



HAL
open science

Managing Transition in an Artistic Company With Entrepreneurial Management

Thomas Paris, Frédéric Leroy

► **To cite this version:**

Thomas Paris, Frédéric Leroy. Managing Transition in an Artistic Company With Entrepreneurial Management: A Case Study of Groupe Bernard Loiseau. *International Journal of Arts Management*, 2014, 16 (2), pp.42-54. halshs-00973150

HAL Id: halshs-00973150

<https://shs.hal.science/halshs-00973150>

Submitted on 3 Apr 2014

HAL is a multi-disciplinary open access archive for the deposit and dissemination of scientific research documents, whether they are published or not. The documents may come from teaching and research institutions in France or abroad, or from public or private research centers.

L'archive ouverte pluridisciplinaire **HAL**, est destinée au dépôt et à la diffusion de documents scientifiques de niveau recherche, publiés ou non, émanant des établissements d'enseignement et de recherche français ou étrangers, des laboratoires publics ou privés.

Managing Transition in an Artistic Company With Entrepreneurial Management: A Case Study of Groupe Bernard Loiseau

Thomas Paris, Frédéric Leroy

Although entrepreneurship plays an important role in the dynamics of the arts sector (Hagoort, 2003; Henry, 2007), little has been written on the subject. The artists, or the producers, often have to develop their own structure to realize a personal vision or an art project. Moreover, the characteristics of artistic companies and institutions are such that the leader's personality plays an influential role: It has a more marked impact on production in the arts sector than in other sectors. Therefore the question of leadership in artistic companies and institutions is an important one (Lapierre, 2001).

The personalization of artistic organizations makes succession a key issue. What happens to an organization when its founder leaves? How does it evolve, and under what conditions? To what degree can and should the organization's artistic production continue to be influenced by the founder?

The issue of succession helps define the category of *creative industries* (Caves, 2000), as it is a fixture of the various sectors grouped together within the category. It also applies in sectors that may appear very different, whether or not they fall into the arts domain strictly speaking. In fashion, publishing, architecture, the theatre and haute cuisine, the departure of the founder-creator often poses a serious challenge (Landry, 2011). How can an organization carry on without the person responsible for both its impetus and its image?

This issue, which employees of creative companies confront on a regular basis, entails some basic theoretical questions. Although Lapierre (2001) suggests a division of labour between leadership and management in a creative organization, studies on the management of creative organizations are divided into those that focus on the leadership and those that centre on the organization itself. In the leadership approach a person's ability to convey a vision is key, while the organizational approach is concerned with management, structure and the various tools that are used. It is the eternal debate about creativity: Does it originate in the individual or in the system? (Lampel, Lant and Shamsie, 2000).

The question of succession allows us to break down the dividing line, in that it raises the issue of the respective roles of the leader and the organization. Once the founder-creator is gone, what is the company left with?

To answer this question, we chose the case of one of France's emblematic hotel and restaurant businesses, built around a gourmet restaurant. The firm was suddenly confronted with the issue of succession when its chef, Bernard Loiseau, committed suicide while still heavily involved in every aspect of the business. Loiseau was the firm's founder, charismatic leader and chief spokesman. A longitudinal study of the company, conducted by means of interviews over several periods between 2006 and 2012, sheds light on how the questions of succession and creative style were addressed within this organization and are addressed within artistic organizations in general.

We begin the article with a review of the literature. Although little has been written about the question of style or a stylistic framework for succession within artistic and creative organizations, we examine the streams of research that deal with similar subjects: succession in family-owned businesses and organizational identity. We then present our case study, highlighting key events in the succession process at Groupe Bernard Loiseau. We conclude by discussing the question of style and succession within artistic and creative organizations.

Succession in Artistic and Creative Organizations: A Paradoxical Dearth of Research

Strong personalization is a characteristic of artistic and creative organizations, be they companies built around the work of a single creator (Svejenova, Planellas and Vives, 2010), companies with different creators (Catmull, 2008) or major institutions. Some of the company profiles published in the *International Journal of Arts Management* cover a period in the life of an organization when a particular leader is dominant (Cardinal and Lapierre, 2003, 2004, 2007; Cameron and Lapierre, 2007; Vigneault and Lapierre, 2008). Strong personalization can be linked to the overwhelming influence of the author of a contribution, to a romantic vision (Becker, 1982) or to the importance of the notion of leadership in the arts sector (Lapierre, 2001).

Paradoxically, the weight of individuals in the research on artistic and creative management is accompanied by a lack of research on the issue of succession. However, succession has been the subject of numerous studies in the field of entrepreneurship, particularly in family-owned firms where it has been identified as critical. For example, Le Breton-Miller, Miller and Steier (2004) note that less than 10% of all family-owned companies survive past the third generation, while Brockhaus (2004) points out that succession management plays a key role in the life of family-owned firms and should be analyzed from the angle of the family, management and property ownership in order to elicit the perspectives of the various stakeholders.

Studies on transfer and succession in family-owned businesses highlight the key success factors in these processes. Le Breton-Miller, Miller and Steier (2004) describe the predecessor (relationship with the successor, motives, personality, needs), the successor (motives, talents, development, career, external experiences, education and training) and basic rules with respect to planning, shared vision and family harmony. Cabrera-Suárez, De Saá-Pérez and García-Almeida (2001) show that one of the challenges in the process is the successor's ability to acquire the knowledge and skills of the predecessor in order to sustain and develop the company's performance.

