# LINKING BEAN-TO-BAR TO SUSTAINABLE ENTREPRENEURSHIP

# Jyväskylä University School of Business and Economics

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#### **ABSTRACT**

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#### **Abstract**

The increasing growth and recognition of bean-to-bar chocolate production have led to some people calling it a "movement" or "revolution". The entrepreneurs championing bean-to-bar assert that their approach provides better and innovative services to both cocoa farmers (growers) and consumers. In essence, they are meaningfully contributing to the sustainable transformation of the cocoa industry.

Furthermore, researchers agree that a concept that combines elements from both sustainability and entrepreneurship is called sustainable entrepreneurship. Therefore, are bean-to-bar chocolate producers sustainable entrepreneurs? In an attempt to answer this question, this thesis explores the links between bean-to-bar and sustainable entrepreneurship by focusing on three key areas; 1) motivations, 2) goals of the entrepreneurs and 3) the role of sustainability standards and certifications. It is a qualitative study and the data was collected through theme interviews. Purposive sampling was employed in choosing the respondents. The respondents represent eight bean-to-bar chocolate producers from eight countries and three continents. All the interviews took place online. The data was analyzed through thematic analysis.

According to the research findings, some of the motivations of bean-to-bar chocolate producers are; work directly with farmers and their communities, save scarce cocoa varieties from extinction, pay farmers more, and increase the gross domestic product (GDP) of origin countries. Some of their goals are; invest in cocoa origin countries, make it possible for cocoa farmers to own shares in their factories, and promote good agricultural practices. All the respondents were critical of sustainability standards and certifications in the cocoa industry. Some of their perceptions are that; certifying their products will not necessarily be translated into economic benefits for farmers, standards and certifications focus solely on increasing farm yields, and that they pay farmers more than cocoa market price and certification premiums combined.

The study concludes that; 1) individual bean-to-bar producers cannot yet be adjudged sustainable entrepreneurs and 2) sustainability standards and certifications play a limited role in the bean-to-bar sector.

## Keywords

bean-to-bar, cocoa industry, motivations, goals, sustainable entrepreneurship, sustainable development, sustainability standards and certifications

#### Location

Jyväskylä University School of Business and Economics

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#### LIST OF ACRONYMS

COCOBOD = Ghana Cocoa Board

CEN = Central European Network

CSR = Corporate Social Responsibility

GAPs = Good Agricultural Practices

GDP = Gross Domestic Product

KPMG = Klynveld Peat Marwick Goerdeler

KPIs = Key Performance Indicators

MSP = Managerial Sustainable Practices

NGOs = Non-Governmental Organizations

NYSE = New York Stock Exchange

ICCO = International Cocoa Organization

ICI = International Cocoa Initiative

IPCC = Intergovernmental Panel on Climate Change

ITC = International Trade Convention

ISO = International Standards Organization

SME = Small and Medium Size Enterprizes

TBL = Triple Bottom Line

UN = United Nations

UNFCCC = United Nations Framework Convention on Climate Change

WCC = World Cocoa Conference

WCED = World Commission on Environment and Development

WCF = World cocoa Foundation

3Ps = Planet, People and Profit

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## 1 INTRODUCTION

## 1.1 Background

The frequent use of the term "bean-to-bar" in the cocoa industry indicates that it has come to stay. The term is not just used by industry experts and chocolate producers but also by consumers. The industry has embraced the concept bringing about a healthy discussion from different perspectives. Baker (2014) reports that connoisseurs nowadays prefer chocolate made from cocoa beans on the spot to those made from semi-finished products. Bean-to-bar chocolate production is even sometimes referred to as a "movement" or a "revolution". On one hand, the Chocolate Tester (2016) identifies Georg Bernardini, an Italian chocolate expert as the pioneer of the bean-to-bar chocolate concept. On the other hand, Baker (2014) claims that two American chocolate makers, Potomac and Dandellion, pioneered the concept. While the discussion is ongoing, there is no consensus on the actual meaning of the bean-to-bar concept by both the industry and academia. According to several sources, bean-to-bar is the concept of processing cocoa beans into chocolate by a single manufacturer (Tracy, 2016; OrganicFair, 2017; Shute, 2013). The process is illustrated in the figure below.

