

**Management and Organizational Behavior Teaching Society (MOBTS)
48th Annual Conference (Virtual)
Tradition Meets Technology: Finding Ways Forward**

Title: Small Seed, Big Impact: Garrett Popcorn Shops Case Study

Abstract: (100-word maximum)

Popcorn is a small kernel with great potential! Pop into this session to see how one of Oprah's Favorite Things can be used as a business case study. This case uses the Chicago-based institution, Garrett Popcorn Shops, to apply student learning skills in business research, strategic thinking, strategy, situational analysis, and abstract decision-making.

Three Keywords: business research, strategy, case study

Session Type: Case Study

Resource Needs: Zoom (or similar) with screen sharing and chat functions

Method: What you did in developing this case study (1 paragraph minimum)

This case was initially written to address my own business school dean's request to add local, engaged-learning assignments to our courses. This case connects a mid-western based company to a strategic leadership course as a real-world example assignment. This is an original assignment with one intention being the reduction of cheating, plagiarism, and other academically dishonest behavior. This case was used as a final assignment learning check in a strategic leadership course, and was created to evaluate student learning at the end of the term.

Findings: What you learned in developing this case study (1 paragraph minimum)

I learned that many of the students in the class were not familiar with Garrett Popcorn Shops, yet became very motivated to apply the class content to the real-world case study. I also found out with this assignment that students struggled to create a SWOT, apply Porter's Five Forces, and think independently.

Classroom Execution: How you utilized this in the classroom, what expectations you have in terms of discussion and learning outcomes (1 paragraph minimum)

This was the final class assignment in a strategic leadership course. Students completed the assignment at home, the last week of the course. It replaced the final exam.

Session Discussion and Objectives: What objectives do you have in presenting, discussing, and/or performing this case study in an MOBTS session? (1 paragraph minimum)

- Attendees will be able evaluate an organization, discuss strategic factors, and identify the organization's mission and vision.

- Attendees will be able to synthesize thinking and correctly categorize strengths, weaknesses, opportunities, and threats when given a real-world case study.
- Working in small groups, attendees will be able to orally communicate and discuss findings concisely with other participants.

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Garrett Popcorn Shops Case Study Assignment

Garrett Popcorn Shops (<https://www.garrettpopcorn.com/>) is a Chicago institution, and one of Oprah's Favorite things! They have been selling popcorn since 1949 and have recently expanded into Asia, with plans to continue international growth.

(<https://www.chicagotribune.com/business/ct-garretts-china-0516-biz-20150515-story.html>).

Research the company and answer the following questions:

1. What is Garrett Popcorn Shops' vision? (5 points)
2. What is Garrett Popcorn Shops' mission? (5 points)
3. What is Garrett Popcorn Shops' core principles? (5 points)
4. What is Garrett Popcorn Shops' competitive advantage? (5 points)
5. What is Garrett Popcorn Shops' top organizational competency? (5 points)
6. In your opinion, which functional area (I/T, Accounting, Finance, HRM, Operations, Marketing, etc.) is most important at Garrett Popcorn? Why? (5 points)
7. In your opinion, what 2 current trends and/or emerging issues will impact Garrett Popcorn Shops' future? (10 points)
8. Using Porter's 5 forces, what force is most significant to their future success? Why? (10 points)
9. Create a SWOT that includes 20 aspects relevant to Garrett Popcorn Shops. (20 points)

	INTERNAL	EXTERNAL
POSITIVE	<i>Strengths</i> 1. 2. 3. 4. 5.	<i>Opportunities</i> 1. 2. 3. 4. 5.
NEGATIVE	<i>Weaknesses</i> 1. 2. 3. 4. 5.	<i>Threats</i> 1. 2. 3. 4. 5.

10. If you were on the board of directors, who would you recommend be added? Why? (6 points)
11. In what ways is work at Garrett Popcorn Shops motivating for employees? (4 points)
12. In your opinion, what is Garrett Popcorn Shops' biggest management issue? Why? (5 points)
13. If you were the Corporate HR Director, what would you recommend to senior management to improve employee satisfaction? Why? (5 points)

Garrett Popcorn Shops Case Answer Suggestions

1. What is Garrett Popcorn Shops' vision?

Garrett Popcorn Shops' vision is "...celebrate all the moments that matter"

2. What is Garrett Popcorn Shops' mission?

Garrett Popcorn's mission is "...serve fresh delicious popcorn that is hand-crafted in small batches"

3. What is Garrett Popcorn Shops' core principles?

High quality "We continue to use only the highest quality ingredients from producers as we handcraft our gourmet popcorn in old-fashioned copper kettles" (Garrett Popcorn, 2019).

Specialty "We hot air pop our signature blend of kernels, which we then mix into our secret family recipes. Every batch is handmade throughout the day, and the result is an irresistible snacking sensation, which has generated lines of historic proportions outside of our retail shops for decades" (About Us, 2019).

