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# **Buy High Sell Low: *Redefining Bean Counting in the Coffee Industry for a Sustainable Future***



(r-l) CHARLES C. MANZ, KAREN P. MANZ, ROBERT D. MARX & PAMALA J. DILLON<sup>1</sup>

## **Introduction**

In recent years, it has become painfully apparent that some businesses have lost their way. Pursuit of business values alone, such as maximized profit, reduced costs, and efficiency – without a counter balance of concern for societal and environmental values – has led to the downfall of many organizations (Manz, Anand, Joshi, & Manz, 2008). Ultimately, the temptation of huge financial gains apparently caused executives and the companies they led to sink into self-defeating corruptive practices. Company names like Enron and WorldCom have all but become clichés, having received so much attention concerning their infamous business scandals. Monumental ethical failings have earned some firms membership in a virtual Hall of Shame. Examples include major abuses of financial firms in the U. S. mortgage industry that ultimately helped cause a housing market collapse, and the infamous Ponzi scheme of Bernie Madoff. In May 2012, JP Morgan Chase & Co. reported that risky investments resulted in a loss of \$2 billion in a six-week period, raising questions once again about how much business has learned and changed their extreme financial practices since the economic meltdown of 2008. Taken together, it becomes clear that all has not been well in many industries and work settings.

Not only has seemingly undue attention to maximizing the financial side of business at all

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<sup>1</sup> This paper is a result of the authors' on-going and on-site case study of the Dean's Beans organization.

costs done major damage to the world economy, it has also resulted in self-inflicted failure for many companies that ultimately were forced to file for bankruptcy. Consequently, thousands of workers lost not only their jobs, but their life's savings. The mix of significant competitive financial pressures with short-sighted and long-accepted management norms can have toxic consequences for business and society and create a recipe for failure. More to the point, an over-emphasis on traditional business values often associated with the metaphor of bean counting – especially extreme attention to financial pursuits without regard to their effects on people – has resulted in neglect of less traditional business values (Manz, Cameron, Manz & Marx, 2008).

Mental images of greedy managers abusing power from lavish executive suites in the pursuit of unreasonable and unsustainable financial returns, have become common caricatures of business. Yet, there are notable exceptions. In fact, increasing attention has recently been devoted to more hopeful contemporary management concerns such as Corporate Social Responsibility (CSR), Social Entrepreneurship (SE), and sustainability (Aguinis & Glavas, 2012; Epstein, 2008; Lawrence, Phillips & Tracey, 2012). Some examples of previously neglected “non-bean-counting values” extending beyond monetary resources and the bottom line that are finally entering discussions about effective business practice include compassion, healing, flourishing, resilience, and justice (Cameron & Spreitzer, 2011). Choices do exist regarding the kind of stand taken in doing business. However, it is a false choice to assume that healthy profitability and sincerely serving others while trying to make the world a better place cannot coexist.

In this article, we consider contemporary practices in the coffee industry that can lead to the broader benefit of a sustainable approach to business. Notably, we describe some of the practices of a small, specialty coffee roaster in western Massachusetts to illustrate concepts such as Fair Trade, organic farming, and sustainability – all which have become important business principles for some coffee companies. The case of CEO Dean Cycon and the company he founded – Dean's Beans, Organic, Fair Trade Coffee ([www.deansbeans.com](http://www.deansbeans.com)) – illustrates these trends in a dramatic way. Cycon is a social entrepreneur who has created a successful business as a vehicle for positive social change rather than for personal gain. His unconventional business model “Buy High-Sell Low” challenges traditional business assumptions by simultaneously growing profits and improving the lives of coffee farmers in 11 countries, his employees, his customers, the local community where his roasting facility is located, and the various other stakeholders of his organization. Cycon tackles issues of sustainability, women's rights, Fair Trade, and more through the purchase, roasting, and sale of the simple beans that go into our coffee mugs and are an important part of our morning routines.