Figure 1 Defining bean-to-bar chocolate production (1)



The entire cocoa industry is undoubtedly committed to achieving sustainable development. Incumbent manufacturers in the industry show their commitment to sustainable development by using sustainability standards and certifications. The standards and certifications are provided by independent third-party operators and are publicly of privately owned (Blowfield, 2000). Sustainability standards and certifications are explored in chapter two. There exists a consensus that tackling the challenges to sustainable development in the industry requires multi-stakeholder efforts. An important stakeholder group to drive sustainability in the sector is the bean-to-bar chocolate manufacturers. They are passionate individuals or groups that are driven by the need to cause positive change usually create these ventures. The opportunities that exist in cocoa industry have caught the attention of these entrepreneurs. Their entrepreneurial activities allow them to create mutual and long-term relationships with cocoa farmers and their communities (Shute, 2013).

For instance, Tuanis Chocolate (2016), a Chicago-based bean-to-bar chocolate manufacturer, sources cocoa beans directly from farmers in Costa Rica. By doing so, they offer the Costa Rican cocoa farmers prices that are well above market price. This concept also allows them to brand their products in a way that appeal to consumers. The company took in orders for their chocolate products through an online system even before their launch in June 2016. Also, Tuanis Chocolate is owned and operated by two friends who after travelling together between the USA and Costa Rica for 15 years, grabbed this business opportunity. The business positively impact the lives of cocoa farmers in Costa Rica while offering American chocolate lovers a soy-free single-origin 75 percent dark chocolate (Yu 2016).

Sustainable entrepreneurs create new ventures based on understanding the meeting point of social, environmental and financial systems. This implies that they intend to create social and environmental values and not just concerned with creating economic value. (Cohen & Winn, 2007: Choi & Gray, 2008; Dean & McMullen, 2007; Hapenciuc et al., 2015; Hockerts & Wüstenhagen, 2011; Sheperd & Patzzelt, 2011). Therefore, are bean-to-bar chocolate manufacturers sustainable entrepreneurs? This thesis explores "bean-to-bar" and "sustainable entrepreneurship" in an attempt to establish possible links between the two terms. In linking the two terms, the thesis looks at the "motivations and goals" of bean-to-bar entrepreneurs, and their perception of industry's sustainability standards and certifications.

The rest of this chapter provides relevant background information; my motivations for undertaking this research, the purpose of this research, an introduction to the cocoa industry's journey towards sustainability, and an outline of the rest of the thesis.

#### 1.2 Motivation for this research

Firstly, this thesis is motivated by my interest in sustainable development issues in the cocoa industry. For over three years, I worked in various capacities in the cocoa industry including logistics and sustainability. During this period, I had the privilege of attending some of the industry's international conferences, workshops and meetings hosted by prominent organizations. My participation in these events did not only provide me with up-to-date insight into sustainability trends but more importantly I was able to interact and network with individuals and organizations that represent nearly all stakeholder groups in the industry. I discovered that even though "bean-to-bar" is widely used there is no framework that seeks to define the term.

Secondly, this thesis is motivated by a research by Kai Hockerts and Rolf Wüstenhagen (2011) titled "Greening Goliaths versus emerging Davids—Theorizing about the role of incumbents and new entrants in sustainable entrepreneurship". Hockerts & Wüstenhagen (2010, 489) conclude, "Sustainable entrepreneurship research so far has neglected the differential roles of large and small firms in transforming industries towards sustainable development" and argue that policymakers in industries tend to favour existing large firms over entrepreneurial start-ups. I argue that this is the case of the cocoa industry. The

study focuses on new, emerging and successful bean-to-bar chocolate companies, which are relatively smaller in size. In the context of this thesis, the companies include start-ups and companies that have been in operation for less than ten years. These companies are not limited to a particular geographical location. Rather this study discusses the issues at a global level.

Lastly, Hockerts & Wüstenhagen (2010) suggest that research is needed to investigate the challenges brought about by the interaction between new and existing companies, in regard to sustainable development. With their small size and limited market reach, some bean-to-bar chocolate producers rely on their incumbent counterparts in ways that would be explained later on in this study. The study is limited to the role of small (bean-to-bar) chocolate producers in moving the cocoa industry towards sustainability with much emphasis on their challenges. In my opinion, this is the beginning of future researches into the different roles that the emerging bean-to-bar and incumbent chocolate producers play and the need to draw lines between them. This will aid policymakers in making decisions that would create conducive business environments for the industry's bean-to-bar companies.