Chicago Tradition "Our great taste has gone global, but hometown values guide us. Although our popcorn has traveled to New York, Japan and Singapore, our many Chicago locations keep us firmly grounded at home" (About Us, 2019)

Social responsibility "We handcraft small batches of gourmet popcorn that make a big impact through our Garrett Cares® programs. We support meaningful initiatives that help promote social justice, wellness, child and family services, education, and the arts in the communities we serve—one kernel at a time" (Garrett Cares, 2019).

4. What is Garrett Popcorn Shops' competitive advantage?

The "secret family recipe" to make popcorn with highest quality ingredients, plus the popcorn is fresh and tasty (About Us, 2019).

5. What is Garrett Popcorn Shops' organizational competency?

A top organizational competency refers to the universe of worker skills that the Garrett Popcorn have to have to accomplish their strategies (Coates, 2016). Only a select few chefs use the secret family recipe to make Garrett popcorn. The skill to make popcorn by using the secret family recipe is an individual skill competency, however the employee training and succession planning with regard to focus on consumers is the organizational level competency. Hence, the universe of worker skills of Garrett Popcorn is to use the secret recipe to focus on customers and make customers have a special experience at Garrett Popcorn.

6. In your opinion, which functional area (I/T, Accounting, Finance, HRM, Operations, Marketing, etc.) is most important at Garrett Popcorn? Why?

Although all functional areas including IT, accounting, finance, HRM, operations, sales and marketing are critical at Garrett Popcorn Shops, from my perspective, the sales function is the most important to the overall enterprise as a retail business. Sales determines the revenue of the

company and the income can provide funding for other functions such as operations, marketing, and IT. Good sales employees can add value to the products by providing better services to customers. If in shop services are poor, customers may not choose to purchase popcorn at Garrett. Sales functions can have a direct impression on consumers and impact the entire organization. An excellent sales team can build a good brand reputation.

7. In your opinion, what 2 current trends and/or emerging issues will impact Garrett Popcorn Shops' future?

Garrett Popcorn Shop locations are predominately in Chicago, which can limit the business scope to serve more customers. Expansion of retail businesses nationwide in the United States and internationally is an emerging issue that impacts Garrett Popcorn Shop's future. Garrett Popcorn Shops is a Chicago tradition. Customers in the United States have to travel to Chicago or few cities which have Garrett Popcorn locations to purchase Garrett's popcorn. Although Garrett Popcorn offers popcorn online, it is a different customer experience from the brick and mortar stores. The company can expand its business in more states in the United States to gain a larger market share. Likewise, the global popcorn market is predicted to reach \$15,098 million by 2023 (Sinha, 2019). Garrett Popcorn should grasp the opportunity to increase stores in different countries.

Garrett Popcorn Shops only sell fresh popcorn and fresh popcorn can only be preserved for about three days. Sinha (2019) mentioned that two forms of popcorn, ready-to-eat and microwave popcorn, are sold all over the world. Garrett Popcorn Shops should increase the diversity of its product. The company could explore the creation of its own microwave popcorn, or partner with an established microwave popcorn firm, for home use. Distribution of microwave popcorn through Garrett Popcorn Shops, and supermarkets would increase their market share.

8. Using Porter's Five Forces, what force is most significant to their future success? Why?

Porter's Five Forces includes threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitutes products, and rivalry among existing competitors (Porter, 2008). The high threat of new entrants is most significant to Garrett's future. The barrier to entry is low, which means the capital investment to start a popcorn shop is relatively inexpensive. New entrants to the popcorn industry bring new capacity and have the ability to gain market share (Porter, 2018). New entrants could sell popcorn nationwide in the United States, not just Chicago and online across the internet. Hence, Garrett's Popcorn would have new competitors putting pressure on prices (Porter, 2018). Newly formed popcorn companies can offer similar and cheap popcorn compared with Garrett Popcorn Shops. Customers who are not familiar with the quality of Garrett's may choose to purchase cheaper knock off brand popcorn. The threat to entry is high, hence Garrett Popcorn must stay vigilant in holding down product prices and consider increasing growth investments to impede new competitors (Porter, 2018).

