

Fair Trade

Featured Case Writers and Cases:

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Dear reader,

As of today, fairtrade products can be found in almost any grocery store. Both, sales volume and variety of products available keep increasing at a fast pace. Much has been discussed about the certification instruments and the concept behind the fairtrade movement. However, cases discussing the business models of fairtrade initiatives are rare. We hereby present two cases to help explore the challenges fairtrade organizations face in their operations. We are convinced they will prove as an excellent tool for students to better understand some of the key aspects characterizing the fairtrade movement.

The first case featured, authored by Eva Collins, Kate Kearins, Helen Tregida and Steve Bowden, was among the

finalist in 2013 oikos Case Writing Competition. All Good Bananas is a new Zealand fair trade company that had grown in just four years to take a 5% share of the banana market dominated by large multinational corporations. The case confronts students with the dilemma to either go for a larger share of the banana market or diversify into other fairtrade products while, at the same time succeed and stay true to their sustainability values.

The second case, authored by Scott Marshall, Darrell Brown, Bex Sakarias, Min Cai won the 1st place in the social entrepreneurship track of the oikos Competition in 2013. Madécasse, is a fair trade chocolate manufacturer based in Brooklyn, New York, partnering with farmer cooperatives and a chocolate

factory in Madagascar. The case study asks students to look thoroughly at the value chain in Madagascar, understand Madécasse's operations and the local impacts, and the methods used to communicate to final consumers. Students are challenged with fully comprehending the value proposition of Madécasse and how it can be aligned with and communicated to current and emerging.

We hope that you will enjoy reading the Winter 2014 issue and exploring examples of decisions and discussions around the sustainable practices related to the food industry. As usual, we would be very happy to receive your feedback, including suggestions for new issues, so do send us an email to case@oikos-international.org.

Jordi Vives Gabriel
oikos Case Quarterly Editor

Next issue of oikos Case Quarterly (Spring 2014) will be focused on the topic of food and we will feature the following cases:

- *Crediamigo: Partnering with VivaCred?* (by Emmanuel Raufflet and Frédéric Lavoie)
- *ALTIS - A Microfinance Startup in Nepal* (by Jacen Greene, Scott Marshall)
- *Fundación Pro Vivienda Social: The Entrepreneur's Network as a Source of Resources* (by Sergio Postigo, Maria Fernanda Tamborini, Gabriela Bearzi, Gabriel Berger)



All Good Bananas: Selling the FairTrade Message

by Eva Collins, Steve Bowden, Kate Kearins, Helen Tregidga

Authors believe in a team approach to case research and have focused on sustainable entrepreneurship cases. They have placed in the oikos case writing competition five times. Our cases have been published as book chapters and journal articles. In addition, they have written book chapters on how to get the more from case research and how to teach students to write cases. Their theorizing from the cases, published in journal articles, include ecopreneurs' decision to sell-up and the consideration of nature in visionary, small enterprise.

The case story

Serial ecopreneur Chris Morrison and his co-owners Matt Morrison and Simon Coley wanted to improve the sustainability impacts of New Zealand's banana consumption. Their company, All Good Bananas had grown in just four

years to take a 5% share of the \$143 million market dominated by large multinational corporations. All Good Bananas had used social media to spread the Fairtrade message, and to ensure consumers knew about the negative social and environmental impacts of the regular banana trade in the developing countries where bananas were grown. The All Good team had to decide a direction for the future of the company. They had identified two avenues. They could either go for a larger share of the banana market or diversify into other Fairtrade products. The question was, which option was likely to be successful and stay true to their sustainability values?

Teaching the case

At a broad level the case illustrates how a small resource constrained company can compete against much, much

larger players. It includes an analysis of the role of alternative marketing strategies such as guerilla marketing and social media. It also demonstrates how online forums can be used to engage people in discussions of complex social and environmental issues in order to inform consumer decision making. The case also illustrates the use of new forms of company communication and the ability for small resource limited companies to use online platforms and other marketing strategies to communicate company and brand as well as spread complex messages and educate consumers.

Given the company's extensive use of social media, and the discussion of social media in the case, it may also be useful encourage students to look up the company on the internet as pre-class preparation. The company has a range of available information (blogs, pdfs clips etc) which can be accessed and



the Teaching Note includes a number of online resources. We tend to find that students engage in cases where links are used and internet research is undertaken. Using this available material can help to cover issues in more depth.

In relation to the competitive dynamics within an industry this case can be used to illustrate the concept of judo economics (also referred to as judo strategy). Both the utility and potential limits of judo economics can be demonstrated through the case by considering current activities and potential future dynamics. The purpose is to get students thinking about the interplay between competitors and the need for companies to assess likely competitor responses to actions. The key point is that when deciding on and setting future strategies companies must consider the reactions that they are likely to provoke - noting some might provoke more of an adverse competitor response than might others.

Finally, in many of the cases we write, we have explored the tension between

a company's growth ambitions and maintaining sustainability values. The All Good case adds FairTrade to the equation. We have used the case to have students explore how FairTrade contributes (or does not contribute) to competitive advantage.

Favourite cases

Favourite cases are those that move beyond companies adopting sustainability strategies into the trade-offs made among social, environmental and economic goals. The Business Case for Plan A is an example. The Body Shop: Social Responsibility or Sustained Greenwashing? is another example.