# 1.3 Research purpose

The "bean-to-bar" concept has to go beyond producing chocolate from cocoa bean to achieve its goals. This implies that bean-to-bar entrepreneurs need to form business relationships that not only give cocoa farmers extra incomes but also ensure that good agricultural practices are employed in addition to improving their communities. Even though these attributes resemble "sustainable entrepreneurship", an academic research is required to create the linkages. However, there is no previous research that link sustainable entrepreneurship to the bean-to-bar concept.

Furthermore, the approach of bean-to-bar chocolate manufacturers brings into the spotlight their perception of sustainability standards and certifications. As Hendrik Reimers, a German bean-to-bar chocolate manufacturer puts it sustainability standards and certifications "initiatives like Fairtrade, UTZ or Rainforest Alliance give the impression of moving millions of farmers out of poverty. On the ground the picture looks a lot different, a couple of percent more income on almost nothing is still almost nothing" (Fairafric, 2015). There is no research work that explores the role that sustainability standards and certifications play in the bean-to-bar concept.

The purpose of this research is to establish the links between the *bean-to-bar* concept and *sustainable entrepreneurship*. The research question of this thesis is:

What are the links between sustainable entrepreneurship and the bean-to-bar concept?

To establish the links between the bean-to-bar concept and sustainable entrepreneurship, the following sub-questions are explored:

- 1. What are the motivations and goals of bean-to-bar chocolate producers?
- 2. What is the role of sustainability standards and certifications in the bean-to-bar concept?

# 1.4 The cocoa industry's journey towards sustainability

Until recently, companies have demonstrated their concern for the environment and society through Corporate Social Responsibility (CSR). The challenge is that CSR initiatives have mostly not been successful. The reason being that they have been performed in isolation from the core of companies' motivations and goals. Recently, however, the sustainability discipline has and continues to gain more attention than CSR by industry and academia because it better addresses the needs of the modern world (Choi & Gray 2008). In order for sustainability to work, it should be integrated into the core of an organization's strategy (Epstein 2008) and not just seen as a necessity to attract good image in society. The various stakeholders in the cocoa industry are working to integrate sustainability into their core operations. The past two decades have witnessed many individual and multi-stakeholder initiatives to sustain the cocoa industry.

Arguably, the biggest multi-stakeholder platform to tackle the threat to sustainability in the industry is the one created by the International Cocoa Organization (ICCO), the World Cocoa Conference (WCC). The third edition of the bi-annual World Cocoa Conference (WCC3) took place in Bavaro in the Dominicans Republic from 22<sup>nd</sup> to 25<sup>th</sup> May 2016. About 1,300 participants from over 64 countries attended the conference. The participants included various stakeholders including not limited to farmers, cocoa processors, chocolate producer, traders, governments, non-governmental organizations (NGOs) and donor institutions, civil society and certification organizations, researchers and the media (ICCO, 2016).

Furthermore, to show their commitment to a sustainable cocoa economy, a "Bavaro Cocoa Declaration" document was agreed upon with priority areas as follows: "1) Injecting innovation in cocoa farming, including strengthening farmer-based organizations, 2) Increasing the living income for cocoa small-holders, 3) Raising women's voices and attracting a new generation of young cocoa farmers, 4) marketing cocoa quality, sustainability and origin, 5) Key Performance Indicators (KPIs): measuring progress in the implementation of the Global Cocoa Agenda, and 6) Sustainable funding of the cocoa sector" (ICCO, 2016). The nature and outcome of the conference attest to the commitment of the industry to achieve sustainable development. The next conference (WCC4) will take place in 2018 in Germany (ICCO, 2016).

During the past ten years, the number of bean-to-bar chocolate producers has increased exponentially. For instance, a USA organization, the Fine Chocolate Industry Association (2016), has over 200 members with most of them being bean-to-bar chocolate producers. "Bean&Bar", an independent online portal created to keep track of bean-to-bar chocolate producers around the world has list of more than 250 chocolate makers that directly buy cocoa beans (Ramsey, 2016). The increase is the number of bean-to-bar chocolate pro-

ducers is even having a positive impact on other industry. Eagle (2016) reports that there is an increase in demand for coating pan in New York from bean-to-bar chocolate makers. This trend proves that the bean-to-bar chocolate producers will play a major role in moving the cocoa industry towards sustainability.