9. Create a SWOT that includes 20 aspects relevant to Garrett Popcorn Shops.

Strengths

1. Garrett Popcorn Shops offers fresh and tasty popcorn with highest quality ingredients by using a secret family recipe (Gaille, 2014). The company handcrafts the popcorn in old-fashioned copper kettles (About Us, 2019).
2. Garrett Popcorn Shops has a strong corporate social responsibility commitment. The company helps social justice causes, wellness, child and family services, education and arts through the Garrett Cares programs (Garrett Cares, 2019). These programs include the Pink Fund, Donna M Saunders Foundation, Gilda's Club Metro Detroit, Kendra Scott and Inheritance of Hope, Lynn Sage Cancer Research Foundation and so on (Garrett, 2019). The Garrett Cares program reinforce the strong Garrett brand in the community.
3. Garrett Popcorn offers special flavored products Garrett Mix®, CaramelCrisp®, CheeseCorn, Buttery, Plain, Almond CaramelCrisp®, Cashew CaramelCrisp®, Macadamia CaramelCrisp®, Pecan CaramelCrisp® and other limited time flavors to satisfy consumers' cravings for popcorn (About Us, 2019). The specialty and limited edition of these products is attractive to consumers.
4. Although Garrett Popcorn Shops expanded shops internationally into 9 countries including Japan, Singapore and Hong Kong, the company still emphasizes hometown values and remains grounded firmly in Chicago (About Us, 2019).
5. Garrett Popcorn has a good brand reputation and is well-known for its tasty popcorn.

Weaknesses

1. There are 11 Garrett locations in the United States. Ten stores are located in the Chicagoland area and 1 location is in Manhattan. Customers in other states cannot directly purchase popcorn in a Garrett Popcorn Shop because of limited physical stores (Gaille, 2014).
2. Garrett's has been selling the same flavor of popcorn since 1949 (About Us, 2019). Consumer preferences change. The company is light on innovation.
3. Garrett Popcorn Shops only sell popcorn, a weakness is the limited products in the shops.
4. Management was slow to react to Chinese inquiries for expansion and took a go-slow approach (Herbling, 2015).
5. Garrett's is privately-owned and does not franchise which limits brisk expansion options (Frequently asked questions, 2019).

Opportunities

1. Healthy snacks, including popcorn, is a large, strong, expanding market. Popcorn can be low-calorie, high-fiber and tends to be considered a healthy snack. Popcorn is versatile and sales have been increasing for 40 years. Garrett's is in a growth market (Gaille, 2014).
2. Popcorn has turned into a gourmet item at fine restaurants. For example, a popcorn dish combined with truffles or a bacon caramel popcorn appetizer has been offered at high-end, five-star restaurants (Gaille, 2014). Due to the popularity of popcorn in restaurants, Garrett may have opportunities to sell directly to restaurants.
3. Garrett's could partner with local non-profit or tax-exempt organizations for fundraising activities (Gaille, 2014).
4. Many American companies (like Mc Donald's, Starbucks, KFC and Wal-Mart) have found success in China. Asian countries hold huge potential for expansion (Herbling, 2015).
5. Two forms of popcorn, ready-to-eat and microwave, are consumed all over the world (Sinha, 2019). Creating branded microwave popcorn could increase market share.

Threats

1. The initial costs to open a popcorn shop are extremely high (Gaille, 2014).
2. Cheaper popcorn and popcorn alternative substitutes appeal to consumers.
3. Gary Poppins has one store-front in Chicago and 100 specialty stores in other states. They sell to Chicago hotels, including the W and Park Hyatt. Gary Poppins expanded into the Paris market. Gary Poppins directly competes with Garrett's. (Gary Poppins Goads Garrett's Popcorn, 2006).
4. Garrett's is highly dependent on popcorn producers. The suppliers may increase the price of corn kernels.
5. The popcorn industry is growing fast and enticing to new competitors.

10. If you were on the board of directors, who would you recommend be added? Why?

Answers vary

11. In what ways is work at Garrett Popcorn's motivating for employees?

Providing a fast-paced and fun work environment to employees. They offer reasonable pay and benefits including life insurance, flexible hours, and opportunities to travel. They have an employee development training programs that focuses on customer service and sales. They support work-life balance for employees and management is viewed as supportive and helpful (Garrett Popcorn Employee Reviews, 2019).

12. In your opinion, what is Garrett Popcorn's biggest management issue? Why?

The senior vice president of business development at the Chicago location. Many inquiries were received for expansion into China and management reacted very slowly, missing many opportunities. The biggest management issue is ignoring the expansion interest in China (Herbling, 2015).

13. If you were the corporate HR Director, what would you recommend to senior management to improve employee satisfaction? Why?

If I were the Corporate HR Director, I would recommend to senior management to improve employee satisfaction in the following ways. First, focus on creating a positive working environment. Second, focus on rewards and recognition. Recognition and rewards can motivate employee to achieve better results. Third, the enterprise should provide reasonable pay in the industry and certain sickness or maternity benefits to reduce turnover. Compensation is important for employees to have a good life and can attract and retain talents. Fourth, providing training and education to workers can improve the organization's productivity and innovation. The development of employees' skills and potential can improve employee satisfaction. Fifth, ongoing benchmarking and evaluation can help the company to determine what needs improving. Quickly identifying problems can help design and implement improvements to enhance workers satisfaction.