Hofer and Charan (1984) propose a conceptual model for the transition from a one-person entrepreneurial type of management to a functional type of management. They show that this kind of transition is particularly difficult. Other studies have focused on the different factors that are likely to influence the succession process. Handler and Kram (1988) and Handler (1994) describe some of the factors at play when there is resistance to succession. These can pertain to the founder (attachment, reluctance to delegate or to retire) or can be inter-individual (family conflicts interfering with the business), organizational, or environmental (culture and structure of the organization, degree of environmental stability).

The founder tends to exert a particular influence on the succession process. Wasserman (2003) demonstrates that the succession of the first generation is linked to the founder's attachment to the firm. Davis and Harveston (1999) observe the importance of the "generational shadow," particularly that of the founder. Finally, Miller, Steier and Le Breton-Miller (2003) discuss the weight of the past, suggesting that problems can result from the development of a poor relationship between the organization's past and its present situation.

All of these observations, based on a variety of family-owned businesses, seem to be reflected in artistic and creative companies, where strong personalization serves to increase the influence of the founder. Furthermore, the delicate nature of succession is confirmed empirically, with this particular phase appearing to be critical in many cases (Paris, 2010). Yet this aspect of artistic and creative organizations has not received the attention it warrants.

Data Collection and Analysis

This investigation was based on a longitudinal study carried out from an inductive perspective. The researchers contacted the directors of the company two years after Loiseau's death in order to determine how the matter of succession had been handled.

We conducted interviews in four phases. During the initial phase we met with Dominique, Loiseau's widow and with the new managing director of Groupe Bernard Loiseau. We then held two interview and observation sessions at the company's site in Saulieu. A year later we conducted six filmed interviews with people we had met previously. Finally, we returned in order to complete our research by holding informal discussions with staff members. During each of the last three phases we also made observations, either as customers (dining room or hotel) or as observers (kitchen).

We carried out interviews with 18 employees in diverse positions. The interviews were conducted by two researchers and lasted one to two hours. Most of these employees had known Bernard Loiseau personally and had been witness to the events. The interviews were partly open-ended and partly structured, based on several guidelines and specific questions on the following topics: curriculum; role in the organization, before and after Loiseau's death; the organization of work before and after Loiseau's death; the reorganizing process and how it was carried out; any significant changes since Loiseau's death as well as any opposition or resistance to these changes.

We complemented these interviews with a document analysis. We consulted corporate documents; books and articles in specialty magazines by or about Loiseau as a chef and features of his cuisine; restaurant guides, particularly the Michelin guide; and articles by leading writers on gastronomy.

After this phase of formal research, we continued to meet regularly with some members of the management team, who kept us informed of any changes within the company.

We used short debriefings after each interview to reorient, develop and clarify. We then spent many hours in discussions with each other, identifying potential interesting themes. We grouped our interview transcripts and observational notes into two clusters, one for June 2006 and one for March–June 2007. Our analysis followed a two-part structure. We first triangulated the interviews to reconstruct an objective narration of the events following Loiseau's death. We then reread the transcripts and notes individually a number of times and watched the filmed interviews to identify references to the identity, style and spirit of the company during each period.

The Case of Groupe Bernard Loiseau

The recent history of the Bernard Loiseau enterprise, an iconic firm in French haute cuisine, makes it a particularly interesting case study of succession in artistic and creative organizations. In France, haute cuisine enjoys a status close to that of an art – a culinary art – and chefs are highly respected. Chefs often consider their creations works of art and their cuisine is marked by subjectivity. In the case of Groupe Bernard Loiseau, the chef was also the founder, a charismatic leader and the person responsible for putting the company in the spotlight. His sudden death raised the issue of succession in a very dramatic way, especially with regard to artistic organizations. Would the business be able to survive without him? Under what conditions, and with which creator, manager and stylistic framework?

Bernard Loiseau's La Côte d'Or

Loiseau, depressed and overworked, took his own life on 25 February 2003 at his home in Saulieu. At the time he was chef at one of the 20 or so restaurants that made up the elite of French gastronomy – those to which the Michelin guide had conferred three stars – as well as one of the most celebrated chefs in French haute cuisine, its spokesman and recipient of the most media coverage.

Loiseau assumed the management of the legendary hotel and restaurant La Côte d’Or in 1975 (he would buy it in 1982), at the age of 24. Prior to that, he had served as an apprentice at Troisgros in Roanne, one of Michelin’s three-star French restaurants, then as chef at a restaurant on the fringes of Paris, where he began to be noticed by the media, and, finally, as head chef at a Parisian restaurant, where he was singled out by the critics as a future “great.”

La Côte d’Or in Saulieu, in the heart of Burgundy, had long been a prime destination on the road to the Alps, the south of France and Switzerland. It had acquired an international reputation under the guidance of Chef Alexandre Dumaine (1895–1974). When it was awarded a third Michelin star in 1951, it joined the ranks of France’s seven elite establishments. For many years, the prestige of La Côte d’Or was such that it was a must for well-known figures from the worlds of politics and show business.

