

## CASE FOR COMPETENCY DEVELOPMENT

### CREATING A LEARNING ORGANIZATION AT SUPERJUICE

**The New CEO.** Luisa de la Cruz sat in her new office thinking about her company's future. After working her way up the corporate ladder for 15 years, she had just been appointed CEO of SuperJuice, a Florida-based company that makes juice drinks that are marketed to high schools and restaurants throughout the Southeast. For nearly two decades, SuperJuice has been the most successful juice drink maker in the region. However, profits

haven't risen for four straight years, and several new competitors continue to steal market share. In fact, one of the new companies was started by two former SuperJuice employees who left after top management continually rejected their ideas for new exotic drink mixes and new approaches to marketing. Luisa cringed at the thought that the hottest-selling drink flavors in Florida and several other states had been invented in SuperJuice's own labs but were now being made and sold by a competitor. Competitors were setting up drink carts at outdoor festivals and advertising with jingles and slogans that caught

the imaginations of the region's youth. Even Luisa's own 17-year-old son often purchased her competitors' products, saying that "SuperJuice is for kids."

SuperJuice management has always prided itself on the company's efficient set of systems, both in the factory and at headquarters. Managers concentrated on making a high-quality product as inexpensively as possible. "SuperJuice is like a well-oiled machine," Luisa told herself with some pride. Most of the company's 200 employees had joined SuperJuice right out of high school or college and liked the way the company operated. They showed up for work on time, performed their jobs efficiently, and rarely complained. The long-standing rules and procedures, combined with an organizational culture that reflected the traditional, family-oriented background of SuperJuice's Cuban-born founder, contributed to a level of politeness and civility in the company that sometimes seemed like a throw-back to the 1950s. SuperJuice was a calm and civilized place to work in the midst of a rapidly changing, chaotic world, Luisa reflected with pleasure.

**The Need for Change.** But Luisa's pleasure evaporated as she realized that the company could collapse beneath her if it didn't somehow respond to the changes in the environment. She remembered the scandal that had erupted several years ago when two new employees started "breaking the rules" and pushing for changes in the company. The two worked odd hours, played rock music, and decorated their offices with brightly colored posters, unique photographs, and fanciful "dream catchers" hung from the ceiling. Occasionally, one would tape a note to his door that read, "Gone to the movies to get my creative juices flowing!" Although both workers were highly productive, top management quickly took action to try to bring the two back in line. They worried that this kind of attitude would have a negative impact on the productivity of other employees, who were accustomed to coming to

work and putting in their solid eight hours. The CEO really blew his stack when the two presented four new drink flavors they had concocted on the sly. He was so angry about the unauthorized use of lab time that he nearly fired both employees on the spot. Luisa remembered finding one of the employees in the lab dejectedly pouring the prototypes down the drain. "You know you can't do anything new in this company," Luisa told her at that time. "It's just not the SuperJuice way." Since that time, SuperJuice has lost a few other young, ambitious employees who have chafed under the tight management control.

Luisa knew she was promoted because she had always followed the rules. But she also realized that continuing to follow the rules could take this company she loved right into bankruptcy. She knew the company had a lot of potential, starting with its loyal, committed workforce. But where should she begin? Can SuperJuice really change itself into a forward-thinking, creative company?

## Questions

1. What are some of the forces for change affecting SuperJuice and calling for a new approach to management?
2. What do you think Luisa needs to do first to begin a transformation at the company?
3. How would you suggest she turn SuperJuice into a learning organization? Think about specific changes she can make to get all employees thinking of new and exciting ways to revitalize the SuperJuice product line and way of doing business.

Source: Based on Suzy Wetlaufer, "What's Stifling Creativity at CoolBurst?" *Harvard Business Review*, September-October 1997, pp. 36-40.