### **Coffee: Some Background**

In this section we report on the business of coffee. The coffee industry reflects the emergence of several organization-related trends concerning tensions between establishment of sound business practices that yield adequate profits for survival while meeting the challenges of social fairness and environmental sustainability (Bacon, Mendez, Gliessman, Fairtrade International, 2011; Goodman & Fox, 2008; Brundtland, 1987; Epstein, 2008; Giovannucci & Ponte, 2005; Shipper, Manz, Manz & Harris, 2013; World Fair Trade Organization, 2009).

## ***The Business of Growing and Brewing Coffee***

Coffee processing is an ever-growing industry in the U.S. with revenue of \$8.8 billion in 2011, which includes sales of roasted coffee and ground coffee products. According to the National Coffee Association USA, over 50 percent of Americans drink at least one cup of coffee every day. Our daily cup of coffee is the result of a long production stream, originating at the farm and finally flowing into the cup, at home, work, or a local coffee house. Where the coffee comes from, how it was grown, what makes it unique, and the journey it takes are not questions frequently pondered by coffee drinkers as they anticipate the energizing effects of that first hit of caffeine in the morning to jump-start their day. Yet appreciating the path that coffee travels is essential to understanding the coffee industry. It starts as the seed of a ripe red “cherry” fruit grown on a shrub-like evergreen tree where it is picked, de-pulped, and washed, and then subsequently dried, shipped, roasted, packaged, sold, and finally brewed.

Coffee trees grow best in tropical climates at certain altitudes, typically found between the Tropic of Cancer and Tropic of Capricorn. This limits the availability of suitable growing climates and these regions tend to be in developing countries, including Guatemala, Indonesia, Vietnam, Peru, and Papua New Guinea. In many areas of the world, coffee is picked by hand, as the cherries on a tree ripen at different rates, resulting in a labor intensive effort. A single coffee tree produces enough cherries for only one to two pounds of roasted coffee per year, and takes four to five years to mature to the point of producing cherries.

Coffee is grown by 25 million farmers in 80 countries, providing a livelihood for 125 million people globally. According to the Fairtrade Foundation – the product certification system associated with around 90% of all Fair Trade sold annually around the world – 70 % of all coffee is farmed by small land holders with less than 10 hectares (or about 24 acres) of land. Coffee farming is a financially uncertain undertaking as prices bend to the whims of the commodities market, and, like any agricultural product, a successful growing season depends on the weather. These issues make it difficult to establish a sustainable industry that provides adequate resources for small coffee farmers to rise above subsistence level (Giovannucci et al., 2008). There are fluctuations in price that fall outside of their control; weather or natural disasters can affect production and potential diseases can devastate crops in any given year. There is a certain leap of faith in investing funds to grow coffee when potential income can fluctuate greatly. There are ways, however, that the specialty coffee industry is attempting to nurture a sustainable industry, focusing heavily on the success of small to mid-sized coffee producers who produce the vast amount of premium and gourmet coffees, for without these small producers, the quality of the coffee would suffer and the landscape of the industry would be greatly changed.

## ***Sustainability and Fair Trade in the Coffee Business***

Sustainability encompasses a way of thinking regarding people, planet, and profit that takes into account the needs of future generations (Brundtland, 1987). Often, sustainability is mentioned in relation to environmental impacts or the sustainability of business; however, we take a more comprehensive view of sustainability that encompasses social, economic, and environmental well-being. In the specialty coffee

industry, there seems to be a greater acknowledgement of the importance of sustainability.

There are numerous certifications geared toward sustainability issues that affect the specialty coffee industry. Some are focused on environmental impacts, some on social impacts, others on economic impacts, and still some on combinations of any of the three. A sampling of these certifications includes Rainforest Alliance, Utz Kapeh, Smithsonian Bird Friendly, 4 Cs, and Organic and Fair Trade. Fair Trade is one that encompasses all three dimensions of sustainability, including economic, social, and environmental issues (Giovannucci & Ponte, 2005).

