
Green Isle Ltd.¹

DOMINICA, WEST INDIES

As Michael Georges, vice-president of Marketing for Green Isle, a Caribbean agro-processing company,² stared at the crystal blue Caribbean waters outside his office window, he wondered if it was 9:00 am or 3:00 pm. He had just returned the previous night from a week and a half in London and Germany on a ECSEDA³ sponsored trade mission. He turned towards the large coconut tree near the pepper crushing shed, and saw a moored 40-foot yacht flying the French flag. While Michael watched the owner sip coffee on the deck, he mumbled to himself, “I wonder if that guy’s head hurts as bad as mine right now?”

“As I was saying, Michael, we knew this could happen sooner or later,” continued Daniel Larond, financial comptroller for Green Isle. “Barrons came out of nowhere last year and has been haunting us ever since.⁴ However, we can still provide our products to them, can’t we?”

Daniel had just informed Michael that, in his absence, their competitor, Barrons, had been the cause of Green Isle losing its exclusivity agreement with Gunns, a large St. Vincent wholesaler that was a key distributor of their sauces, juices, and other products. The contract had expired two weeks before Michael was to leave for a trade mission to Europe. Green Isle had not recently received any negative feedback from Gunns, so they had assumed everything was OK and the contract would be renewed automatically. The news was quite disappointing.

Gunns had done excellent promotional work for Green Isle. An attractive display for Green Isle’s products was constructed in their customer receiving area. They conducted local in-store taste test promotions and periodic checks for proper shelf placement and freshness⁵ of Green Isles products, all highly unusual for Caribbean wholesale companies. The relationship had been very profitable for Green Isle.

“Yes, we can still sell to them,” sighed Michael, “but you can bet that they will now be focusing their efforts on Barron’s products instead of Green Isle’s.”

Country Information

Dominica is a small tropical island located in the Eastern Caribbean. It was a Commonwealth nation of Great Britain that gained its independence in 1979. The geography is chiefly mountainous, of volcanic origin, with only 9% arable land. The mountain terrain and lack of desirable infrastructure have created numerous difficulties with inner island transportation.

There were two airports on the island: Melville Hall, located near the northeast coast of the island, and Canefield, located near the capital city of Roseau, on the southwest coast of the island (see maps on page 78). Neither airport could handle large commercial aircraft. Canefield could only land planes with a maximum seating capacity of 19 passengers. However,

Amerijet, a small cargo jet out of Miami, had recently begun flights into and out of Melville Hall.

Agriculture, as in most developing countries, accounted for a large percentage of the GDP and employed most of the labor force. The chief crop, bananas, was sold to and subsidized by Great Britain. With strengthening ties in the European Community, it was feared that these subsidies would soon end. The government had been encouraging diversification of the economy into nontraditional crops and tourism. Passion fruit was one such crop, and it was becoming widely grown throughout the island. However, Brazil and parts of Africa were also actively cultivating passion fruit and they had vast amounts of arable land.

The Dominicans had found a niche in the tourism industry. Early on, the government of Dominica realized the value of protecting its rainforests and waters from exploitation. Approximately one-third of Dominica was protected as a natural preserve. Because of this protection and lack of development, the natural beauty of the island was retained, and Dominica was a Garden of Eden for the ecotourist. Dominica was trying to capitalize on the present environmental awareness and conservation trend in North America and Europe by offering an alternative experience to the tourist. It offered a chance to experience the undisturbed beauty of the Caribbean without the effects of commercial tourism.

With the exception of the potential crisis in the banana trade, the economy was fairly stable. In 1992 the economy grew 2% in real terms while inflation remained moderate at an estimated 5%.⁶ The currency was the Eastern Caribbean dollar (EC). It was tied to the U.S. dollar at an exchange rate of 2.7 EC per US\$1.

Dominica was a member of the Caribbean Community Common Market (CARICOM) and the Organization of Eastern Caribbean States (OECS). But it also enjoyed preferential trade agreements with Canada (CANCOM agreement), the United States (Caribbean Basin Initiative; CBI), and the European Community (LOME). Many Dominicans were concerned about the effect on the economy of NAFTA (North American Free Trade Agreement) now that it had been approved. Businessmen and government officials feared their special relationship with the United States and Canada would be weakened. Countries participating in CBI had already seen their preferential trade agreements with the

United States mitigated, and they expected Mexico to gain trade benefits exceeding those provided to Caribbean countries under the CBI. It was feared that investment once received from Canada and the United States would now flow instead into Mexico.

Dominica's markets were also protected by the Common External Tariff (CET) employed by CARICOM. This tariff imposed up to a 45% duty on goods imported from non-CARICOM countries. Agricultural products were among the most fiercely protected items. This tariff had been enjoyed for a number of years but would soon be lowered to a maximum of 20% over the next five years. There were fears that the manufacturing sectors in Dominica would not be able to compete with products from larger North American and European countries if the CET were lowered. Larger companies enjoyed economies of scale both in purchasing raw materials and producing finished goods that made their products cheaper than locally produced goods. Also, these companies had large domestic markets to rely on, whereas Caribbean countries relied on their regional market because each country had such a small domestic market.