New case development

We have a strong interest in cases about sustainable entrepreneurship, those people that found a business to solve environmental and or social issues. We have an interest in hybrid organizations, B Corporations and other new paradigms for the future of business that demonstrate how sustainability drives innovation and growth.

Case Purchase Information

More information about this case can be found at [oikos Case Programme](#). Please contact [Eva Collins](#) for permission rights.



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Madécasse:

Competing with a 4x Fairtrade Business Model

by Scott Marshall, Darrell Brown, Bex Sakarias, Min Cai

The case story

Madécasse, with its headquarters in Brooklyn, New York, partners with farmer cooperatives and a chocolate factory in Madagascar to make single-origin, tree-to-bar chocolates for sale in high-end groceries and chocolate boutiques internationally. The Madécasse model maximizes the amount of value added to the final product in Madagascar. It includes strong relationships with the cocoa farmers, partnership with a chocolate factory, sourcing ingredients and packaging from around Madagascar, and exporting the final, fully packaged products. The case study asks students to look thoroughly at the value chain in Madagascar, understand Madécasse's operations and the local impacts, and the methods used to communicate to final consumers. Students are challenged with fully comprehending the value proposition of Madécasse and

how it can be aligned with and communicated to current and emerging customer needs.

Teaching the case

To prepare students for this case study, they should gain some basic background on the cocoa industry (including watching videos available on youtube, such as *How it's made - cocoa beans and bulk chocolate*, August 7, 2012; and *Child Labour: The Dark Side of Chocolate*, August 13, 2012). In addition, they will need to have studied or be studying strategic analysis, in the context of marketing, operations and/or social entrepreneurship.

This case is designed to highlight decisions related to marketing and operations strategy, measurement of social and environmental impacts, pros and cons of eco-labels and certifications. It can be used in courses related

to marketing strategy, operations management, social and environmental measurement, and social entrepreneurship.

Key learning outcomes relate to:

- Designing a new business model in a developing country;
- Product market entry in a highly competitive market through differentiation;
- Measurement of social and environmental impacts in the operations of a social enterprise.

Favourite cases

• Kapai New Zealand: Eat Your Greens! by Helen Tregidga, Kate Kearins and Eva Collins. It is difficult to find a good 'sustainability' case study that consider alternative business models; this case does a very fine job of looking at franchising.



Scott Marshall

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Darrell Brown

University. Professor of Accounting at the School of Business Administration, Portland State University.



Bex Sokarias

English Teacher at the Ometepe Bilingual School in Ometepe, Nicaragua and a graduate of the Portland State University MBA program.



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Fair Trade Accion

- World Toilet Organization: Leveraging Resources for Social Impact by Imran Chowdhury and Thierry Si-bieude. First, the name immediately catches one's attention. But, second, it deals with an enormously important issue. And, thirdly, it provides a basis for studying hybrid social enterprise models.

- Burgerville: Sustainability and Sourcing in a QSR Supply Chain by Darrell Brown, Phil Berko, Patrick Dedrick, Brie Hilliard, and Joshua Pfleeger. We all like simple. But there's nothing simple about sustainability and it often involves weighing different criteria and making difficult decisions. This case

does a fine job of laying out the challenges of staying true to mission and scaling responsible sourcing.

New case development

Tesla Motors and the challenges it has faced in trying to disrupt the long-held US car dealership model. It would probably be best taught in operations management and marketing courses.

ZoomCare as a disruptive model in health care delivery. Most likely such a case study would fit well in a retail management or service innovation course.

Case Purchase Information

More information about this case can be found at [oikos Case Programme](#). Please contact [Scott Marshall](#) for permission rights.

The Case Centre Awards and Competitions

The Case Centre Awards and Competitions are the case method community's annual 'Oscars'. Find out which outstanding case writers and teachers from across the globe have been recognised this year: www.thecasecentre.org/winners

Why not enter our global competitions?

www.thecasecentre.org/caseawards

The Case Centre Anniversary Conference 2014

Don't miss the case method event of the year: The Case Centre is holding a celebratory case conference in India to mark its 40th anniversary and further strengthen its worldwide case method community. The two-day event will be hosted at the Indian Institute of Management Bangalore, 8-9 September 2014. Find out more and book your place!

www.thecasecentre.org/anniversaryconference

Case Teaching Workshops

The Case Centre has launched CoursePack Creator, a new and powerful tool to help you quickly create professional and comprehensive CoursePacks. These are on-line collections of course-specific learning materials offering a convenient one-stop study solution for your students. Create as many CoursePacks as you need, customise them with your logo, add your choice of materials and share with students for instant download. Get started today:

www.thecasecentre.org/CoursePackCreator

Case Writing Workshops

We're offering a choice of three workshops to be held at IESE Business School, Spain, 16-20 June 2014. Led by internationally respected case method specialists, there's something for everyone, from newcomers to the case method to experienced case teachers who are looking for fresh inspiration. We're also running workshops in Chicago, US, in November this year. Places are in high demand so book on-line today:

www.thecasecentre.org/bookonline

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Contact

We would like to hear your experiences of teaching innovative corporate sustainability and social entrepreneurship cases! If you have any suggestions for improving this periodical, or information you may want to share with the community of case writers and instructors, we would appreciate your feedback. Please send us an email at case@oikosinternational.org or give us a call at +41 71 224 2698.

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