According to the World Fair Trade Organization (2009), “Fair Trade is a trading partnership, based on dialogue, transparency, and respect, that seeks greater equity in international trade. It contributes to sustainable development by offering better trading options to, and securing the rights of, marginalized producers and workers – especially in the [Global] South.” This is achieved both through commitments to specific principles guiding operations, as well as the provision of financial premiums provided to producers. Fair Trade covers numerous products, ranging from coffee to flowers, textiles, crafts, and toys.

Within the coffee industry, Fair Trade certification by Fairtrade International entails distinct social, environmental, and economic standards covering the categories of Trade, Production, and Business and Development. Social standards require that participants have a democratic governance structure and transparent administration, promote social and economic development of its members, and not discriminate on the basis of race, religion, gender, politics, and ethnic or social origin. Economic standards include the fair and transparent administration of the Fair Trade premium. Environmental standards are intended to ensure that the producer and its members protect the natural environment.

In addition to the generic industry standards, product specific standards must also be met. These include additional social, economic, and environmental development standards germane to the product. For instance, one of the standards specific to coffee is that \$.05 of the Fair Trade premium be used toward the improvement of productivity and/or quality of Fair Trade coffee. On the buyers’ side of purchasing Fair Trade green coffee, the buyer must provide prepayment of up to 60% of the price of the contract at the producer’s request, providing financial assistance up front to take care of production issues.

### ***Fair Trade and Organic Coffee: The Financial (“Bean Counting”) Side***

Fair Trade, coffee, and social responsibility are intimately linked. Although it is estimated that less than 1% of coffee flows through this system, there is growing support and participation with a one-year growth of 14% between 2007 and 2008 according to the Food and Agricultural Organization of the United Nations. In 2010, Fairtrade International reported that coffee, the highest volume product, grew 19%. It may be the close connections along the coffee production stream between growers, importers, and roasters, or the social nature of the drink itself, but there are strong bonds between the coffee industry and sustainability. The reliance on small producers in the coffee industry highlights the importance of their survival in a way that improves their well-being and ensures continued success.

One of the main financial issues within the production of coffee is the overall price a farmer can expect to receive for the green coffee beans (Bacon, Mendez, Ernesto, Gliessman, Goodman & Fox, 2008). The two varieties of coffee, Arabica and Robusta, are traded as a commodity with prices being set on the New York Stock Exchange (for Arabica) and the London Stock Exchange (for Robusta). The market fluctuates continuously, causing boom and bust years for coffee growers. For example, in December of 2010, the commodities price for Arabica was \$2.43 per pound in comparison to a 30-year low in 2001 at 45 cents per pound. Many coffee growers are price takers, stuck with the commodity price of the coffee. The certification schemes provide a way for farmers to differentiate their crops and have some control over the price. Fair Trade is one of the most popular certifications in the coffee industry as it provides the security of a minimum price.

Fair Trade provides a guaranteed minimum price as well as premiums for either Fair Trade coffee or organic coffee. In early 2012, the premium for Fair Trade was 20 cents per pound, of which 5 cents had to be used for productivity and/or quality, and the Fair Trade/organic premium was 30 cents per pound. The guaranteed minimum price (without the premiums) varies according to the variety of coffee (Arabica and Robusta) and how it is initially processed (natural or washed). The guaranteed minimum for washed Arabica in early 2012 was \$1.40, but since the commodity price on the NYSE was higher, the higher price became the guaranteed minimum and the farmer received minimally that price plus the premium.

Now that we have provided some basic background about the coffee industry, we will next focus on a distinctive example of a socially-conscious and successful entrepreneurial coffee business. Dean's Beans practices and its activities illustrate how an organization can blend emphasis on meeting important social concerns with attention to critical business details that together help create a platform for a sustainable future. Additionally, this small entrepreneurial firm serves as a dramatic example of how business, even at a relatively small scale, can have a broad ranging impact on the environment and people in need across the globe when nontraditional business values and objectives become a central part of the organization's mission.

### **Redefining Bean Counting at Dean's Beans**

In this section, we offer an organizational case based on an in-progress, multi-year study by the authors. Our data collection has included on-site visits, interviews, and review of the company's detailed website, various facets of the strong media presence of the CEO and the business (e.g., on Link TV, blogs, various print sources), and a comprehensive book written by the CEO (Cycon, 2007).