Company Background and Information

Green Isle Agro-Products was established in 1944 by the Cecil St. Hilaire family. It was located on the southeastern Caribbean coast of Dominica. Although the company had experienced significant growth since its humble beginnings in 1944, in the years prior to its purchase by Vantil and Sybil Georges in 1986, it existed primarily to support the economic requirements of the St. Hilaire family. Little effort went into expanding the company's markets or improving its product packaging. The founder and owner, Mr. Cecil St. Hilaire, was in his early seventies and ready to retire. None of Mr. St. Hilaire's children were interested in participating in the business, so he decided to sell.

Since purchasing the company, Vantil Georges's goals had been to upgrade the production capabilities and to increase their product lines. Vantil stated, "Once I automate this plant, this company will soon become the major agro-processor in the region."

Green Isle's sales grew from \$1,248,760 EC in 1986 to \$3,226,459 EC in 1991 (US\$463,000 to US\$1.19

million), due primarily to the company's entrance into larger regional markets. However, 1992 annual sales decreased by 21%. This decline was due to increased competition from larger, more sophisticated companies and the world recession. Exhibit I shows monthly local and export sales for the years 1990 through 1992.

Green Isle was currently trying to relocate and automate its operations. A vacant citrus processing plant located in a nearby industrial park, shut down several years ago, was the proposed site. Relocating to the proposed plant was expected to greatly increase Green Isle's available production and storage areas. Used bottling equipment to be placed in the plant was purchased two years before, when a Boston, Massachusetts company went out of business. Green Isle learned of its availability from a consultant from the Retired Executives Corps.⁷ At the time they purchased the equipment, management was planning to build a new plant, but they subsequently changed their minds. The used equipment had been carried on the books ever since.

Green Isle's management style was very informal. Impromptu meetings were held at Vantil or Sybil's discretion, regardless of which members of management attended. This often resulted in members being excluded from key decision processes.

Company Organization

The company's organization chart was loosely defined, perhaps best portrayed in Exhibit 2. Brief descriptions of each key player appears below.

VANTIL AND SYBIL GEORGES

Vantil and Sybil were both Dominicans who moved to the United States in 1960 to seek better employment and then moved back to Dominica in 1986. Both were now in their early sixties. Vantil had retired from Allied Freight, a U.S. national freight trucking company, after 25 years of service. His last position there was regional maintenance manager.

Sybil was a housewife and mother of six. While in the United States, Sybil worked in the home, caring for her family. Neither Sybil nor Vantil had a college education.

Although Vantil and Sybil both lacked experience and technical training in functioning as business executives,

Exhibit I

GREEN ISLE MONTHLY SALES

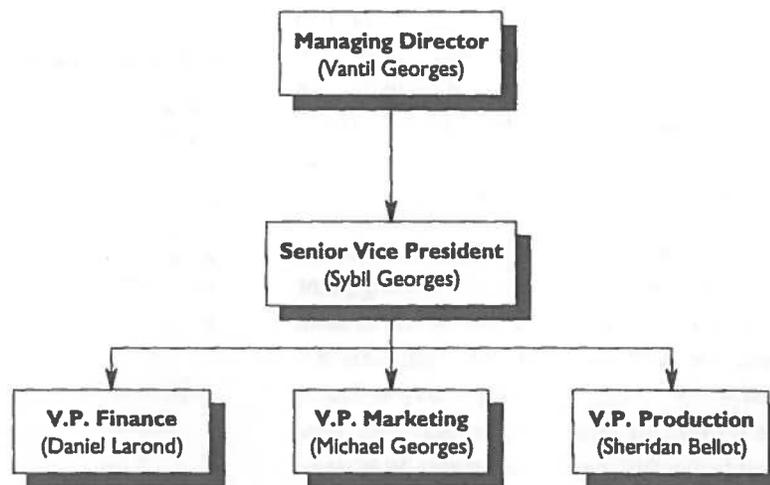
1990 Months	Local	Export	Totals
January	\$56,775	\$203,129	\$259,904
February	62,628	172,928	235,556
March	89,445	231,005	320,450
April	81,651	52,406	134,057
May	79,835	143,735	223,570
June	94,686	218,896	313,581
July	107,429	51,878	159,307
August	114,797	240,083	354,879
September	81,982	249,733	331,715
October	87,378	214,135	301,513
November	69,204	66,620	135,824
December	84,895	213,747	298,641
TOTALS	\$1,010,704	\$2,058,293	\$3,068,997

1991 Months	Local	Export	Totals
January	\$74,533	\$241,517	\$316,050
February	67,582	160,118	227,700
March	66,918	90,434	157,352
April	89,878	148,249	238,127
May	77,133	101,153	178,286
June	73,816	98,701	172,517
July	101,031	247,945	348,976
August	83,080	201,056	284,135
September	70,975	132,570	203,545
October	62,699	336,412	399,110
November	63,070	152,830	215,901
December	71,417	273,786	345,203
TOTALS	\$902,132	\$2,184,771	\$3,086,903

1992 Months	Local	Export	Totals
January	\$70,368	\$67,065	\$137,434
February	64,782	142,444	207,226
March	73,870	115,777	189,647
April	89,888	167,049	256,937
May	62,107	115,707	177,813
June	73,636	165,392	239,028
July	82,352	185,771	268,123
August	79,644	73,440	153,084
September	79,643	131,211	210,854
October	77,450	85,535	162,985
November	51,374	192,830	244,204
December	68,071	183,625	251,696
TOTALS	\$873,184	\$1,625,846	\$2,499,030

each had their own unique skills. Vantil's personal interest and past experience in automotive maintenance provided him with an in-depth understanding of automation and equipment. In the past, this understanding had proven helpful to Green Isle as Vantil often took

Exhibit 2
GREEN ISLE
ORGANIZATIONAL
CHART



over the day-to-day maintenance problems. As a mother of six children, Sybil developed good personnel skills. She was very adept at dealing with interpersonal conflicts, not only with company personnel but also with distributors and agents.