# 1.5 Thesis outline

Table 1 Outline of this thesis

Chapter	Description
Chapter 2: Theoretical framework	This chapter presents the theoretical foundations of the thesis. The main theory is "sustainable entrepreneurship". Researchers' definitions of sustainable entrepreneurship during the past ten years are presented and critically reviewed.
Chapter 3: Research Methodology	This chapter presents the methods used to collect and analyze the data. The justifications for the various choices are described.
Chapter 4: Research Findings	In this chapter, findings from the research are presented.
Chapter 5: Discussion	In this chapter, the research findings are discussed in conjunction with the theoretical framework. Other relevant related issues are also discussed.
Chapter 6: Conclusions	This chapter reflects on the entire thesis, summarizes the main findings and answers to the research questions. Limitations and suggestions for future research, the study's reliability, validity, and contributions are also presented here.

## 2 THEORETICAL FRAMEWORK

The chapter reviews previous literature on the topic and explores different areas related to sustainable entrepreneurship. The first part of this chapter reviews the cocoa industry proving relevant background information needed to better understand the topics under discussion. The second puts sustainable entrepreneurship literature in the framework of sustainable development.

# 2.1 Cocoa industry overview

There are approximately 5 to 6 million cocoa farmers in the growing regions in Africa, Asia/Oceania and the Americas. It is estimated that small-sized family-run farms make up 80 percent to 90 percent of cocoa production. The average size of these farms is between 2 and 4 hectares. Each hectare of cocoa farm produces between 300 and 400 kilograms, about 500 kilograms, and between 500 and 600 kilograms of cocoa beans in Africa, Asia/Oceania and the Americas respectively. Ivory Coast and Ghana alone dominate cocoa production by accounting for about 65 percent of world total production. About 14 million people are employed by the cocoa industry and close to 50 million people depend on the crop for their livelihood (Cocoa Barometer, 2015; Karppinen, 2016; ICCO, 2016; WCF, 2014; CocoaConnect, 2016).

Table 2 World cocoa beans production 2013/14 & 2014/15

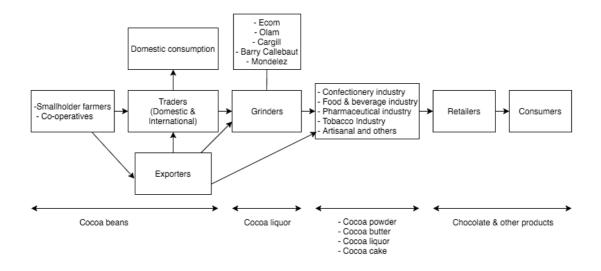
World cocoa production (1000 metric tonnes)			
	2013/14	2014/15	
Africa	3199	3068	
Cameroon	211	232	
Ivory Coast	1746	1796	
Ghana	897	740	
Nigeria	248	195	
Others	97	105	
America	726	760	
Brazil	228	230	
Ecuador	234	250	
Others	264	280	
Asia & Oceania	447	401	
Indonesia	375	325	
Papua New Guinea	36	36	
Others	36	40	
World total 4372 4229			

Table 2 above provides the various cocoa production countries and their yearly output for crop seasons 2013/14 and 2014/15. The cocoa crop season starts in October of every year and ends in September of the following year.

## 2.1.1 The cocoa supply chain

The global cocoa supply chain is complex and certainly cannot be presented in a single diagram. Figure 1 below tries to depict this supply chain. It is worth noting that there exist many players between cocoa farmers and chocolate confectioners. This means that there are many chocolate companies that use cocoa and cocoa products as raw materials but do not necessarily have contact with cocoa farmers. Chocolate confectioners that have the interest to buy cocoa beans directly from farmers are championing the bean-to-bar concept. In this way, they are able to materialize their social and environmental motives.

Figure 2 Global cocoa supply chain (Source: Yakah, 2016)



#### 2.1.2 Environmental Challenges

A major environmental challenge to the sustainable development is climate change [Bender & Guggenheim, 2006; Botwick & Timoner, 2010; Romppanen, 2016; Intergovernmental Panel on Climate Change (IPCC), 2016; United Nations Framework Convention on Climate Change (UNFCCC), 2016]. Cocoa plantations rely heavily on nature. The farms are either slightly or not mechanized. In fact, in order to harvest cocoa beans of the highest quality, heavy mechanization at the agronomy level is discouraged. The effects of climate change and global warming are increasing in their visibility and the tropical regions, where cocoa grows, are the recipients of most of these adverse effects.

