THEO CHOCOLATE– DOING WELL BY DOING GOOD

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SYNOPSIS

This descriptive case was designed for use in an undergraduate course in social entrepreneurship, corporate social responsibility, or business ethics. It summarizes the founding of Theo Chocolate, the first organic, Fair Trade certified, bean-to-bar chocolate company in the United States. Founder Joe Whinney created Theo Chocolate as a for-profit business to address social and environmental problems in the cocoa industry. The case provides information about the horrendous conditions some cocoa farmers face in West Africa and the negative environmental impacts of cocoa bean farming. The applied case was designed to help students understand the theoretical concept of shared value and to apply this concept to a new business. The case provides data for students to consider when assessing whether the company could be considered a firm committed to the principle of shared value in that it generated economic as well as societal value.

LEARNING OBJECTIVES

The objectives of this case are:
1. Describe the conditions some cocoa bean farmers in West Africa face and the negative environmental impacts of cocoa bean farming.
2. Identify the stakeholder groups with a vested interest in the success of Theo Chocolate.
3. Analyze Theo’s competitive strategy.
4. Explain what is meant by shared value and how it differs from corporate social responsibility.
5. Analyze the evidence and assess whether or not the claims of creating shared value are supported.

APPLICATION

The case was written for business undergraduate courses in social entrepreneurship, corporate social responsibility, or business ethics. The case has been classroom tested.

KEY WORDS

Corporate social responsibility, shared value, stakeholder, social entrepreneurship, business ethics

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