After the departure of Dumaine in 1963, and before Loiseau took over, La Côte d’Or had more or less sunk into oblivion. Its geographical location had become less attractive now that there was a highway 25 kilometres away, heading east and south from Paris. Loiseau’s gamble was high-risk: Make enough people come to Saulieu to obtain three Michelin stars. In 1977, two years after he arrived, Loiseau got his first Michelin star and a rating of 17/20 in the Gault & Millau guide. In the years that followed he was awarded a second star (1981) and hired men who would become pillars of La Côte d’Or: Hubert, restaurant manager (recruited in 1980), Eric, maître d’hôtel (1981), and Patrick, head chef and second-in-command (1982).

After several months of construction in 1990, to provide the restaurant with three dining rooms and new kitchens, La Côte d’Or was rewarded in March 1991 with three Michelin stars. The consequences were enormous. La Côte d’Or acquired an international reputation and drew customers from around the world. The restaurant developed rapidly and hired new kitchen and dining room personnel in order to ensure impeccable service. The staff grew from 20 in 1986, to 40 in 1990, to 75 in 2000. Despite its location off the beaten track, La Côte d’Or became a venue that was well worth the detour. A loyal circle of customers developed who would return once or twice a year.

In 1998 Groupe Bernard Loiseau went public and raised 13 million francs, which allowed it add deluxe touches to the hotel (a tower, a spa overlooking a garden and a swimming pool), and in 2000 La Côte d’Or was listed by Virtuoso, a prestigious and highly selective network of 350 American tour operators.

This period was also marked by a diversification of activities, with the development of consulting services on the launching of new restaurants, partnerships (branding) and the opening of three restaurants in Paris. It was also marked by the polishing of Loiseau’s image as the ultimate chef, spokesman for French cuisine.

Bernard Loiseau as Chef

Loiseau belonged to the generation of chefs who advanced to the forefront of the nouvelle cuisine movement in the 1970s. One of the guiding principles of that movement was a rethinking of traditional dishes to make them lighter and more refined. The idea was to use less fat in main courses and less sugar in desserts so as to rediscover the natural taste of the products and better distinguish their flavours. In this cuisine the focus is above all on taste and

the achievement of both gustatory force and finesse. This involves a search for impeccable produce, often local or regional, and simplicity of presentation, each dish having been created around one main product and two complementary products – never more – so as not to dilute the original flavours in the palate.

What was important to Loiseau was to restore and enhance the taste of meat, poultry and fish. This involved new preparation techniques. One of the innovations was to make strong sauces from the cooking of the product. To bind sauces, he used neither cream nor flour but vegetable purées (onions, carrots), which serve to thicken while highlighting the flavour. Loiseau had no compunction about reclaiming and revisiting the great Burgundian classics. With frogs' legs, for instance, he kept the original ingredients – garlic and parsley – but changed the traditional recipe to produce a dish that was lighter and less fatty. The frogs' legs were simply browned in butter and served with a garlic purée and a parsley coulis. However, a simple presentation did not imply a simple preparation process. The purée was made from cloves of garlic blanched several times in different pots of hot water to eliminate the unpleasant compounds of the garlic, then sweetened with a little milk. The spurs and calf muscles were removed from the frogs' legs to make the cooking process more uniform. The same process is used for *Sandre à la peau croustillante et fondue d'échalote sauce vin rouge*, one of Loiseau's classics. The sauce is made by reducing Syrah red wine. The wine is heated for several hours without ever coming to a boil, so that the evaporation process is slow and gradual. Seven litres of wine are cooked for seven hours to yield one litre of wine concentrate, which is then whipped with butter and seasoned. The shallots are cooked at length in compote, which makes them a little sweeter and a good complement to the tangy taste of the wine sauce.

Management of the Establishment

One of the challenges of managing a great restaurant is meeting costs. Staff-related costs represent between 45% and 60% of expenditures, because a team must be sufficiently large and specialized to meet the requirements of quality and coordination in the serving of meals. The use of numerous trainees and apprentices allows the establishment to provide training for young people and bear the costs of maintaining a large team. The ingredients and raw materials are another key expense (roughly 30%). The dishes listed on the menu should be available when customers order them, which means that fresh produce must be on hand and will be thrown out if not used. The profit margins of top restaurants are quite small (around 5%); to exceed the break-even point one has to have a large number of covers without compromising the quality of the dishes or the service. Given these circumstances, location, listings in the best restaurant guides, chefs' awards and media visibility are all essential for success.

As the management of a great restaurant is a risky business, always at the limits of profitability, top restaurants try to develop additional activities, often capitalizing on the chef's name. Such activities include consulting, training, derivative products, advertising and gourmet columns in the media. The addition of a hotel can boost revenues if the costs are well controlled and the location is attractive; it also allows customers to consume alcohol without having to drive afterwards.

In 2003 La Côte d'Or was run in a traditional way. The reception desk was responsible for reservations, for both the hotel and the restaurant, and for greeting guests upon their arrival and seeing them off after their meal or their stay. It included receptionists and a doorman in charge of parking cars and handling luggage. The rooms were the responsibility of the housekeeper and a team of housemaids. In the dining room, the *maîtres d'hôtel*

welcomed the customers, offered them menu advice and took their orders; they were in charge of the seating plan, the quality of the service and customer relations during the meal. Five chefs de rang were responsible for five to seven tables each, while waiters brought in the dishes and the dessert trolley. The waiters served as the link between the kitchen and the dining room so that the chefs de rang could be present in the dining room at all times. The dining room was staffed by some 20 people, and everything was done to ensure that diners had the shortest wait possible between courses and that all those at the same table were served at the same time.