CEO Dean Cycon founded Dean's Beans, a small specialty coffee roaster in 1993. The company employs ten people at its office and roastery site in western Massachusetts. However, its "boundaryless" approach to business enables it to have impact well beyond its absolute size. In fact, its influence is felt by thousands of stakeholders, including coffee growers, customers, and the many who benefit from the lessons it teaches about socially-responsible business on its website and through Cycon's public presentations.

Dean's Beans coffee is imported from 11 countries – predominantly South America and Africa. The [www.deansbeans.com](http://www.deansbeans.com) website and cafes and restaurants account for the majority of sales with a variety of other outlets including Whole Food Supermarkets. It has grown at an average of 10-15 percent annually and has become a \$4 million business with 10% after-tax profits.

While Dean's Beans is serious about organizational success, its approach to having a viable business that survives and thrives over the long run is not based on a “business as usual” platform consisting of reduced cost, efficiency, aggressive marketing, and other traditional pillars of management. Rather, Cycon's distinctive strategy is to truly operate according to values that are consistent with the reason the business was created in the first place. In his book, *Javatrekker: Dispatches From the World of Fair Trade Coffee* (Cycon, 2007), Cycon states, “I was trying to develop and prove a business model — one based on respect, ethics and justice — to support my family and employees, and to have a good time doing it. The model had to be flexible as well. We needed to be able to change our approach to development, pricing, and any other aspect of our relationship with the farmers that might need adjustment as time and experience revealed.”

*To me, growth is the  
outcome of good business;  
it's not the goal.  
—Dean Cycon*

All of the company's whole bean specialty coffees are certified organic and Fair Trade and are roasted in small batches at the roastery. Planting, care, harvesting, and processing of the beans are done in conformity with international standards for the health of farmers and their environment, as well as to produce high quality coffee. The company only purchases shade-grown coffees (avoiding the use of pesticides) in order to support healthy environments for coffee growers and to protect the critical migratory bird habitat. The company is committed to the idea that the quality of its coffees includes respect for the quality of life of its “partners” (small coffee farmers) in coffee-growing countries worldwide and for the sustainability of the physical environment.

Both Cycon and Dean's Beans provide an interesting case example of redefining the nature of business, especially with respect to the metaphorical “bean counting” side, and can be described using four primary themes: 1) business can be a powerful tool for accomplishing social good; 2) promoting sustainability requires a sound sustainable business; 3) greater positive change can be achieved by removing boundary limits of the organization; and 4) high quality communication is the integrating factor for success.

### **1) *Business Can Be a Powerful Tool for Accomplishing Social Good***

Cycon had been a lawyer and social activist and created the company as a way to continue his social activism through business. He wanted to humanize as opposed to commoditize relationships with coffee growers. The goal was to establish a company that prioritized social and environmental values over profit. Cycon made a notable journey from law to development work to organizing and supporting small coffee growers. His focus was not on financial gain. Rather, for Cycon, business was viewed as a tool for

creating social good, especially for disempowered peoples such as small-scale coffee growers.

The company is a founding member of Cooperative Coffees, Inc., the first roasters' cooperative created to buy direct, Fair Trade coffee from farmer co-ops, and to make it available to any small roaster who wants to participate in the Fair Trade movement. Dean's Beans is an active member of the Fair Trade Federation ([www.fairtradefederation.org](http://www.fairtradefederation.org)), an international organization dedicated to Fair Trade, and of the United Nation's Global Compact ([www.unglobalcompact.org](http://www.unglobalcompact.org)), which promotes good corporate practices in the areas of human rights, labor, the environment, and anti-corruption.

The Dean's Beans website states: "What we do is a reflection of our highest values, so it's no wonder that we are 100% Fair Trade and 100% Organic." CEO Dean Cycon put it more bluntly: "What good is a story from an oil giant who funds a development project in an indigenous community after stealing their land and polluting their waters? Or from a department store who works with a group of Haitian artisans, but who sources the rest of their products from sweatshops?" He recounts a time when he asked himself these kinds of questions while visiting another company's work operation where he noticed a woman in anguish, shaking her head and then lowering it into her hands. It's "Companies like these that put a halt on progress towards positive social change."