After Vantil retired, the Georges decided to move back to Dominica. The opportunity to purchase Green Isle presented itself, and they acquired the company with the stated intention of leaving it to their children. Vantil was the Managing Director for Green Isle and Sybil was the Senior Vice President.

MICHAEL GEORGES

Michael was the youngest child of Sybil and Vantil. He was 26, born and raised in Long Island, New York. Michael had graduated from Barry University in Miami with a degree in Marketing and had sold office equipment in New York for a year and a half before going to work for Green Isle, where he had been employed for almost two years.

Michael had no previous experience in international business or the food industry. He had to absorb tremendous amounts of information on international marketing and the food industry as a whole. Although his experience was limited for an international marketing manager, he was willing to learn and enthusiastic about the company. He was the Vice President of Marketing.

SHERIDAN BELLOT

Sheridan was the most tenured member of the Green Isle staff. He had been with the company for 18 years

and was in his early forties. Although he admitted to university training in England, he preferred to be thought of as a self-taught gentleman. Sheridan lived most of his life in Dominica but was widely traveled. He often represented the company and acted as company spokesman. His 18 years of experience with Green Isle made him the staff member most knowledgeable about overall company operations. He also had close connections with both the political party currently in power as well as the main opposition party. He was the Vice President of Production.

DANIEL LAROND

Daniel had been with Green Isle for three years. He was Dominican and had traveled within the region. He attended the University of The West Indies, where he trained in accounting. Daniel was in his early thirties and had worked as a bookkeeper before coming to Green Isle. While lacking skills in financial management, Daniel was very conscientious in his work. He was the Vice President of Finance.

Green Isle's Markets

In the Dominican market, Green Isle sold to wholesalers, retail stores, "mom and pop" shops, and to individuals at its factory outlet on the company's premises. A van salesman travelled to the more remote shops and retail stores. The local market, once dominated by Green Isle, had slowly fallen to import and cottage products.⁸ Most of the loss in market share could be

attributed to higher quality packaging of imports and to a lesser degree their price. Green Isle had often considered Dominica a captive market, taking its success there for granted and doing little to promote sales.

Green Isle's primary markets were various Islands in CARICOM (Caribbean Common Market).⁹ In this regional market Green Isle sold mainly to wholesalers and through agents. Products from Trinidad, Jamaica, and the United States were Green Isle's main competitors in this market. However, Barrons, a company founded in late 1991 in St. Lucia, was providing stiff competition for Green Isle.¹⁰

Although the CARICOM islands were close in a geographical sense, there were vast differences on many other dimensions. Levels of education, infrastructure, demographics, international affiliations, and sophistication of both markets and consumers varied greatly among the islands.

Market information on the region's islands was difficult to attain. There was no readily available, reliable research on market size and market trends. Import statistics were broad and often too outdated and so not a meaningful indicator of market size. Market intelligence was attained through exhaustive on-site visits to retail stores, interviews with distributor's salesmen, and feedback from regional trade shows. For this reason, marketing decisions by Green Isle were reached by executive opinion.

Green Isle also had private label agreements with Encona, a United Kingdom company, for its pepper sauce. This single account represented a full 53% of Green Isle's total sales.

In August 1992, Green Isle launched selected products on the U.S. market (coffee, hot sauce, fruit juice cordials, and bay rum¹¹). The company used the International Fancy Food Show in Washington D.C. as the forum for the introduction. Overall, the products met with favorable response. Most of the companies expressing an interest in the products were concerned about the unsophisticated product packaging and limitations on production capacity due to Green Isle's chiefly manual production. No direct sales resulted from the show but Green Isle did receive good exposure.

Production

Green Isle produced all of its products except coffee and pepper sauce within a 5,670 sq. ft. building. The pepper sauce was produced in an adjoining building with 675 sq. ft. of available space. The coffee operation was housed in a leased building near the proposed new plant. The coffee building had 2,228 sq. ft. available. Total freezer space available to Green Isle was 6,000 cu. ft. Currently all freezer space was being utilized to store excess passion fruit pulp carried over from last year.¹² The proposed new plant had 12,600 sq. ft. of production space with additional space for offices, laboratory and storage. When Green Isle anticipated moving into the new plant, they planned for their pepper operations to remain at the old location.¹³ Along with their current products Green Isle planned to produce a new line of carbonated fruit juices, concentrated and single-strength grapefruit juice, single-strength lime juice, and artificially flavored fruit drinks.¹⁴

Current production capabilities for the main products were as follows:

fruit juice cordials	250 cases every 3 days
jams & jellies	65 cases every 3 days
pepper sauces	125 cases per day
coffee	80 cases per day

Production of Green Isle's other products occurred on an infrequent basis and production times varied.