The sommellerie was responsible for the purchase, storage, sale and serving of beverages: water, wine and after-dinner liqueurs. The wines represented between 30% and 40% of the restaurant's turnover but about 80% of its margin. La Côte d'Or's wine cellar, like the cellars at any fine-dining restaurant, was stocked with a wide variety of wines.

The kitchen comprised three activities: creation of new dishes, preparation of dishes and support activities (purchasing, administration, personnel management). The chef was in charge of creating new dishes, the menu and recruitment. He was also behind the *passé*, the table where the plates are arranged and controlled before being taken into the dining room by the waiters. The chef could be assisted by one or more sous-chefs, with whom he shared responsibility for administration, management of kitchen staff and creation of new dishes.

Preparation of the dishes was handled by the team, which worked in a pyramidal structure organized into domains, each directed by a head chef: pantry, fish, meat, fish courses, meat courses, pastry. The domain chefs were responsible for their domain as well as for receiving and storing the products that they needed. Each domain chef had several assistants who carried out one or more tasks (peeling, chopping, cooking). Before the loss of Loiseau, the kitchen team comprised 22 people managed by Patrick Bertron with the assistance of two sous-chefs, who were also domain chefs.

The kitchens of top restaurants feature a rapid turnover of assistants and domain chefs because young chefs go from one establishment to another in order to perfect their craft. Loiseau's chef assistants, who were between 18 and 25 years of age, stayed an average of 18 months.

The composition and preparation of dishes were carried out to perfection by Loiseau and Bertron. Bertron was responsible for teaching skills in the kitchen. He described the dishes, the spirit in which they were to be created and how they were to be prepared. He showed the teams how to arrange a plate and put the finishing touches on it. The chefs could also consult specifications for the composition of the dishes and how to prepare them (ingredients, measures, cooking time, photos). These specs were also used to describe the dishes to the waiters so they could give diners proper advice. But it was above all know-how, experience and philosophy that were key in producing the best possible dishes and that were transmitted in the kitchen by the chef to his sous-chefs and teams. It entailed education of the senses – taste, sight, touch, smell and even hearing. All of the senses were mobilized to determine whether a meat or fish was well cooked or if a sauce had the force required for a particular dish.

“Old Style” Management

There were several specifics in the way that La Côte d'Or hotel and restaurant were run, all related to Loiseau's personality and omnipresence. Onsite from morning to night seven days a week, with only the occasional few days' vacation, he greeted guests in the reception area when they arrived and bade them farewell when they left. Concerned with every detail, he was available to all members of his staff, ready to guide, motivate or correct. As a boss,

Loiseau was very demanding and was apt to fly into a rage if he thought that some aspect of the service was lacking. At the same time, he was paternalistic in his relationships with his employees, always prepared to advise and encourage. He showed real affection for his staff, and that affection was reciprocated.

Loiseau's omnipresence did not prevent him from assigning important tasks to those he trusted. This ability to delegate resulted in a keen sense of family shared by all; the staff felt that the lines of communication were open at all times. The style that Loiseau wished to convey was that of an inn where guests feel at home and the atmosphere is not stiff and stilted but warm and relaxed; this was reflected in the way that the establishment was run.

Management remained very informal. The accounts were kept in order but management was in the "old style," without rigorous follow-up. The top priority was the quality of service. In both the kitchen and the hotel, each employee went ahead and made the purchases related to his or her position without necessarily asking for an estimate and with no centralized control. No cost was questioned so long as the purchase met high standards of quality. This autonomy nevertheless went hand in hand with a spirit of economy, as Loiseau paid close attention to any restaurant expense that did not directly involve what went on the plate. In the kitchen, the demand for the very best products meant a choice of suppliers without a call for bids or negotiation of prices. For Loiseau, one could not put a price on excellence. Likewise, as the quantities purchased were based on a rough estimate of the number of covers expected, produce that could be used but whose slight deterioration meant that it no longer met the restaurant's high standards was often discarded.

The Initial Decisions Post-Bernard Loiseau

After Loiseau's death, his widow, Dominique Loiseau, believed it was essential to communicate the fact that the establishment continued to operate, with the same teams, the same services, the same quality, the same welcome, the same concern with excellence. Although Loiseau embodied his establishment in the eyes of the public, it was now vital to focus on the professionalism of the team that kept the business running on a daily basis, to reassure customers that La Côte d'Or had not depended exclusively on him.

One of the first challenges was to retain a motivated staff. Although many employees said that they wished to stay on, they had just lost their leader. Other challenges were to reorganize the way the establishment was run, to compensate for the few departures that did take place and to adapt to the absence of Loiseau in all the different roles he had played. The organization was centred on Loiseau and it was inconceivable that he be replaced: No one would throw himself into the tasks as he had, nor bring together the qualities of creativity, leadership and communication as he had. It was essential to put into place a more formal organization but without altering style or quality. Dominique Loiseau hired a general manager, an outsider to the world of gastronomy, who was put in charge of reorganizing the staff and adopting more stringent management methods. Loiseau took over some of her husband's functions herself, particularly in the areas of public relations and the welcoming of guests. Patrick Bertron, the sous-chef, was made chef. The other changes in the organization were oriented towards internal promotion. In the dining room, two chefs de rang who had been with the firm for over 15 years were promoted to maîtres d'hôtel to replace the maîtres d'hôtel who had chosen to leave.