Cycon tells another story about representing Dean's Beans at a conference sponsored by the United Nations devoted to promoting women's empowerment through business. He explained Dean's Beans is on the Leadership Group for the Development of Women's Empowerment Principles. While supportive of such an effort, Cycon is concerned about the fine line the UN is walking. On the one hand, such a forum can bring companies together to discuss and address advancement of gender equality as well as other social and environmental goals. On the other hand, the risk is that a platform is created for some companies to "trumpet token development projects that in reality only mask their 'business as usual' approach." Cycon explains, "This sort of 'fair washing,' 'green washing' is something we see all the time in the world of Fair Trade coffee, and we aren't fooled. While their small-scale projects might be good in and of themselves, when taken in the greater context of the companies' overall business practices, they do nothing else but to define for us the meaning of hypocrisy."

Dean's Beans views its business approach as a fully integrated, progressive coffee trade system. One clue to its business model is the paradoxical theme "Buy High, Sell Low." Cycon translates this to mean, pay the farmer the highest possible price for his coffee beans so his cooperative can garner a fair profit, while at the same time selling the finished product to the consumer at the lowest price. This way, the company makes enough profit to sustain its modest growth while offering the consumer a high quality product at an attractive price and concomitantly supporting a socially-responsible business. The intent is that each player in the production and distribution cycle – from the farmer to the consumer – participates in socially-just and environmentally-responsible trade.

Cycon believes that Fair Trade needs to be viewed beyond financial concerns despite the focus on fair payment to farmers. As he points out, the "focus can be too much on

VOLUME VI • ISSUE II • SUMMER/FALL 2013



money with Fair Trade, an economic model ... instead, the focus needs to be more on social change.” So even though Fair Trade establishes a basis for growers to receive more for their work (a fairer return for their labor), too much emphasis on money alone limits its power. Again, his main tenet appears to be to look beyond the financial “bean counting” side and examine the broader trade system and the potential good that can be created through business. “Buy High, Sell Low” is a catchy phrase that challenges traditional views of business, but it is not intended to perpetuate a continued focus on the financial side. Fairness, empowerment, learning, sustainability, and other important principles expand the potential beyond a changed approach to monetary exchange and distribution ... it expands and redefines the very nature and goal of business.

## ***2) Promoting Sustainability Requires a Sound Sustainable Business***

On the company website, Dean’s Beans is self-described as “a pretty wacky crew with an unwavering commitment to sustainable development.” From the beginning, when Dean Cycon founded the company, he prioritized finding effective ways to preserve natural resources and give back to coffee communities across the globe. That mindset has remained an important part of the organizational culture over the years and has helped the company resist pressures to lessen its emphasis on social responsibility coming from competition that is not burdened by the degree of commitment to sustainable business practices it requires.

The company uses the label “Comprehensive Sustainability Strategy (CSS)” to describe its overall approach which considers social and environmental impacts through the entire supply chain and prioritizes taking meaningful actions to reduce any negative impacts and increase positive ones. An example of a way the company has worked to implement this strategy is through preparation of an annual CO2 Emissions Report. This document reports and interprets its carbon emissions in comparison with previous years, which helps to evaluate its environmental impact and guide further adjustments in pursuit of the goal of being a carbon neutral business. These considerations are also in operation at the Dean’s Beans roastery and office site. For example, solar panels have been installed and recyclable Kraft bags are used for over 80% of the coffee orders, thereby eliminating an estimated 1 million plastic bags (which are used by most coffee companies) from landfills.

Yet the company recognizes that in order to contribute to social good, Dean’s Beans has to be a sustainable financially viable and reasonably successful business. The company prioritizes having the highest quality product and delivering world-class service; it relies on a variety of smart business practices. In a recent interview, we asked CEO Dean Cycon to identify some of the more important business practices that the company has used to achieve sustained profitability while continuing to offer a fair wage to the coffee growers and an attractive price to his customers. His answers included adopting a leaner coffee roasting process, selling directly to customers, and more effectively managing human resources both within and outside the company.