Production schedules were prepared weekly. Work was arbitrarily organized into small production groups located throughout the plant. Green Isle presently employed 22 production personnel. Although the production operations were chiefly manual, the fruit juices and the pepper sauces each had a crude four-station, pneumatically operated filler. Any bottles that were not filled to the proper level were topped-off by pouring product from a spare bottle into the unfilled bottle. This process was slow and tedious. The coffee was roasted in an automated roaster but was then transferred by hand to the package. The other products were manually produced and packaged. All labels were applied by hand.

Finance

Green Isle's financial records were kept manually even though the company had purchased three computers more than four months before. The comptroller explained that they had not yet found the time to convert the records. He also admitted that both he and the office secretaries needed training on utilizing computers. Financial reports were prepared as needed by management. One such need occurred when the company was applying for a loan or an increase in its overdraft limit. When financial records were required for the bank, a set of records was produced specifically for that need. Financial analysis was not practiced and management did not receive regular statements. If a problem was recognized by the comptroller, it was immediately discussed with the managing director.

At present there was no credit policy in place for accounts receivable. A credit policy had been prepared for Green Isle six months before by an ECSEDA advisor, but it had yet to be implemented. The lack of a formal credit policy had proven costly to Green Isle in the past. A year before, a shipment of Passion fruit cordials and pepper sauce, valued at one hundred thousand dollars, was lost. The shipment had been sold on open account to a Canadian businessman who was later arrested in St. Lucia on drug charges. The products were located in a warehouse in Canada. After the businessman was arrested, the owner of the warehouse confiscated the products to cover the outstanding warehouse bill. Because of the nature of the transaction, Green Isle had no recourse.

Green Isle currently received all its long-term loans from the Eastern Caribbean Bank. The company also had a working capital credit line through the Agricultural and Industrial Development Bank. The capital needed to make the transition into the new plant was to come from the Bank of Canada. A significant portion of this loan would be secured by land owned by the Georges family.¹⁵

Marketing

The marketing department at Green Isle was trying to shift its emphasis from sales to marketing. It was difficult for Green Isle's staff to adhere to the concept of a market-led company versus a production-led company.

Production considerations tended to overrule market demands. Product packaging and consumer awareness were two major tasks to be addressed. Newly designed labels were available on the pepper sauces only. The remaining product labels were being designed or awaiting printing. Michael was trying to select new bottles for the fruit cordials, ready-to-drink fruit juices, bay rum, and pepper sauces. The fruit cordials were previously packaged in 26 oz. traditional rum bottles and the ready-to-drink juices were packaged in recycled 8 oz. Heineken beer bottles. Michael hoped to find suitable PET (polyethylene plastic) replacement bottles for both products. It was his intention to use 8 oz. and 26 oz. bottles of identical design. Bay rum bottles were to change from glass to plastic, while pepper sauce, once available only in 3 oz. bottles, was to be packaged in 5 oz. and 10 oz. bottles as well.

There was disagreement among management as to whether the switch to new labels was to be implemented immediately. Green Isle had a large inventory of its old labels. Because of the expense of shipping, the required minimum order size, and the discounted volume prices, Green Isle believed it was more economical to order its labels in large quantities. (Using last year's sales figures, Green Isle had a two-year supply of the old Passion Fruit labels.) Sybil and Vantil felt Green Isle should phase in the new labels. Michael argued that the old labels were already costing Green Isle potential sales. He felt that allowing the old labels to remain would only serve to undermine current marketing efforts.

The marketing staff at Green Isle consisted of Michael, vice-president of marketing; Tabatha Garman, responsible for merchandising; and Simon Litton, the van salesman. Tabatha was Michael's fiancée. She was Trinidadian but had moved to Dominica one year before to be with Michael. Her position at Green Isle was unofficial because she was unable to obtain a work permit from the government. Michael also utilized the three office secretaries whenever necessary.

Tabatha handled the merchandising for the Dominican market. Michael had hoped that Tabatha would be able to relieve him of some of the regional sales and promotion travel. However, he was still doubtful she would represent the company the way he would personally. Tabatha also answered some of Michael's correspon-

dence and handled a limited number customer service accounts.

Michael was burdened with the lion's share of the marketing department's daily operations. Much of his time was spent replying to faxes, handling customer service problems and sample requests, developing ads for print and radio, and selecting new product packaging. Michael often expressed his desire to delegate responsibility but insisted he could not take the time required to train Tabatha and the staff secretaries. When asked about this he replied, "Sure, I would love to spread a little of this around but it would take too long to retrain those girls. Trying to teach those girls about cultural sensitivities or professionalism would take total reprogramming. I just don't have that much time. I'd rather just do it myself until I can come up with something else. I admit that some things are being left unfinished, but at least I am able to do other things the way that they should be done."