The establishment was renamed Relais Bernard Loiseau. Public relations, which previously had focused on the cuisine, now highlighted the hotel and its services. The menu was expanded to include less expensive selections in order to build a local clientele. The immediate result of Loiseau's death had been a substantial drop in the number of reservations

and cash inflow. Some of the less affluent customers, who had come after hearing Loiseau on the radio, seemed lost. In the short term, it was necessary to trim the sails without compromising on quality. A reorganization process was launched.

On the financial level, all expenditures were carefully reviewed. Procedures were set up for ordering, with all purchases now subject to approval through a hierarchy and managers being asked to find ways of cutting costs. Inventory tracking, personnel management and the hiring process were also revamped. With the drop in turnover, strong management seemed a requisite to make the business profitable again. The kitchen was more closely monitored. Procedures were reinforced, in particular regarding the inventory and the calculation of recipe costs. Margin rates were set in order to fix a sale price based on the cost of the materials. Specifications were established for each recipe, indicating in detail the ingredients used and the quantity.

In fact the way of doing business was overhauled. Loiseau's management style, which his team members described as "communicative," "small-farmer-like," "craftsman-like," "family . . . professional" and "informal," was replaced by a more structured, formal style. For management, the real challenge lay in establishing a more rigid management system to sustain the business without compromising on quality in any way.

The Firm's Identity

The menu was also changed. At first, in an effort to stabilize the situation, it remained Loiseau's menu, changing according to the season. Bertron, backed by Dominique Loiseau, chose to respect the principles of Bernard Loiseau's creations, and even reinforce them so as to convince the staff, customers and restaurant critics that nothing had changed. But the management, like the new chef, also believed that the establishment should innovate and offer new dishes – very soon, customers would expect it to be creative. Little by little, the chef, with the blessing of Dominique Loiseau, entered a creative phase. The menu began to evolve, eventually comprising traditional fare and a range of new dishes, with a clear distinction between the two cuisines.

Tensions came to the fore. The changes to the establishment met with resistance and gave rise to a series of conflicts, both major and minor. The more senior staff members, such as Hubert, the restaurant manager and Bernard Loiseau's long-time friend, became keepers of the flame. Hubert was seen by many as Loiseau's right-hand man and the embodiment of his style. He was highly respected and well liked by both staff and customers.

First, the organization was criticized for imposing procedures that threatened the quality of service and the firm's traditional style. Some staff members, mostly those in senior positions, felt that cost control and the adoption of reporting tools were detrimental to quality and the spirit of conviviality. The new approach was considered too managerial.

But the revolt mostly concerned Bertron's creations and the changes made to the menu. Certain dishes were judged incompatible with the Loiseau style and were severely criticized, particularly by the dining room staff. Tensions mounted between the dining room, where the staff were mostly long-time employees who had been part of Loiseau's adventure, and the kitchen, where only the chef had even known Loiseau, all the other employees having been there only a year or two as apprentices. In the dining room, the chefs de rang and maîtres d'hôtel, who advised the customers and took their orders, intimated that they could not sell the creations of Bertron as well as those of Loiseau. Hubert, a pillar of the firm, engaged the new chef in bouts of arm-wrestling. A tense situation turned into open conflict.

Behind the conflict, beyond the classic issue of succession, the firm's identity and stylistic framework were at stake. When Bertron embarked on his new creative process, he

meant to emphasize the “base” invented by Loiseau and introduce more variety in the palate. His cuisine gradually found its personality, its style, and became more inventive. “In Loiseau’s cuisine,” explains one of his *maîtres d’hôtel*, “you started from a particular taste point and there was only one line of development that reached a crescendo. In Bertron’s cuisine, there’s always a progression of tastes, but it is more of a spiral. There are more flavours in the palate, more connections between flavours; they stay longer, or return. With Loiseau it was more linear. With Bertron it’s a rotation of flavours – there’s a back and forth . . . a more complex play of flavours.”

New techniques were introduced and there were more products on the plates, including ingredients that Loiseau had disliked using, such as saffron. In the dining room, some members of the senior staff let Bertron know that this was inconsistent with the Loiseau style. “Bertron started to bring in a touch of whimsy,” says a *maître d’hôtel*, “and we were worried that he would graduate to a cuisine where you don’t know what you’re eating any more. In the case of Loiseau, it was the product that was highlighted. We were concerned because it was not the Loiseau style and we were running the risk of producing the cuisine of the man in the street.” A *sous-chef* comments, “It was very hard to convince the waiters to accept innovation. We made a lobster bouillon with lobster ravioli and stuffed cabbage. We wanted to serve the bouillon in a teapot. It caused a scandal. They told us, ‘You didn’t work with Monsieur Loiseau; you don’t know how to work’.”