Cycon explained – based on targeted guidance from a “lean process consultant” – that the adjusted placement of machinery and supplies in its roasting facility has achieved a 30% increase in process speed, thereby realizing significant cost savings. Further, it saves 25% by selling directly rather than operating through distributors. Direct sales to

food co-ops, supermarkets (such as Whole Foods), and most importantly to consumers online, allows Dean's Beans to create a tight growing network of customers who choose its brand because of the quality and values that Dean's Beans symbolizes. These cost saving practices directly enable Dean's Beans to adhere to its "Buy High, Sell Low" business philosophy.

Effective management of human resources, motivation, and morale of employees within the company are supported by an involved organizational culture and generous benefits. Some specifics include 100% healthcare benefits with no co-pay, annual bonuses, IRA contributions, and empowerment of workers to implement their suggested changes in their own ways. As a result, Dean's Beans has become one of the most sought after jobs in its locale. Outside of the Dean's Beans local roastery, especially in its coffee-growing communities, empowerment and development are applied to gain support beyond the official workforce of the firm. This includes the creation of farmer cooperatives and providing training and support that allows strengthening of non-employee human resources that help make up the Dean's Beans supply chain.

Dean's Beans simultaneous emphasis on being a successful business and adhering to a socially-conscious, sustainable approach is reflected in its message to customers that says – "we know that you keep coming back for more, in part because our coffee is fantastic, and in part because our values guide us day in and day out." As a notable example, reflecting on the difficult year of 2009 – which consisted of a near economic collapse, vast loss of jobs and personal savings, political polarization, and even a swine flu epidemic – the company reported that it stayed true to its values. The company actually grew while giving away thousands of pounds of coffee to people who customers reported were having a particularly difficult time. Meanwhile, it moved forward with its programs to assist the small grower farmers who supplied its coffee. Despite a significant rise in the price of coffee that year, caused in part by a fall in the value of the dollar to record lows internationally, it continued to pay farmers a full Fair Trade premium (this actually increased money received by its farmer suppliers) and the company chose not to pass the increased costs to consumers. The result – in the words of a company report – was a "16% growth in sales. The mystery of progressive commerce!"

### ***3) Greater Positive Change Can Be Achieved by Removing Organizational Boundary Limits***

In a very real sense, Dean's Beans treats suppliers and customers as an extended part of the organization. Essentially, it operates as an informal network organization as Cycon's carefully-honed and engaging communication skills and his energized actions weave a synergistic and collaborative relationship from the farmers to the customers then back to the farmer communities and beyond.

It all begins with the organization's core value of "People Centered Development" which is at the heart of the Dean's Beans mission and operations. The Dean's Beans website explains:

*People-Centered Development (PCD) is an approach to international development that focuses on the real needs of local communities for the necessities of life (clean water, health care, income generation) that are often disrupted by conventional development assistance...First of all, we only do projects when asked and invited in by the community, not by the government or*

*some large foreign aid agency. When we visit, we talk to the farmers, women's groups and others about what the biggest problems are in the community. Then we talk priorities - theirs, not ours. We then work directly with the community to design a project that will address their expressed priorities. We try not to bring in outside (or even local) organizations if the people themselves can manage the project.*

*So where does the money come from? It's all from our sales at Dean's Beans. We don't do much advertising and we don't have a sales and marketing staff. I'd rather spend eight thousand dollars creating a revolving loan fund to build wells in Ethiopia than to do some cheesy one-shot ad on radio or TV. It's amazing how far your coffee dollars can go when put directly into the hands of the people who need them... with a little help from their friends!*

*We are also in contact with our farmers by email and visits year round. This way, we can offer advice and strategic planning on all sorts of important issues (including baseball).*

Local empowerment and self-reliance of small coffee farmers are promoted through the company's Fair Trade purchases and Cycon's work with local grassroots development and human rights groups. The company roasts organic coffees and purchases beans from villages and importers who are committed to Fair Trade practices and working towards better economic opportunities and improved health and nutrition in the villages. By offering the farmers a Fair Trade price — typically one dollar per pound above what the beans would sell for on the commodities market — Dean's Beans is able to assist cooperatives, largely comprised of indigenous peoples who are trying to maintain their culture and lifestyles in a challenging and changing world. In addition, a bonus premium may be paid if the cooperative includes women in its membership and decision-making. Dean's Beans does not buy beans from large estates and farms out of concern for the conditions of chronic poverty and malnutrition that larger farms can foster.