Most of Green Isle's export distributors had been solicited by word of mouth. With their present desire to enter all markets possible, Green Isle accepted representation from anyone who might be able to get them into the market. This proved costly to Green Isle both directly and indirectly. The company lost thousands of dollars on bad credit risks with distributors and agents. Also, Green Isle granted exclusivity contracts to new distributors who did not perform. This prevented Green Isle from any other representation until the contract expired. Their major representative in North America was World Wide Trading and Shipping of Annandale, Virginia. The company was established by a former Foreign Service member who had used his contacts with friends and associates still in the Foreign Service to establish a trading company that sold used electronics (TV's, radios, stereos, etc.) to developing countries. When World Wide Trading and Shipping experienced a slump in its markets in early 1991, the owner decided to expand business lines. Green Isle was introduced to World Wide Trading and Shipping through a U.S. Commerce Department exporter/importer matching program. The company was given an exclusivity agreement by Green Isle until July 1993 to sell its goods in the territory from Virginia to New York. Unfortunately this alliance had not been as fruitful as either party had hoped. World Wide's electronics

exports had picked up in 1992, allowing little time to establish markets for Green Isle.

Discussions on Export Promotion

An ECSEDA staff member interviewed Michael to identify Green Isle's needs and strengths. This information was to be used by ECSEDA to assist Green Isle with their export efforts.

Michael was asked to list his competitive advantages and disadvantages. "Our quality is our biggest advantage. Our products are made from fresh fruit, not artificial flavoring. The Green Isle name is also recognized in many of the islands. Also, Dominica has the reputation as the 'Nature Isle' of the Caribbean. I believe we should push that. You know we are thinking of going into bottled water with this concept. As far as disadvantages, our packaging would be the top one; next would be price. Because we are so small, we have higher input cost and unit costs. However, when the new bottling equipment becomes operational, it should greatly reduce our unit costs. We also have many things to sell, but I'm the only person in the department beyond the local route salesman. Our competitors have whole departments devoted to marketing," he answered.

Commenting on Green Isle's market share, Michael admitted, "To be truthful, I don't know the number precisely. I should really find out." Michael was then asked to describe his customers or his target market and their preferences. "They are consumers who are purchasing top-quality natural juices and other products. I feel we have potential with the hotels and resorts in the region. Also, the Government is pressuring Carnival Cruise Lines to buy locally produced products. I tried to get business with them once before but had some personality conflicts with the purser. As far as preference, the trends are towards high-quality, fresh fruit products," he answered.

ECSEDA asked Michael to explain how he wished Green Isle to be perceived, what were the intangible benefits he provided consumers, and what vehicles he planned to use to convey this message to consumers. Michael said, "When people think of Green Isle we want them to think 'Natural.' I want Green Isle to be thought of as a high-quality producer of 'fresh and natural' food products. As far as the benefits, I guess

I want them to feel they're doing something healthy that is good for them. And for the marketing vehicle, we are presently using regional radio stations, point-of-sale material, and limited print exposure such as *Chile Pepper Magazine*. I had a meeting three weeks ago with management to review a proposal from a New York public relations firm (see Exhibit 3). If we eventually approve it, it will greatly increase our range of marketing vehicles."

The Staff Meeting on Export Promotion

"Have you heard anything else about the container of 5 and 10 oz. pepper sauce bottles that were supposed to arrive last week?" asked Michael as he and Daniel prepared to go to a staff meeting in the Managing Director's office.

"Yes, well, I did speak to the shipping agent. Apparently the ship had mechanical problems and had to dock in Haiti. Of course, the replacement parts or whatever that was needed was not available in Haiti so they had to be sourced out of the U.S. and then shipped to Haiti. They said it shouldn't be much longer," answered Daniel.

"Not much longer, huh? Well, time is relative, isn't it?" replied Michael. "Alright. Well, we've got a meeting with Dad. We're going to discuss this P.R. proposal from Neuvo Concepts."

"Yes. He will probably want to discuss the new bottles we ordered last week, as well," said Daniel.

"What new bottles?" Michael asked nervously.

"The only ones that the new bottler can fill," Daniel replied matter-of-factly.

"What do they look like?" asked Michael.

"Well, not that great," answered Daniel, "but they're the only ones the machine will fill without ordering new filler heads. So everyone decided to go with these bottles now and graduate to the new ones in a few months."

Michael could feel his headache starting to build and decided that he should save any further questions for his father in the meeting.

When Michael opened the door to his father's office, Vantil, Sybil, and Sheridan were discussing a recent

development pertaining to the proposed move to the old Citri-Select plant.¹⁶

"I know why Ian is doing this and he's just bluffing," Vantil said angrily.

"Maybe so," said Sheridan, "but a number of the larger grapefruit farmers are in on the bid with him. If it's a bluff, it's a well-planned one and I'm not sure we should call it."

"I told you all along we should not go into this deal, Mr. Georges," Sybil reminded. "But does anyone listen to me? Of course not. I might as well stay at home."

"Mrs. Georges, you're the one who has been bragging to everyone about us opening the old Citri-Select plant. Seems to me you don't have too big of a problem with this deal when it suits you," Vantil said scoldingly.

"What is going on?" asked Michael.

"The Minister for Industry and Trade just called. Ian Potters has outbid us for the old Citri-Select plant," Sheridan answered.

"How could he outbid us? I was told two weeks ago that we had reached an agreement with Government and would start moving equipment the following Monday," stated Michael.

