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# **Mastitis at Lácteos Costeños: About the case and its recommended use**

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## **A start-up dairy in a remote rural region delivers a dangerously contaminated product.**

### **About the subject matter**

Crisis is an inevitable part of life, yet most of us are almost totally unprepared when the inevitable happens. Education is usually unhelpful. Business and other professional schools can be strong at formulating algorithms but improve standardization and efficiency but generally provide little insight in dealing with idiosyncratic situations, especially those involving deep emotions. Moreover, modern institutions, which are often designed to shield us from crisis, may paradoxically leave us all-the-less prepared when crisis does in fact strike. Hence, lack of preparedness and coping ability even, perhaps especially, among the most highly educated and most advantaged.

Entrepreneurs are particularly likely to face particularly -threatening crises, which can destroy their enterprise and worse. In this case, Enríque, a young assistant dean at a national agricultural college, faces a crisis in his new business -- and perhaps the crisis of his career -- when he learns that his fledging dairy has delivered mephitic product.

The case is designed to provide an introduction to crisis management at a personal and small enterprise level. Discussion falls naturally into three parts:

#### **(1) Managing in a crisis**

- a. thought processes during a crisis and the impact of strong emotions

- b. identifying crisis perceptions and tendencies: what's useful and what's maladaptive
- c. how crises tend to unfold
- d. general principles and priorities we might follow during a crisis

## **(2) Management before a crisis**

- a. Understanding how people and firms, especially entrepreneurial firms, tend to get into trouble
- b. Foreseeing (and Avoiding) potentially devastating crises
- c. General Preparation for unforeseen crisis

## **(3) Management after a crisis**

- a. How crises do and might play out and management in the immediate aftermath
- b. Learning from crisis (and from identifying *potential* crises)
- c. Crisis and opportunity

## **Case Setting and Culture**

Set in a remote region of Latin America, the case presents developing world students with a situation from a possibly familiar milieu – a rare treat for those exposed to case after case in countries and organizations the likes of which they've never seen. For students in North America and Europe, the case helps present a picture of life and small family business/entrepreneurship in one of the remote (from us) regions of the world. and from within this realm, it illuminates the wide distinction between educated professionals and locals with little experience or education about the larger world.

Ironically, it may also represent a near-future setting and scenario in a post-industrial world for which these pre-industrial practices are largely forgotten.

## Course Applicability

### Education Level

It works on any level from undergraduate to executive. I like it as an early class because it's accessible. People can relate to Enrique's position regardless of their own experiences in life or lack thereof. And so it serves as a lead in to less accessible cases examining crisis in larger firms and organizations.

### Crisis Preparedness & Organizational Resilience

The case works easily and naturally in an early session of any *crisis management*, *crisis preparedness*, or *risk management* course. I currently use the case in the 2<sup>nd</sup> 3-hour session in a University of Pennsylvania course *Crisis Preparedness & Organizational Resilience* <http://cpor.org/>. The case may also be of use for any course or course module about resiliency.

### Entrepreneurship

I've also used the case in entrepreneurship courses. Entrepreneurs are particularly likely to face particularly threatening crises, and this is a good example of the kind of crisis many may face. It would be especially valuable in a professional level entrepreneurship course. I include an appendix in the teaching note with additional material for how it could be used in an entrepreneurship course.

### General management / Managerial Decision making

I believe that the case can work in any general introductory management course – especially a course or module emphasizing managerial decision-making – with a dual focus on crisis and the role of emotions as adaptive or maladaptive depending on the situation. In such a course, the identification of unfamiliar cultures and their practices and the illumination of various sub-cultures may also be valuable.

## **Sustainability and “new” business practices**

Finally, the case and the surrounding themes may prove useful for those who are considering or already engaged in alternative approaches to business dedicated to low impact, sustainable, community-oriented practices.

Ironically, the pre-industrial practices of a largely forgotten world may become a model for anti-industrial, anti-global, pro-local, beyond-organic individuals and groups intent on alternative ways of doing business dedicated to low impact, sustainable, community-oriented practices.

If the assessment of a crash for industrial society does come to pass, a reversion to past technologies and practices may no longer be a choice.

## **Note on Research Methods and Language**

Data for this case was collected through several interviews with Enríque and his wife and sister, visits to El Monte and the Lácteos Costeños facility, as well as a supplier and another dairy in the region. All discussions and interviews were conducted in Spanish, and the primary interview was taped. Names, dates and places have been disguised. Research assistant Francisco Olivares, assisted with many of the interviews and the initial draft.

A Spanish language version of the case also exists; I’ve taught the case in both Spanish and English.