By creating coffee farmer cooperatives and developing and training these communities to manage their own development programs, Dean's Beans has been able to strengthen members of its supply chain and save money and resources in many ways. First, the company introduces entrepreneurial training through a loan fund that helps communities launch small enterprises. One such business was a Peruvian honey farm which sold its product locally and later exported it to the U.S. where it was sold in supermarkets. Many of these businesses have been sustained for many years because of the training and development activities directed by Dean Cycon and his colleagues when they visit the coffee cooperatives on a regular basis.

Also, Cycon has hired a brokering service, enabling the company to avoid retaining expensive supervisory staff in each country while facilitating the business process with help from outside its official employee ranks. The service works with each cooperative to arrange shipment of the beans to the U.S., shepherding the shipment through customs and arranging for delivery to the Dean's Beans roasting facility. For these outside services, Dean's Beans pays eight thousand dollars per year vs. the eighty thousand it would cost to have a person on the ground — a savings of 90%.

After the coffee is transported to Dean's Beans, roasted and made ready for sale, then the collaborative support and funds from sales to customers come into play. Customers are attracted not only to the coffee and its price, but also to the goals and projects of Dean's Beans. The organization's efforts are extensive and give tribute not only to Cycon and his employees, but also to the legion of collaborative partners.

JOURNAL OF VALUES-BASED LEADERSHIP

In a recent update on Dean's Beans international development work, for example, the company reported on efforts in Peru that include helping to reforest the sacred lands of the Ashaninkas people, establishing a loan program that is the only source of funds for co-op women, and assisting in the provision of latrines to promote better sanitary health conditions in the region. In Columbia, they assisted in starting a land repurchase program to help return communal land to the people, and supported job training for coffee farmers disabled by explosives during the ongoing violence in their country. Dean's Beans brought water to a school in Begele Gorbitu, Ethiopia and paid the salary of a highly qualified teacher that was three times the amount the government would pay for a less qualified teacher. In Kenya, training on Fair Trade and organic growing techniques was offered that attracted farmers representing ten thousand co-op members. In Nicaragua, the design and funding of a café/roasting facility modeled after a similar previous project in Leone that supports land mine victims, was initiated. Organic certification and training for farmers and funding for a micro-loan program were provided in Papua, New Guinea. In Rwanda, assisted by the UN, Men-Overcoming-Gender-Violence training was extended to other cooperatives and a basket-weaving program was started for female genocide survivors. The list goes on and on suggesting the wide range of constructive impact business can have when priorities addressing the real needs of people and communities connected with their supply chain are at the top of an organization's mission list.

In addition, Dean's Beans supports domestic projects with disenfranchised communities such as Native Americans, the homeless and disabled, and local community members. Proceeds from the sale of a specially designated Dean's Bean coffee, for example, has sponsored the work of Partners in Health in Haiti and sales from Somali refugee women's handmade Dean's Beans burlap coffee bag totes (sold on the Dean's Beans website) bring income to these women and their families residing in Massachusetts. The company operates so as to assure that every cup and every pound of coffee it sells contributes directly to the welfare of the communities of both coffee growers and consumers.

#### ***4) High Quality Communication is the Integrating Factor for Success***

Dean Cycon is a communicator par excellence. He is not only a highly-skilled speaker and writer, but he has an innate ability to connect well with people face to face. He is a "people person" who is engaging, witty, and acts with integrity to help fill in gaps carved out by injustice and hardship due to primarily economic and other socially-based barriers. He addresses the basic livelihood of those least able – on their own – to face powerful social forces. He strives to bring people together with new learning and resources so "that people control their own destiny rather than being recipients of charity." Stakeholders (notably growers) are taught, and empowered to create, wide-ranging social benefits for themselves and others in their communities.