Management, which believed that the business would survive if it continued to be creative, did not give in on the question of the Loiseau style. To defuse the situation and give new impetus to the firm, which was still in shock from the loss of its founder, Dominique Loiseau chose to turn towards the future, maintain a managerial orientation and support the creations of Bertron. A decision was taken to part ways with Hubert, one of the historic pillars of the firm. It was a risky move but the price that had to be paid to ensure a renaissance and the viability of the firm. The decision came down in January 2005 and served to traumatize the staff all over again.

Groupe Bernard Loiseau in 2013

By the summer of 2013 the company had survived the critical period following Loiseau’s death as well as the financial crisis of 2008. In 2013 *Relais Bernard Loiseau* received three Michelin stars for the 10th consecutive year since Loiseau’s passing. The financial situation is healthy. The stormy relationship between the dining room and the kitchen is no more and Bertron’s cuisine has been accepted by the senior staff. This happened gradually, as the results improved. Bertron is now established in his role as chef and can offer daring creations that adhere to the Loiseau style without complying with detailed specifications. Orders are evenly divided between the Loiseau classics and the Bertron creations.

The work since 2003 has been aimed mainly at consolidating what already existed: optimization of the infrastructure, maintaining of a warm and hospitable atmosphere true to the Loiseau style, improved management techniques, more rational operations so as to attain or increase profitability at all of the group’s establishments, and investment in modernization and decor to uphold the quality of services and sustain the appeal of the Loiseau brand. At the same time, careful consideration has been given to the development strategy, which since 2007 has taken the form of different operations. In 2008 a new restaurant, *Loiseau des Vignes*, was launched in Beaune, Burgundy, based on an original concept: a wide variety of wines available by the glass. This restaurant received its first Michelin star in 2010, a year that made *Loiseau des Vignes* one of the most profitable restaurants in the group. Two other restaurants were due to open in 2013, one in Dijon (in Burgundy) and one in Japan.

At the same time, the teams are working on partnerships to promote the firm's image in France and abroad. The restaurant in Saulieu is the group's flagship restaurant and its public relations focus, but it must be supplemented by activities that generate a profit and enhance the firm's image. In 2009 partnerships were formed with three leading companies in Burgundy, each highly respected in its field: Bichot wines, Fallot mustards and Boudier liqueurs. This does not mean simply selecting high-quality products, affixing the brand name and retailing them; it involves co-creating with the partners and combining their know-how. The specialists in the partner firms were closely associated with the chef, sommelier and pastry chef at Loiseau in developing the three product lines. These partnerships will allow the company to diversify its sources of revenue (in the form of royalties), still with a small turnover, and above all enhance the image of the Loiseau brand in France and elsewhere.

The Matter of Succession

The recent history of the Loiseau firm, aside from the dramatic events, highlights the structural issues affecting artistic and creative organizations in matters of succession. How does an organization carry on without the person who embodied it, including its production? We call this the paradox of creative organizations.

The Paradox of Creative Organizations

Immediately after Loiseau's death the company was in a paradoxical and rather intriguing position. Staff members felt lost, and seriously questioned the future of the firm without its owner – the chef who had imprinted his style, the charismatic manager, the person who brought in the customers and motivated the employees. At the same time, they knew how to run the business and knew that they were the only ones who could make it run smoothly on a daily basis. Most of the management team had been by Loiseau's side for years, some from the very outset. Although Loiseau had been very "present," he had also delegated, including the creative tasks. His head chef, Patrick Bertron, had worked with him for over 20 years and had helped to create the dishes, testing them and offering ideas. He had become a replica of Loiseau, to the point where Loiseau had no compunction about saying that Bertron "could do" Loiseau better than he could himself, such was his knowledge of the techniques, the dishes and the cuisine. Herein lies the paradox of creative organizations. For the teams there was a sense of loss and soul-searching about the firm's ability to survive without its leader, but at the same time there was a conviction that they were the pillars of the establishment and were indeed capable of running it. This paradox raises the question of the role of a creator who is omnipresent yet delegates many of the tasks. What did the organization lose with the loss of Loiseau? A company's survival lies in the answer to this question.

Flexibility of the Stylistic Framework

The paradox was eventually resolved. In art and creation, the idea of a stylistic framework is key. Whether it is called a stylistic framework, or a style or an identity, it involves at least two points of view, that of the customers, who might have expectations regarding the company, and that of the staff. Identity is what serves to reassure in times of trouble – for example, when a charismatic leader, after years of success and being entrusted with charting the course for the organization, is no longer around. When the absence of the leader, who represented the

firm in the eyes of the clientele and instilled confidence in the employees, translates into a loss of confidence, then anything new is cause for concern.

In a crisis such as that experienced by the Loiseau firm, when the future is uncertain, adhering to a stylistic framework offers reassurance. The creative industries are characterized by the *nobody knows property* (Caves, 2000) that translates uncertainty about the eventual success of the creations proposed. When faced with uncertainty, one's proven talents earn the trust of customers, and this trust is passed on to the staff. Loiseau's reputation had served as a form of security for his employees, something that his successor could not provide. The defiance towards Bertron was therefore structural. The firm's style was a lifesaver for the staff: In times of uncertainty they held on to what had made the firm a success and looked to the past for a framework by which it might evolve. As the leader was no longer there to provide the framework, it was the style they clung to – in other words, the formalization of what constituted its principles. But the notion of style clashed with its definition. Where was the identity of Groupe Bernard Loiseau? In its cuisine? In the supremacy of taste over everything else? No cream, no butter? No “frills” on the plate? Three flavours in each dish? Formalization could well lead to very restrictive rules, including the rejection of anything that had not been created by Loiseau. The firm's identity would then boil down to its *Jambonnettes de grenouille à la purée d'ail et au jus de persil* and *Sandre à la peau croustillante et fondue d'échalotes, sauce au vin rouge* – in other words, to the dishes that had been created by Loiseau. The notion of style can quickly conflict with that of creation.