"We had reached a substantive agreement only," admitted Sheridan.

"We will get the plant," assured Vantil. "Ian is just trying to be a joker about this. He only wants to drive the price up and then he'll drop out. Don't worry about this."

"I hope he is only bluffing. If not, we will lose this deal," Sheridan replied worriedly.

"We'll also lose the approximately 40 thousand dollars we've invested," Daniel estimated.

"If we don't get the plant we will lose the money we've invested in cleaning the facilities, the repair work we had done to the boiler two months ago, the handling cost for the inventory we moved there four months ago, the cost of moving all the bottling equipment last week, the consultant's fee for designing the production flow and preparing the initial set-up of the equipment, the better part of seven months of our time in working on this deal, and . . ."

Exhibit 3**A PUBLIC RELATIONS PROGRAM FOR GREEN ISLE**

Submitted by: Nuevo Concepts
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(212) 555-4632

PROGRAM CONCEPTS

- (a) To create exposure for Green Isle in select print media, through an intensive public relations program that targets consumer, trade and trade-related press.
- (b) To position Green Isle Ltd. as the manufacturer of Green Isle Products—a line of exotic products from the Caribbean.
- (c) To position Green Isle as a superior product in this category of products.
- (d) To generate exposure for the owners of Green Isle who brought their line of products from the Caribbean and into North America.

STRATEGIES

- (a) When launching our public relations program, Nuevo Concepts will clearly highlight the elements which will give the product identity—setting it apart from its competition in the United States.
- (b) Through our expertise we will establish an image for Green Isle in the consumer, trade and food-related markets, by finding the appropriate outlets in the media to increase visibility for Green Isle and at the same time maintain its image.

APPROACH ATTACKS

To generate feature print exposure Nuevo Concepts will secure stories in targeted print media through a number of approach attacks:

- (a) **Green Isle Brand Quality Products:** “A taste of the Caribbean.” Targets include: *New York Magazine, Gourmet, Food & Wine, Food Arts, Chili Pepper, Vegetarian Times, Bon Appetit, Fancy Food*, etc.
- (b) **The Green Isle Story:** “From 1944 to Present.” Targets include: regional and metropolitan newspapers including *The New York Times, New York Daily News, The New York Post, Miami Times/Herald, Tampa Bay Sentinel, The Washington Post, Chicago Sun Times*, and all food-related publications including *Gourmet, Food & Wine, Food Arts, Chili Pepper, Bon Appetit, Fancy Food*, etc.; all general interest publications including *Elle, Essence, Family Circle, Good*

Housekeeping, Ladies Home Journal, Mademoiselle, Glamour, Metropolitan Home, Where Magazine, etc.; travel-related magazines including *TWA Ambassador, American Way, Delta Magazine*, etc.

- (c) **Green Isle Products:** “Tropical Products That Appeal to the Tastes of Today’s Educated Consumer.” Targets include: all consumer publications including *New York Magazine, New York Daily News, The New York Post, New York Newsday, Elle, Allure, Ladies Home Journal, Glamour, Mademoiselle, Good Housekeeping*, etc.
- (d) **Green Isle Products:** “Americans are Switching from Tabasco to Green Isle.” Targets include: *Chile Pepper Magazine, Vegetarian Times, Gourmet, Bon Appetit, Food Arts, Food & Wine, New York Daily News, The New York Times, The New York Post*, etc.

PRESSKIT ASSEMBLY AND DISTRIBUTION

Nuevo Concepts will create a media kit for Green Isle for distribution to targeted press outlets. The kit will include the following:

- (a) A general release
- (b) Photographs of the line of Green Isle products
- (c) Biographical information on the owners
- (d) Company/product profile
- (e) Lists of stores and markets in which the product is available

The kit will be distributed to print and broadcast media. Once all of the material has been sent, our contacts will be called to inquire about the exact publication date of the photographs and to schedule feature interviews. Our goal is to maintain a steady flow of coverage in the media throughout the term of this program.

PRODUCT PLACEMENT

We will work with a stylist at all major food publications to ensure that the products are used in their shoots with on-page credit.

FEE

The fee for this labor-intensive public relations program is US\$2000.00 per month.

