

GREYSTON BAKERY – TEACHING NOTE

Case Synopsis

This case study examines how Greyston CEO Mike Brady is addressing strategic priorities such as promoting growth, enhancing supply chain sustainability, paying a living wage, and working with other businesses to achieve Greyston’s founding mission. Greyston’s history provides a lens to examine how a value chain can create social value. The case includes a discussion of the company’s background and history. Greyston provides a rich 30-year history of a successful and innovative social enterprise and now Benefit Corporation. How does a values-based company influence its suppliers, customers, and even competitors to also become values-led companies?

Learning Objectives

This case study discusses the relationship of business principles to community and economic development, company mission and values, poverty alleviation, and the low-wage workforce/management relationship. It also provides students with an understanding of several key concepts, including:

- Social enterprises and their impact;
- The rewards and challenges of Benefit Corporations and Certified B Corporations;
- Organizational culture; and
- Managing to a triple bottom line.

Applicable Courses

The Greyston Bakery case study introduces several key themes, including co-manufacturing, networks and alliances, becoming a Benefit corporation, sustainability in the value chain, and providing a living or fair wage. This case study can be used as a teaching tool in the following types of courses: sustainability, strategy, entrepreneurship, social entrepreneurship, supply chain management, human rights and business, and corporate social responsibility.

Discussion Questions

A. Business Model

- How would you evaluate the Greyston business model?
- What kinds of changes might be necessary to the business model as the company grows and markets change?

B. Strategy

- What is Greyston's strategy?
- What is Greyston's "winning aspiration"?
- How are these being achieved?

C. Managing Sustainability

- Should Greyston appoint a Head of Sustainability? Why or why not?
- Are there elements of sustainability that Greyston is not addressing?

D. Becoming a Benefit Corporation and a Certified B Corporation

- Why did Greyston decide to become a Benefit Corporation? A B Corp?
- Which certifications might Greyston pursue going forward?

E. Living Wage

- A "living wage" is a contextual issue—which means that it cannot be understood in a vacuum. What issues relate to determining a living wage and how does Greyston address this issue?
- Are there some issues which relate to the living wage that Greyston is not addressing?
- What are the downsides of paying a living wage?
- Are there production or other innovations that might lead to higher wages?
- Some analysts argue that a living wage is not necessarily a fair wage. A fair wage needs to address a wide range of issues, including how wages are paid, the amount of hours worked, the working conditions and the power relationships in the workplace. The fair wage chart in the case study addresses the components of a "fair wage."
- How might Greyston work towards paying a fair wage?
- What are the barriers to paying a fair wage at Greyston?

F. Leveraging Change within the Value Chain

- Can it be argued that Greyston is "punching above its weight" as it tries to influence change?
- What are the characteristics of the relationship between Greyston and Unilever that make it possible for Greyston to have such a large influence?
- Are these characteristics unique to Greyston?
- What can Greyston teach American Express?

Lexicon Learning

The Greyston case study discusses several emerging terms. After reading the case, how would you define the following terms?

- PathMaking
- Open hiring
- Values-led supplier
- Living wage
- Fair wage

Related Teaching Material

The following publications provide useful background reading for the Greyston case study:

Anker, Richard, *Estimating a Living Wage: A Methodological Review*, Conditions of Work and Employment Series, No. 29, International Labour Office, Geneva, 2011. http://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---travail/documents/publication/wcms_162117.pdf.

Leipziger, Deborah, *The Corporate Responsibility Code Book*, Greenleaf, Second Edition, 2010.

Vaughan-Whitehead, Daniel, *Fair Wages: Strengthening Corporate Social Responsibility*, Edward Elgar, 2011.

Note to Professors

If you have suggestions for teaching this case, please share them with the author. Our goal is to utilize crowd sourcing to enhance the quality of the Teaching Guide. Deborah Leipziger can be reached at dleipziger@gmail.com.

Depending on her travel schedule, Ariel Hauptman is available to talk to students and can be contacted at: Arielh@greystonbakery.com.