When the orientation imposed by the new chef had passed the test – the customers came back, the restaurant kept its Michelin stars, the business was beginning to show a profit once again – the question of style seemed to no longer exist. It dissolved because the teams did not need it any more; the new chef was starting to gain legitimacy.

This episode suggests that the notion of style is ambiguous with respect to succession. It is a constant that customers and staff can turn to in times of uncertainty, but perhaps also the main loss resulting from the departure of the creator. The company must accept the fact that style is a personal matter, something on which it cannot capitalize in order to continue to create. Nevertheless, style took root in the organization – the processes, the know-how, the teams and the new creations became imbued with it. Although Bertron had his own unique personality, his cuisine drew on continuity; his personality as a creator developed in the fertile ground of Loiseau's cuisine, as did the expertise of the teams. Bertron's personal style developed around the supremacy of taste.

Succession in Creative Companies

The case of Groupe Bernard Loiseau confirms the results of research on succession in family-owned companies. In fact the phenomena of resistance seem to be structural (Handler and Kram, 1988; Handler, 1994). The influence of the founder (Davis and Harveston, 1999) and the past (Miller, Steier and Le Breton-Miller, 2003) also appear to be important factors in the process.

The transition from a one-person entrepreneurial process to a functional type of management is considered the most sensitive factor (Hofer and Charan, 1984). The way in which the firm was run during Loiseau's time typifies the various characteristics of companies managed in an entrepreneurial manner: highly centralized decision-making, over-dependence on a single individual for survival and growth, limited repertoire of managerial skills and training, and a paternalistic atmosphere.

In relation to the literature on succession, the case has two characteristics. The first is related to the sudden loss. Most of the studies on transfers are concerned with succession

linked to the retirement of the founder, whose shadow hangs over the company (Davis and Harveston, 1999). In this case, the founder's shadow hung particularly heavily over the company because he died suddenly.

This is undoubtedly related to the other characteristic: the creative aspect. In artistic and creative companies, the personality of the founder weighs heavily if the entire organization has served his vision and if his personality is part of the firm's product. The difference between a creative company and others is that its production is the creator himself. What the Loiseau enterprise produced was "Bernard Loiseau." This added to the difficulties of succession and the weight of his personality on the organization.

Cabrera-Suárez, De Saá-Pérez and García-Almeida (2001) show that the successor's ability to acquire the knowledge and skills of the predecessor is big part of the challenge in succession. The result is slightly different in the case of artistic and creative organizations. The successor must not only possess the skills of a creator but be able to apply them in a way that affirms his own unique personality and style. Consequently, he has to free himself from those skills he used when he was working for another creator. Style is an intrinsic skill that cannot be passed on.

Conclusion

The case of Groupe Bernard Loiseau raises, in a dramatic way, a number of issues that come up regularly in cultural or creative companies and institutions. Behind the question of succession lie the respective roles played by the individual – manager or creator – and the organization. And behind the question of the stylistic framework lies that of the formalization of activities, particularly creative ones. The Loiseau story illustrates the delicate balance that creative companies and institutions must strive to maintain – that between the intuition of a particular individual and the processes that need to be followed.

The Loiseau paradox masks a number of other elements, not least the division of labour in the creative process. Becker (1974, 1982) shows the extent to which creative activity is a collective activity. Our case study confirms the previous finding that creative work entails a division of labour (Paris, 2010). The only task that Bernard Loiseau did not delegate was the decision whether to include a particular dish on the menu. Such a decision requires the intuition, vision and subjectivity of the creator. Loiseau was the person who charted the course for the firm and who was most trusted by staff. After his death, the employees knew how to run the company but there was no one who could fill his shoes in terms of leadership.

Perhaps the main lessons of this case are the intriguing cohabitation of the rational and rationalizing aspects of management in creative activities and the need for subjectivity in all matters pertaining to art.

