

GRACIOUS GOODIES: A STORY OF ADAPTATION, EMOTIONAL INTELLIGENCE, AND ETHICS

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Grace Gentry had long dreamed of having a small café and catering business where she could share her love of cooking and the wonderful creations she learned how to make from her beloved grandmother, Granny G. After her husband retired from the military, Grace finally got a shot at making her dream a reality. Gracious Goodies' catering business was on solid footing after two years, and Grace moved forward with her plans for a café.

Running the café business was significantly more challenging than the catering business. Staffing the café was a huge challenge given the low unemployment rate in the region, and Grace found herself working over 60 hours per week trying to keep both businesses afloat. After a year, Grace decided to close the café, and a new idea blossomed: takeaway. Her customers had been requesting full meals that they could take home to warm up later for dinner, but she did not have time to explore this new business fully until now.

The takeaway business took off almost immediately. Almost as quickly, however, one of Grace's competitors began a smear campaign using their employees, customers, and social media to attack Grace's takeaway business. Verde's had been in the community for a long time, and they had a loyal following. Grace had to decide how to protect her business effectively and how to help her employees and customers survive these attacks unscathed.

INTRODUCTION

Gracious Goodies was a small business that had known some ups and downs. The founder, Grace Gentry, had always dreamed of having a small café and catering business where she could use the recipes she learned from her grandmother growing up in New Orleans. Granny G lived next door, had the same name, and was the best cook in their neighborhood. Grace loved hanging out in Granny G's kitchen and helping her cook. At fundraiser auctions for sports teams, sick folks, church

missionaries, and the like, Granny G's gumbo or a pan of her bread pudding would sell for \$100 or more.

Grace had planned to share the tastes and textures she grew up loving with her community, wherever she ended up living. When her husband's military career moved the family around every 2-3 years, Grace had to put her business dreams on hold. After 22 years, her husband retired, and the family moved to her husband's hometown just outside Atlanta, Georgia. Grace finally had a chance to pursue her dream.

Grace found a shop that had enough square feet, reasonable rent, and a good location near a busy thoroughfare in town. She got the kitchen up to speed first and began taking catering jobs. Business was slow at first, and she used her free time to plan out the café. After two years, the catering business had become consistently profitable, and Grace decided to move forward with the café. Six months later, the café opened for breakfast and lunch, 7:00 am-3:00 pm, Monday through Friday.

Little did Grace know that staffing a café would be more challenging than she imagined, even with her husband's hometown connections. While the catering business continued to grow and increase in profits, the café struggled from the beginning. Even though there were small profits by the second month, the café consumed significantly more time and energy than she had anticipated. Grace ended up working in the café at least 30 hours each week because of employee absenteeism and high turnover. These hours meant she was leaving the catering business shorthanded. She found herself working 60+ hours each week trying to keep both areas of the business profitable.

After burning the candle at both ends for well over a year, Grace decided to close the café. The decision was one of the hardest ones she had ever made. While she enjoyed seeing her regular customers and hearing them rave about the food she loved making, Grace knew that she could not keep working those hours just to make a small profit. Finding a reliable staff to handle her café responsibilities had proven impossible.

CHANGE HAPPENS

One thing Grace kept hearing from catering and café customers alike, especially after she announced the café's closure date, was how they wished she offered takeaway food – full meals that they could warm up later and feed to their families for dinner. Grace had agreed the idea had potential, and after closing the café, she started researching what that product offering might entail. In her newfound spare time, Grace conducted market research to determine how many customers might desire this type of product and what price range the market would pay. She learned

about the existing competition, and she researched how much of an investment she would have to make to compete. Grace knew that while she had access to high-quality food vendors and already owned the equipment to prepare the food, she would need to be careful with decisions regarding types of food, equipment, packaging, timing, etc. to be profitable.

Grace took a full year after closing the café to research how to launch a successful takeaway business to complement the catering business. Once the decision to move forward was made, she planned out the calendar and started advertising on Facebook exclusively. She planned to publish the menu on Monday and take orders through Thursday. She would order the supplies on Friday morning and start cooking on Monday morning. Customers would pick up the food on Wednesday between 11:00 am and 6:00 pm. This scheduling would offset the slow days for the catering business.

From the very first week, the takeaway business was a hit. By the second month, Gracious Goodies made significantly more profit from the takeaway business than it had made at the café during its most profitable month (see Table 1).

TABLE 1
PERFORMANCE OF CAFÉ VERSUS TAKEAWAY BUSINESS

Average Weekly Figures	Café	Takeaway
Number of kitchen working days (utilities, etc.)	6	3
Number of hours storefront open	48	6
Average hours of manpower	90	60
Costs of food and packaging	\$600	\$900
Sales generated	\$1500	\$4200

COMPETITION AND DRAMA BEGIN

Almost from the first week, drama was afoot with one local competitor. Verde's was a local restaurant that also offered a catering service and takeaway meals. Their business was about 2 miles south of the main shopping area in their suburb while Gracious Goodies was about the same distance north of the shopping district. With a suburb population of over 100,000 people, Grace was confident that there were more customers who wanted takeaway food than the local businesses could serve. Additionally, the population in the Atlanta metro area was almost 6 million. When evaluating how many competitors were already in the takeaway business, Grace had carefully considered how her business might impact existing businesses and what long-term consequences she would face if she missed out on the takeaway business opportunity.