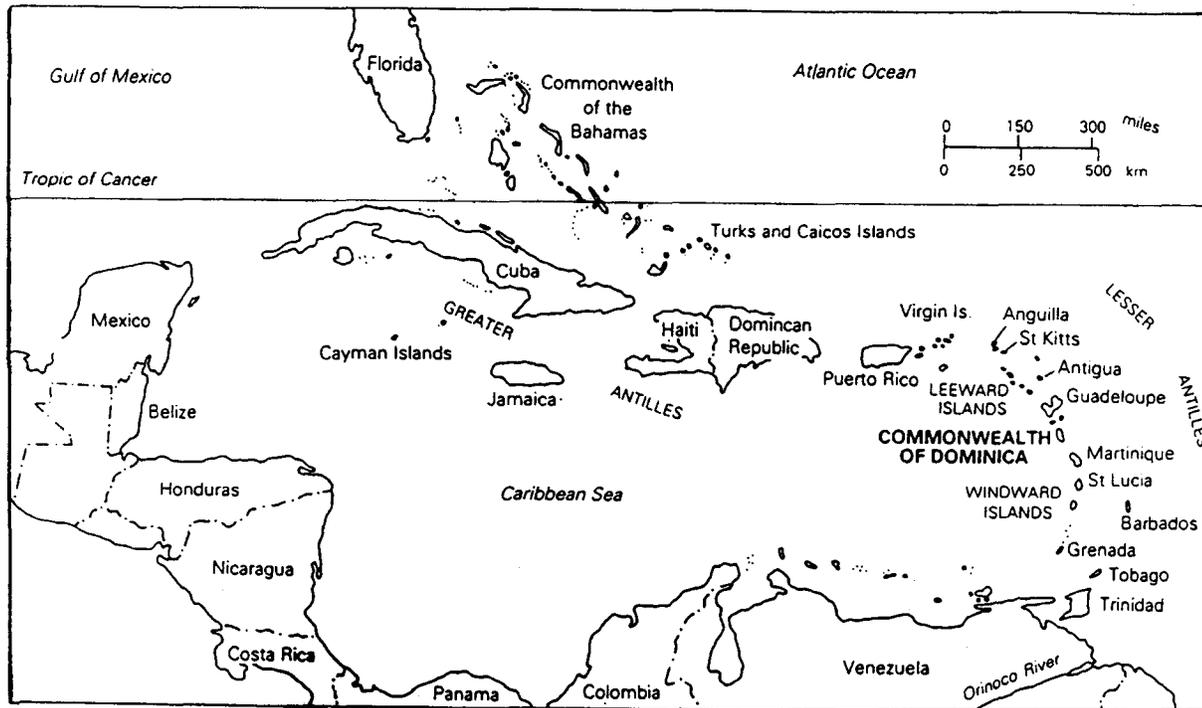
“You can’t worry about those costs!” Vantil interrupted defensively. “If you don’t take chances, you don’t make money.”

At this Sybil interrupted, “What do you mean, we can’t count those costs! I told you this would happen. I told

you so. I told you so.” With this, she turned away from Vantil.

“Dad, bankrupt companies don’t make money either. We have to consider all the costs,” Michael reminded him respectfully.

MAP OF DOMINICA WITHIN THE CARIBBEAN



“You guys always have a reason why we can’t do something. OK, fine. We can just forget about making juices and start bottling pepper sauces only. I’ll burn all the juice equipment we purchased and go fishing,” Vantil said with much frustration and sarcasm.

“Actually, Mr. Georges, we will still be bottling pepper sauces and catsup by hand,” Daniel said with a deep sigh. “Lest you forget, our pepper sauce filler, due the first of next month, was to be financed by the loan we were to receive for the transition and start-up of the new plant. If we don’t get the plant, we don’t get the loan.”

“I’ve said from the beginning we should stay away from juices and stick to pepper,” added Sheridan. “Our pepper sauces got us to where we are, and now we don’t even push them.”

“Look guys, I thought we were going to have a meeting about the public relations proposal from Neuvo Concepts,” stated Michael.

“I don’t want to talk about this anymore anyway,” Vantil said with much frustration. “Just overbid Ian and get the plant, Daniel.”

Daniel nodded his head in understanding and made some notes on his yellow legal pad.

“OK, Michael, tell us about this proposal you have,” Sybil said.

Everyone sat and listened as Michael gave a brief synopsis of the public relations proposal. After Michael had finished, Vantil nodded his head in understanding and said, “Sounds good. Maybe this is what we should do.”

“It sounds a little too good,” Sheridan commented skeptically. “I don’t feel we should be concentrating so much on entering the U.S. market when we are losing market share both domestically and regionally.”

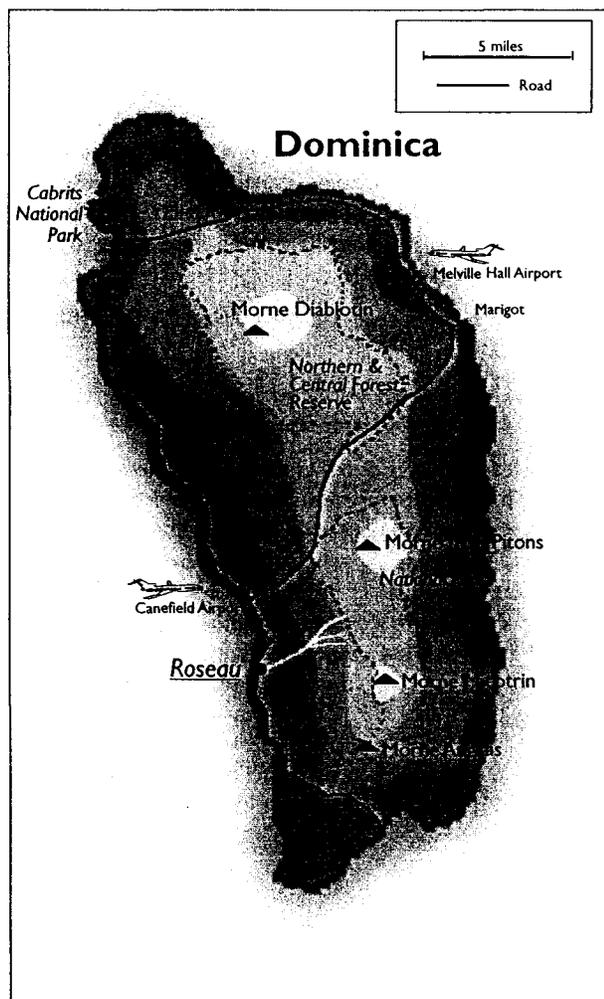
“What is this going to cost us?” asked Daniel.