Cycon, the communicator and avid story teller, however, does not stop here. He is on the move speaking to audiences at universities across the United States, at local libraries or bookstores in local communities, at political or business forums such as conferences or the United Nations, and on the radio and TV. He speaks about what he has directly experienced with the coffee growers and their challenges, learning, and

accomplishments within their coops and communities. He shares what he has learned over the years with Dean's Beans as a businessman who deals in Fair Trade and practices principles of sustainability and challenges others, especially within the industry and in business in general, to think and operate differently beyond the bottom line.

Dean's Beans communication and effectiveness are supported by an active social media presence including a broadly-developed website, [www.deansbeans.com](http://www.deansbeans.com). The website is a uniquely information-rich record of the social initiatives and business ventures of Dean Cycon, CEO and his company. It serves as a reservoir of first-hand, on-site, and continuously updated examples of a socially-conscious business in practice. The company's website contains a veritable library of information about the company and its values through ongoing entries (blogging) over the 19 years the company has been in existence. The site includes video clips, interviews, articles about the countries and farmers that grow its coffee, and social interventions that Cycon has initiated over the years.

The Dean's Beans website home page is a snapshot of the transparency and broadness of the company and is highly reflective of the personality of Cycon himself. Its engaging portals to "What's Brewing," "Meet the Growers," "Design and Name Your Own Custom Blend," and "From the Frontiers of Coffee" act as a collective gateway to a plethora of information and examples about successful, socially-conscious, organizational practices. The interlinking of the website pages ensure that everyone will crisscross into the realms of Fair Trade, sustainability, or the social issues of the coffee growers and beyond. This seamless integration is a reflection of Cycon's leadership of the company's activities from the beginning point where the coffee is grown to the end point where a generous portion of the proceeds from sale of the coffee product returns to the coffee grower communities.

This website successfully brings attention to the social mission and coffee products of Dean's Beans around the world as it also creates a unique social network between the many farming cooperatives it supports and the growing legions of customers it serves. In addition, the goal of Cycon to inform and educate the public about a socially-responsible and profitable way to do business is realized.

## Conclusion

In this article, we have addressed some crucial business challenges for organizations desiring a sustainable future. We especially focused on the coffee industry which, at times, has served as a breeding ground for exemplary practices supporting sustainability, Fair Trade, and other socially-responsible business practices. At the same time, this industry supports large corporate agricultural businesses that have paid little attention beyond their return on investment. It is becoming increasingly apparent that pursuit of business values alone, concerned with things like cost, efficiency, and profit, are not enough. Rather, a counter-balance of concern for societal and environmental values can be an important part of providing a worthwhile purpose for businesses beyond survival and financial return. And, just as important, it can help lay the foundation for sustainable strength throughout the supply chain from growers and suppliers to customers and affected communities.

Dean's Beans provides a powerful example of a coffee business that reflects this kind of balance. The company describes itself as having a fully-integrated progressive coffee

trade system where business exists to have a positive impact in the world rather than to maximize personal returns. This has led to an unconventional business model reflected in the paradoxical strategy of “Buy High, Sell Low” which is achieved through a multitude of collaborative efforts. More specifically, the company views business as a tool for doing social good, while recognizing that its ability to communicate and promote socially-responsible practices – such as environmental sustainability – requires a sound sustainable business. Also, its actions are consistent with the ideas that greater positive change is enabled by removing normal organizational boundary limits and having a focus that even in difficult times, goes beyond traditional “bean counting.” Dean’s Beans intends to serve as a model of a virtuous business – the hope is that other coffee companies and businesses will be challenged and inspired by its business model and will follow its lead. As a result, Dean’s Beans has unleashed a capacity for sustaining the health of the organization while boosting the constructive social, environmental, and economic impact of its efforts.

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