Within the first week, Grace received a supportive text message from Garv, owner/chef of Verde's. In a follow-up call, Garv seemed supportive and even offered some advice on the ordering process as well as some contacts for supplies. He ordered some of the food to show his support and offered to be a resource if Grace had any questions.

The drama unfolded on Facebook. Some of the Gracious Goodies customers also purchased food from Verde's because their pick-up days were different. One loyal customer, Jane, told Grace that she was not sure how she felt about Grace encroaching on Verde's takeaway business. Grace used the opportunity to learn how the product offerings were different in the customer's eyes. Jane told Grace that Verde's had a more upscale atmosphere with food that had fancy Italian-sounding names and employees who were dressed like chefs helping customers on pick-up day. The overall vibe felt like she had stepped into a high-end restaurant in Manhattan's Little Italy, where customers were almost just a necessary evil while the food and its creator were the stars of the show. While the food was excellent, Jane admitted that the attitudes were off-putting to her.

Conversely, Jane felt that Gracious Goodies offered a more traditional, home-grown feeling. The atmosphere and food felt like visiting your favorite aunt or grandmother's kitchen. While the food, packaging, and people were professional, the overall vibe was more welcoming and comfortable in her opinion. The customer was made to feel like an invited guest on pick-up day. She liked the reasonable prices at Gracious Goodies better, too, but she often needed takeaway food on Monday as well, which was the pick-up day at Verde's.

When Jane was in line to pick up food at Verde's last Monday, she had overheard two customers talking with Garv and one of his employees about Gracious Goodies. Garv was mocking the menu, making jokes about Grace, and berating the quality of the food saying that it could not compare to his own divine creations and that Gracious Goodies would be out of business within a month. A day or two after the conversation with Jane, Grace received a private message on Facebook from a former Verde's employee. The message echoed what Jane had said, adding that Garv encouraged employees and loyal customers to leave negative reviews for Gracious Goodies. The message also included videos of Garv sampling the food from Gracious Goodies.

Apparently, after Garv purchased the food as gesture of support, he had someone video him sampling and critiquing the food. Everything he said about the food was negative (see Appendix A for quotes; positive quotes from customers are also included). None of his remarks were neutral or positive. He posted these videos to

a closed group on Facebook that included employees and customers. Someone within the closed group posted the videos to a local internet forum shortly before Grace received the private message on Facebook. Almost instantly, all of her customers and employees seemed to know about the videos. If Garv was trying to damage the business at Gracious Goodies, then his videos had the opposite effect. Grace had to close her menu early for the next three weeks because she was worried about being able to fulfil all of the orders!

RESPONDING GRACIOUSLY

Occasionally on pick-up day, though, an unfamiliar customer would ask Grace why she was copying Verde's business model and would suggest that Grace was being unethical by competing in the same space. Grace suspected these customers were sent by Verde's. She knew from the Facebook drama that Garv regularly sent employees to buy her food so that he could critique it.

Nonetheless, her response was always the same: "I believe there are more than enough customers in this area than both of our businesses can serve. I wish Verde's all the best, and I hope they feel the same about Gracious Goodies. I doubt that we will be the last competitor to offer a takeaway business, and I hope that we can all support and complement each other."

Likewise, on Facebook, occasionally someone would post on the Gracious Goodies page saying they were copycats trying to steal customers from Verde's. Grace suspected that most of these posts were from Garv's employees or customers, who he inspired or incentivized to post on social media. Initially, Grace would respond with the same statement she gave the customers on pick-up day, but eventually she stopped responding. Her own customers responded sometimes, without any prompting from her, sharing their own views on how the businesses were different:

- "The food changes at Gracious Goodies, and I do not always want Italian."
- "I live on the north side, and I never ventured to Verde's on the south side. They did not steal me as a customer."
- "There are a whole bunch of restaurants and caterers in town. Verde's had better figure out how to compete with their products instead of trying to attack the competition."

On Verde's own Facebook page and on other local social media sites, people started making comments about Garv's behavior:

- "I stopped ordering from [Verde's] after the video that leaked behind the scenes of the critique of Gracious Goodies. Even though it was intended to be private, I felt it was very unprofessional and frankly, unnecessary."

To me, what goes on behind the scenes is a true representation of how a company does business.

- “Meh food. Stopped going when they tried to subtly bash Gracious Goodies on Facebook a while back.”
- “I am disappointed that he feels the need to block and remove comments that don’t ‘align’ with his rave reviews. This is not an honest business owner!”

Given that public opinion seemed to be in Grace’s favor, some of her customers, employees, family members, and friends regularly encouraged Grace to go on the offensive with Garv. They could not understand why she had remained silent on Facebook, for example. Admittedly, Grace was torn, especially when Garv sunk to new lows with his attacks.

THE DILEMMA

As Verde’s tactics continued, Grace had to decide if and how to respond. What could she do? She knew she had to find the best way to help her customers, employees, and the business survive these attacks unscathed.