Green Isle Ltd.

DOMINICA, WEST INDIES

Green Isle is a small, family-owned agroprocessor located in the Caribbean island of Dominica. It is struggling with the dual difficulties of competing in an increasingly competitive market and the inherent problems of a small, family-owned business.

The case provides the student with insight into the idiosyncracies of small, family-owned businesses, and exposes them to the realities of operating a small business in developing countries.

The case focuses on marketing and management issues and would be best suited for a strategy, marketing, organizational behavior, or small business course.

Teaching Purpose

The purpose of this case is to expose students to the nuances of operating a business in a developing country and the fact that success in a well-structured and directed company does not translate into success as an entrepreneur.

Many American students take for granted the innumerable luxuries and supports routinely enjoyed when operating a business in the U.S. This case should give students a heightened awareness of the service capabilities presumed present in the U.S. business environment but not readily available elsewhere. Examples here include logistics such as shipping lanes, freight services, inland transport, availability of spare parts, and varied and inexpensive containers and packaging.

Many companies operating in developing countries are family-owned and managed. This type of business presents unique organizational issues. Often, management is not as technically prepared as most managers in developed countries. The personal agenda of the owners/managers often dictates the company's agenda. The structure and style of communication can vary greatly depending on the geographic location of the facilities and the culture of the owners/managers. Frequently in developing countries, a high-context style of personal interaction is common. Greater emphasis in communication is placed on emotional context rather than on explicit verbal exchange. Obviously, in a business situation, this creates many challenges. If a student ever has to work in a culture of this type or work with someone from this type of culture, it is imperative that they realize that communication is much more than the literal translation of spoken words. Although the case does not explore this matter in great detail, the instructor can help build that awareness.

The case presents a business with a variety of problems, ranging from facilities planning to marketing planning to bottling and packaging. Academic approaches to problem-solving in this environment are often unrealistic. The reader should search for workable solutions to the organization's problems that are suitable to the actual situation and people involved.

Discussion Questions

1. Do a SWOT analysis of Green Isle.

2. What is Green Isle's strategy?

3. What should Green Isle's strategy be?

4. What should be Green Isle's market focus geographically?

5. How could management improve communication?

The instructor should begin the session with general, open-ended questions. There are many pitfalls in this case for the traditional MBA student. Students may be inclined to approach it from an academic standpoint (attempting to solve problems following textbook prescriptions), or with an aggressive "let's clean this place up" attitude. Such approaches will prove unworkable in this context and situation. The case was written to sensitize students to many implicit issues, including the following:

Vantil and Sybil Georges purchased the company with the stated intention of leaving it to their children. However, Green Isle was purchased as much as a status symbol for the Georges in Dominican society as well as for an inheritance for their children.

Green Isle's managers lack the skills generally associated with good management. Vantil, a former maintenance manager with a U.S. company, is Managing Director; the Vice President of Marketing (Michael) has only two years of sales experience; and the Vice President of Finance (Daniel) worked only as a bookkeeper prior to coming to Green Isle.

The company lacks focus. While the Vice President of Marketing believes the company should be a producer of quality, natural food products, the Vice President of Production believes the company should shift its focus toward its pepper sauces and condiments, and finally, the Managing Director believes the company should diversify and expand with the goal of becoming the major agroprocessor of the region. Each manager therefore approaches his duties following his own personal beliefs about what the company's goals should be. Recent moves to produce artificial fruit drinks and carbonated drinks takes Green Isle into an area where it has no experience, no technology, and runs counter to Michael's stated goals.

Green Isle's implied strategy is to enhance competitiveness by automating, increasing volume, and thus lowering unit cost. This production-oriented strategy is indicative of its past as a producer to a basically captive market. The Vice President of Marketing is trying to shift this mentality to a market-based strategy.

Green Isle views the large U.S. market as the appropriate target for advancing its strategy. Management is now entertaining a proposal from a New York public relations firm to build brand awareness in the U.S. But while focusing its energy on adapting to the U.S. market, Green Isle has taken its domestic and regional markets for granted. The result has been a substantial decrease in sales. This is best evidenced by the entrance and immediate success of Barrons, an up-start competitor from a neighboring island. Although Green Isle aspires to enter the U.S. market, it is not willing to commit the financial resources needed to adequately promote its products even within the smaller Caribbean region.

Green Isle suffers from extreme communication problems among the members of management. A portion of this problem is due to cultural nuances, while other issues are attributable to the personality of the Managing Director. The Dominican culture is very informal and high-context in nature, meaning more emphasis is placed on emotional rather than literal content in communication. This makes it easy for miscommunication to occur in business situations. Also, because of the Managing Director's lack of experience in a top management position and lack of basic business skills, he is often unsure about what issues to consider and what actions to take. Therefore, he is often vague in his communications with others to avoid the risk of "losing face." The complex relationships among the managing family members—father, mother, and son—hinders communication and further complicates the effort to manage the business.