

# Aprobe, Ltd<sup>1</sup>

*Accra, Ghana*

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**A**probe, Ltd. is a case focusing on a possible pineapple farming venture in Ghana. It is based on firsthand experience and independent research of the pineapple industry in Ghana. It illustrates the attitudes of businessmen in the developing world and the difficulties of conducting business in an emerging market. The overlapping themes in this case are management and marketing. Both management and marketing are culture-bound, unique to each culture. In Aprobe, Ltd. they are examined from the perspectives of a Ghanaian national, a British resident in Ghana and a prospective British customer.

The case describes how Kwadjoe Mensah, a businessman and pineapple farmer, goes about expanding his business and undertaking new opportunities. He makes every effort to work with outside consultants and take advantage of the many programs offered with foreign assistance. He knows the value of personal contacts, and he feels that his are more than adequate to ensure success in his ventures. All in all, he is able to "talk the talk" of international business but struggles to implement a successful venture. In many ways, Kwadjoe represents a third world success story.

Kwadjoe was introduced to J.D. Tyler by a mutual friend. Kwadjoe thinks he and J.D. can begin a successful project and begin to "walk the walk" of high profile businessmen. At most, they will be big fish in a small pond. However, economic conditions in Ghana are difficult and the international business community hesitates to invest in Ghana because investments are ultimately liquid. With high inflation and continuing currency

devaluation, a business must struggle to stay viable. Together, currency devaluation and inflation average 35% per year.

J.D. represents an optimistic, fortune-seeking foreigner. J.D. views Kwadjoe and his operating methods with some disbelief and feels they defy a rational Western approach. He voices his frustration with his suggestions.

Aprobe revolves around the efforts to export dehydrated pineapples, a value-added product. The attraction of exporting a value-added product (instead of fresh produce) lies with the possibility of government support, the potential to attract a foreign venture capital partner, and the eligibility for financial support from international assistance programs. In no way are these efforts enough to guarantee a successful business plan. Kwadjoe may be able to make use of government goodwill, but any serious Western business would hesitate to operate in this setting.

However, consider Kwadjoe's environment. As a prominent citizen with some measure of wealth, he survived a bloody coup and economic scourge brought on at the onset of the present regime. Against this backdrop, he understandably does not want to draw too much attention to himself. He has learned that the government can change course quickly and therefore he does not want to put all his eggs in one basket. Just when he seems near success, Kwadjoe turns his attention to other projects, letting his present venture deteriorate. His scattered marketing methods and variable efforts as a pineapple farmer/exporter are really the result of living in a treacherous environment. Kwadjoe can survive

## TEACHING NOTES

using this approach in Ghana, but it clearly does not lend itself to sustaining international growth or attracting foreign investment. Kwadjoe does not realize this.

To Your Health uses popular and effective modern business practices. They seek a solid relationship with this potential client. They are willing to provide a down payment now which could provide much-needed funds for Aprobe. Before signing such a contract, though, they are entitled to see the balance sheet and read the operating plan for the next two years. The delay in getting a response from Kwadjoe has discouraged their buyer.

In J.D. and Kwadjoe's discussion, J.D. recommends 21st century solutions to Kwadjoe's problems. He reasons that diligence and organization will lead to profits. In Western society, this is certainly true. However, in a developing country that is transforming from a dictatorship to a democracy, from a command economy to a free-market economy, such efforts may not necessarily produce desired results. This understanding also leads to the conclusion that Kwadjoe is not yet ready to risk. He wants to return to his trading business and leave the

operation in other hands. Kwadjoe fears that success in one venture could be a drawback if and when government policies change, and so he is wise to remain prepared to move into another venture. J.D. has limited insight into this line of Kwadjoe's thinking.

Both Kwadjoe and J.D. view the outside market as large and pliable. In reality, this assessment is only partly accurate. The outside market is expansive in comparison to the Ghanaian market, but Kwadjoe and J.D. are small players in this global market, unable to sway its course. The statistics show that the market for dehydrated pineapple in Europe is larger than Aprobe can supply. While there is room for Aprobe's produce, Aprobe will not dominate that market.

### NOTE

1. This case was written by Nita Eckert of the University of Illinois-Chicago. It is intended as a basis for class discussion rather than to illustrate either effective or ineffective handling of an administrative situation.