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## Theo Chocolate: How Far Should Fair Trade Go?

“We’re trying to build a business that can change the way an entire industry conducts itself.”

Joe Whinney, founder and CEO, Theo Chocolate<sup>1</sup>

“If you won’t even apply the international standard of freedom of association to your own workers in the United States, what does fair trade mean for your company?”

Brenda Wiest, union organizer for Teamsters Local 117<sup>2</sup>

On a typical rainy Seattle day in February 2013, Joe Whinney was taking a much-needed coffee break. As founder and CEO of Theo Chocolate, a small, fair-trade chocolate company, Whinney kept an intensely busy schedule, but still enjoyed a Starbucks grande cappuccino from time to time. After picking up his drink, Whinney found a seat at a nearby table, then pulled out his iPhone and began thumbing through his e-mails. Suddenly, a new message popped up from one of his senior marketing managers. It read, “Have you read this article in *The Stranger* today?”

Curious, Whinney tapped the link below. Targeted to a young, hip, socially conscious audience that had considerable overlap with Theo’s primary marketing demographic, *The Stranger* was one of Seattle’s best-known alternative weekly papers. The headline promised nothing but bad news: “Are Theo’s ‘Fair Trade’ Chocolates Unfair to Seattle Workers?” As he read further, Whinney groaned. Theo Chocolate had recently come under fire from labor groups that accused the company of not allowing its Seattle factory workers to unionize. The press had apparently gotten wind of the dispute. *The Stranger’s* account was particularly harsh. The newspaper printed quotes from an October 2012 report issued by the International Labor Rights Forum (ILRF) — a Washington, D.C.-based pro-labor advocacy group — that portrayed Theo Chocolate’s senior management in a negative light. The report claimed managers allegedly engaged in “emotional blackmail” as well as “manipulation, guilt, (and) intimidation” in an attempt to convince employees not to unionize.<sup>3</sup> The article also highlighted the company’s decision to hire David Acosta, a supposed union buster from American Consulting Group (ACG), to address employee concerns. Prominently featured were quotes from Brenda Wiest, a union organizer with Teamsters Local 117. “This is about Theo claiming to be fair trade ... (while actually) selling consumers a bill of goods,”<sup>4</sup> Wiest was quoted as saying. Almost instantly, e-mails from local news outlets seeking comment came pouring in.

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