References

- Becker, H.S. 1974. "Art as Collective Action." *American Sociological Review*, Vol. 39, n° 6, p. 767–776.
- Becker, H.S. 1982. *Art Worlds*. Berkeley: University of California Press.
- Brockhaus, R.H. 2004. "Family Business Succession: Suggestions for Future Research." *Family Business Review*, Vol. 17, n° 2, p. 165–177.
- Cabrera-Suárez, K., P. De Saá-Pérez and D. García-Almeida. 2001. "The Succession Process From a Resource- and Knowledge-Based View of the Family Firm." *Family Business Review*, Vol. 14, n° 1, p. 37–48.
- Cameron, S., and L. Lapierre. 2007. "Mikhaïl Piotrovsky and the State Hermitage Museum." *International Journal of Arts Management*, Vol. 10, n° 1, p. 65–77.
- Cardinal, J., and L. Lapierre. 2003. "Zarin Mehta and the New York Philharmonic." *International Journal of Arts Management*, Vol. 6, n° 1, p. 64–73.
- Cardinal, J., and L. Lapierre. 2004. "Glenn D. Lowry and MoMA." *International Journal of Arts Management*, Vol. 7, n° 1, p. 70–81.
- Cardinal, J., and L. Lapierre. 2007. "Karen Kain and the National Ballet of Canada." *International Journal of Arts Management*, Vol. 9, n° 2, p. 62–73.
- Catmull, E. 2008. "How Pixar Fosters Collective Creativity." *Harvard Business Review*, September.
- Caves, R.E. 2000. *Creative Industries – Contracts Between Art and Commerce*. Cambridge, MA, and London: Harvard University Press.
- Davis, P.S., and P.D. Harveston. 1999. "In the Founder's Shadow: Conflict in the Family Firm." *Family Business Review*, Vol. 12, n° 4, p. 311–323.
- Hagoort, G. 2003. *Art Management: Entrepreneurial Style*. Delft: Eburon Academic.
- Handler, W.C. 1994. "Succession in Family Business: A Review of the Research." *Family Business Review*, Vol. 7, n° 2, p. 133–157.
- Handler, W.C., and K.E. Kram. 1988. "Succession in Family Firms: The Problem of Resistance." *Family Business Review*, Vol. 1, n° 4, p. 361–381.
- Henry, C. (ed.) 2007. *Entrepreneurship in the Creative Industries: An International Perspective*. Cheltenham: Edward Elgar.
- Hofer, C.W., and R. Charan. 1984. "The Transition to Professional Management: Mission Impossible?" *American Journal of Small Business*, Vol. 9, n° 1, p. 1–11.
- Lampel, J., T. Lant and J. Shamsie. 2000. "Balancing Act: Learning From Organizing Practices in Cultural Industries." *Organization Science*, Vol. 11, n° 3, p. 263–269.
- Landry, P. 2011. "A Conceptual Framework for Studying Succession in Artistic and Administrative Leadership in the Cultural Sector." *International Journal of Arts Management*, Vol. 13, n° 2, p. 44–58.
- Lapierre, L. 2001. "Leadership and Arts Management." *International Journal of Arts Management*, Vol. 3, n° 3, p. 4–12.
- Le Breton-Miller, I., D. Miller and L. Steier. 2004. "Toward an Integrative Model of Effective FOB Succession." *Entrepreneurship Theory and Practice*, Vol. 28, n° 4, p. 305–328.
- Miller, D., L. Steier and I. Le Breton-Miller. 2003. "Lost in Time: Intergenerational Succession, Change, and Failure in Family Business." *Journal of Business Venturing*, Vol. 18, n° 4, p. 513–531.
- Paris, T. 2010. *Manager la créativité – Innover en s'inspirant de Pixar, Ducasse, les Ateliers Jean Nouvel, Hermès*. Paris: Pearson.
- Svejenova, S., M. Planellas and L. Vives. 2010. "An Individual Business Model in the Making: A Chef's Quest for Creative Freedom." *Long Range Planning*, Vol. 43, n° 2–3, p. 408–430.

- Vigneault, S., and L. Lapierre. 2008. "Richard Monette, Antoni Cimolino and the Stratford Shakespeare Festival: The King and the Dauphin." *International Journal of Arts Management*, Vol. 11, n° 1, p. 76–88.
- Wasserman, N. 2003. "Founder-CEO Succession and the Paradox of Entrepreneurial Success." *Organization Science*, Vol. 14, n° 2, p. 149–172.

Thomas Paris is a researcher at CNRS (GREG HEC) and an associate professor at HEC Paris, where he is director of the master's program Média, Art, Création. His work is concerned mainly with management, economics and organizational models in the creative industries (cinema, music, fashion, publishing, architecture, advertising, haute cuisine and design).

Frédéric Leroy is an associate professor of Strategic Management at HEC Paris. His research interests cover the areas of Mergers&Acquisitions, organizational learning processes and organizational knowledge, routine and creativity.

Abstract

The important role of entrepreneurship in the dynamics of the arts sector and the influence of the leader's personality make succession a key issue in creative industries. What happens to an artistic organization when its founder leaves? How does it evolve? Can it adopt a style of management that is compatible with the founder's absence? This article focuses on the case of Groupe Bernard Loiseau, an iconic French company in the culinary arts whose owner and chef died suddenly. It sheds light on how the question of succession and that of style were addressed in this organization and how they are addressed in artistic organizations in general.

Keywords

Succession, culinary art, entrepreneurial management, creative industries

APPENDIX 1 INTERVIEWEES

Function	Position	Number of years with the firm
Administration	CEO	18
	Managing director	2
	Financial officer	1
	Accountant	27
	Administrative assistant	9
Restaurant management	Restaurant manager	4
Reception	Head of reception	4
	Receptionist	5
	Bell captain	16
Hotel	Service manager	7
Wines	Sommelier	5
Boutique	Boutique manager	9
Dining room	Maître d'hôtel	20
	Maître d'hôtel	23
	Chef de rang (headwaiter)	27
Kitchen	Head chef	23
	Sous-chef	2
	Sous-chef	2