“Around two thousand dollars U.S. a month,” answered Michael.

“What?” asked Sybil, suddenly awake, “There is no way I’m going to pay anyone that kind of money. That is ridiculous!”

“People are not going to do work for us for free,” Michael interjected defensively. “You’ve refused to

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spend money on marketing since you bought this company, and the sales figures reflect it.”

“If the sales department does not do their job, we never will see a difference in our sales figures,” Vantil said accusingly.

“Oh, we’ve seen a change in sales figures alright. Last year sales dropped by 21%,” Daniel said sarcastically.

At this, Michael could feel his headache worsening and answered, “Well, if I had a little autonomy to make decisions instead of having them made for me and then pushed down my throat, like these new bottles you guys ordered in my absence, maybe I wouldn’t have such a hard time selling this stuff.”

“You were away on another one of those trade shows, St. Maarten or somewhere, so we had to make a deci-

sion,” Vantil said defensively. “Do you expect this place to stop operating while you aren’t here? I asked you to find new bottles and I hadn’t heard from you, so we made a decision.”

Trying to gain some composure, Michael asked Vantil, “When will the new plant and equipment be ready to start production?”

“I don’t know. Maybe a month and a half, maybe four months,” answered Vantil.

“Wouldn’t that give us enough time to find the bottles we really want and get the new filler head for the equipment?” Michael asked.

Vantil just shrugged his shoulders in uncertainty at Michael. Daniel and Sheridan both took deep breaths and exhaled laboriously.

“I think we’ve had enough for today,” said Sybil. “We must meet again and further discuss all this. But this is enough for today.”

With this, the meeting ended and everyone made their escape to their respective offices.

“Does anyone have some aspirin?” Michael asked.

Notes

¹This case was written by Darin Rowell of Millsaps College. This case is intended as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.

²Green Isle produced hot pepper sauces and condiments, fruit based juice drinks, coffee, jams and jellies, and bay rum.

³The Eastern Caribbean States Export Development Association promotes trade shows throughout the Caribbean, North America and Europe. ECSEDA provides financial support for attending these shows or provides someone to represent the company. As the name implies, their primary role is to assist companies in increasing exports.

⁴Barrons was a recent competitor of Green Isle, mentioned later in greater detail.

⁵The fruit pulp had a tendency to settle in Green Isle’s juice concentrates if the product sat on the shelf for two months or longer.

⁶ From the official publication *Review Of The Economy 1992*, prepared by the Dominican government.

⁷The Retired Executives Corp is a service organization created by the U.S. Department of Commerce to utilize retired

U.S. executives as foreign business advisors for terms of two weeks to three months.

⁸Cottage products were those produced in small amounts in an individual's home or small shops and sold directly to retail stores. These products usually exhibited home-made labels and were packaged in any suitable recycled package (for example, honey, syrups, and pepper sauces were often packaged in old Heineken beer bottles).

⁹CARICOM is composed of 13 English-speaking countries: Antigua/Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, Trinidad and Tobago.

¹⁰Barrons sold only within the Caribbean region. They currently produced the same product lines (juices, pepper sauces and condiments, and jams/jellies) as Green Isle. However, their product scope was more limited. Barrons invested heavily in quality packaging when the company was first established. Although the company's production was completely manual, it realized first-year sales in excess of 1 million EC and gained market share in many of the regional islands.

¹¹Bay Rum is a toiletry used mainly as an aftershave and skin tonic.

¹²Passion fruit was purchased annually on a contract basis, although receipt of all the product was not mandatory until year's end. Green Isle estimated that sales of passion fruit drink concentrate would increase 15% in 1992. Instead, pas-

sion fruit sales decreased significantly, causing the oversupply of raw fruit inventory.

¹³In preparing the scotch bonnet peppers, reputedly the hottest in the world, which were used in the company's sauces and other condiments, the peppers first had to be crushed and fermented as a mash. During the crushing process the aroma of the peppers was so pungent that it caused severe watering of the eyes and even shortness of breath. Because the new plant was located near an elementary school and a retirement home, it would have been impossible to crush peppers at that location.

¹⁴Green Isle had yet to decide the flavor for the artificially flavored drinks.

¹⁵This land was actually purchased through funds creatively retrieved from the working capital credit line.

¹⁶Citri-Select was a producer of various fruit juices and drink mixers. The company previously owned and operated one of the largest citrus processing plants in the Caribbean, in Dominica. The company employed approximately 50 local Dominicans in the plant's production and maintenance and provided a market to countless small and large farmers. In 1981, after several lean years in the late seventies and the destruction of most of the lime and grapefruit crops by hurricane David in 1979, Citri-Select closed the plant and left Dominica. Since that time, Dominican Agro Industry (DAI) has tried to reopen the plant but has been unable to make a profit. The plant has been closed since 1990.