

Case Study 2, BMGT 464

Going Global: What Does it Take to Make Cross-cultural Teams Successful?

PetGourmand, a second generation, family-owned Memphis-based company with about 200 employees, develops, manufactures, and sells nutritious, gourmet food products for pets. PetGourmand is a low-tech, hands-on, bricks and mortar company with solid brand recognition, an impeccable reputation for high quality and ethical standards and processes, older work force (average employee age is late 40s), low staff turnover, impressive record of speedy state and federal new-product approvals, and solid working relationships with their veterinary and pet-owner customers. For the most part the company plays up the PetGourmand as a close "family," although the organization's structure is hierarchical with fairly rigid management divisions and reporting policies. Research, manufacturing, and sales and marketing operate in traditional fashion, with employees reporting to supervisors or mid-level managers. By the 1990s, sales and distribution grew from Tennessee into a regional market, establishing a competitive advantage throughout the US South. Then came the Great Recession. As customers lost jobs, and small business profits, such as veterinary practices dipped, the demand of "fancy cat food," as one PetGourmand lab technician said, seemed to disappear overnight. By the time Bon Vivant Specialities contacted PetGourmand's CEO about acquiring PetGourmand, the writing was on the wall.

Bon Vivant Specialities (BVS) is a large Chinese-owned manufacturer and distributor of gourmet food and beverages, headquartered in Hong Kong. Manufacturing plants operate in main land China, and the company has additional offices in Europe and Australia. By acquiring the smaller, well-respected PetGourmand, BVS aims to diversify and expand its consumer base by including products tailor-made to meet market projections of a customer upsurge in healthy, gourmet pet foods and treats. Given the availability of telecommunications technology (software and hardware), and BVS's current expertise and use of such technology, geography and location should not be an insurmountable issue. PetGourmand employees, on the other hand, are dispirited about the acquisition, and anxious about "working for foreigners," downsizing, less face-to-face interaction, language differences, and more electronic systems put into place. To make matters worse, recent news media have printed stories about tainted pet food made by other companies in China. Employees fear loss of product quality and damage to PetGourmand's reputation.

BVS has told PetGourmand workers that—for now—most employees will be retained. However, all employees will be evaluated, and reassigned and integrated into BVS's existing, and to-be-formed-as-needed, work teams, a key component of BVS's flat, smoothly efficient organizational structure. BVS's management staff, scientists, and sales professionals tend to be tech-savvy, culturally diverse, young-to-middle age (ages 25 to mid-forties), bi-lingual, ambitious, self-directed, accustomed to working remotely, and clearly focused on the company's

commercial success. BVS's Harvard-educated CEO, Daniel Chinn, supports increasing the company's competitive edge by "discovering and developing individual potential through group collaboration and team synergy," and is known to be an enthusiastic supporter of job training and career growth beginning from his days as a brilliant, hard-driving MBA student. He's eager to move forward on the integration of "PetGourmand's greatest asset—it's knowledge rich, experienced workers."