization), ROA (Return of Assets), ROI (Return of Income) and Total Solvency.

Using Pooled Cross Section Time series, we test a model that includes environmental variables (age and size); commercial variables (growth of sales, market share, market orientation and export); financial variables (negotiation power of suppliers and customers; leverage and cash-flow); and special events in the period (economic crisis and legal variables)

Findings
The main finding highlights some strong differentiators between the economic cycle and the path chosen by the wineries to maintain the index of enterprise performance.

Our interest therefore focuses on testing the main hypothesis of the traditional economic theory that performance differences between the companies are mainly due to their distinct strategies and to their corresponding different ways of managing measures of performance and size.

According to the economics literature, performance measures vary according to the common objective function of all firms, which regardless of size is profit maximization, while small firms focus primarily on survival and stability.

The wineries manage performance variables in terms of expenditure levels of the intermediate variables. The difference between VA and EBITDA is consequence of personnel expenditures; and the variation between EBITDA and Profit before Interest and Taxes is consequence of amortization and provisions. With a final Profit, the companies are cushion between economic performance measures. The
choice of different performance measures can lead a different results and recommendations. The crisis period transforms the sign of the performance measures and also can invalidate some of them like as ROI and we propose the use of a different measure, Total Solvency.

**Originality/value**

The analysis deals with the problem of the performance measures and economic cycle of the wineries and the ability of them to sustain competitiveness in this special period.

The analysis of the whole sample and the two subsamples was moved of the independent variables that explain the performance measures.

In the growth stage, the relevance is in the commercial variables, while in the period of crisis, moves to the financial variables, both short term and long term.

Keywords: Performance Measures, Business cycle, Wine business, Strategies, Castilla La Mancha (Spain)