This is a big threat to cocoa farming. Slight changes in weather patterns have huge impact on cocoa harvesting. Current trends have shown evidence of low harvest seasons due to less or more rainfall occurring in unexpected months of the year. (Conservation Alliance 2013)

In addition, the World Cocoa Foundation (2016) indicates that an estimated 30 percent to 40 percent of cocoa is lost to various kinds of diseases and pests in all major producing regions in Africa, Asia and America. Cocoa farmers do not have access or are unable to afford agrochemicals. In situations where they have agrochemicals, some farmers are not able to properly apply these chemicals. Governments of producing countries and non-governmental institutions have stepped in to educate cocoa farmers by providing extension services. For instance, the Cocoa Health and Extension Division of the Ghana Cocoa Board has been established to control the spread of swollen shoot virus disease, rehabilitate old and counterproductive farms, and provide extension services for Ghanaian cocoa farmers (Ghana Cocoa Board, 2016). Despite the fact that these services have immensely helped, cocoa farmers living in hinterlands are yet to receive these services.

### 2.1.3 Economic challenges

Farmers in West Africa produce over 70 percent of world cocoa production but daily incomes are less than \$1 and therefore live in poverty (Karppinen, 2016). This is not just the case of West African cocoa farmers but also those in all the other cocoa producing countries listed above. The Cocoa Barometer (2015) confirms this assertion by indicating that majority of cocoa farmers live in "destitute poverty". This is as a result of the fluctuation of cocoa prices, lack or weak farmer organization resulting to weak bargaining power, high levels of illiteracy among cocoa farmers resulting from inadequate education facilities in cocoa growing communities, and inaccessibility to the market and market information (WCF, 2016).

Moreover, a major challenge to sustainability in the cocoa industry is market concentration. The Cocoa Barometer (2015) reports that 40 percent of the market is controlled by the six biggest chocolate companies in the industry. If the current trends in acquisitions and mergers and in the industry prevail, only two processors would produce 70 percent to 80 percent of the world's couverture. In addition, only eight traders and grinders trade about 75 percent of world's cocoa production. This implies that cocoa farmers do not have strong market position to bargain. Their situations are worsened by the fact that most cocoa farmers are smallholders, uneducated and are not well organized to fight for the rightful place in the industry (Onumah et al., 2014).

#### 2.1.4 Social challenges

Some of the social challenges cocoa farmers face are the snowball effects of other challenges. For instance, poverty and lack of educational facilities leave chil-

dren of cocoa farmers with no option than to skip school and instead help on the farms. This and other snowball effects lead to child labour and some form of slavery on cocoa farms (Cocoa Barometer 2015). A child labour survey in West Africa by Tulane University (2015) revealed that from 2008/2009 to 2013/2014 cocoa seasons, child labour on cocoa farms in Ivory Coast and Ghana increased by 21 percent. In a response to this survey, a Geneva-based organization established to promote child protection in cocoa-growing communities, the International Cocoa Initiative (ICI) (2016) stated that the organization's community child protection has yielded resulted. However, the Hagstrom Report (2015) adds that ICI's model has to be aligned with government policies and activities in both Ghana and Ivory Coast. The model also needs to be scaled up to reach even more cocoa farmers and their communities.

In addition to the above, the cocoa farmer population in ageing and the youth are no longer interested in becoming cocoa farmers. As indicated above, most cocoa farms are family-run. This implies the youth inherit farmlands from their families and they are expected to carry on with their families' legacies. However, cocoa farming is not attractive to the younger generation and they would rather move to urban areas to seek greener pastures. For instance, at a cocoa sustainability seminar in Finland, a Ghanaian cocoa farmer stated that he has indeed lost interest in being a cocoa farmer. The farmer is critical of the low prices his family receives and adds that his father, who is still a cocoa farmer, discouraged him to go after another profession (Mawuli 2016).

Despite all these challenges, like in other spheres of life, gender inequality against women exists among cocoa farmers and their communities. For instance, in Nigeria, women receive half of what men receive as income on a daily work on cocoa farms. Some women in Indonesia are made to work on cocoa farms without a contract. In some cases, women are laid off after demanding for equal salary and treatment as their male counterparts (Oxfam, 2013).

## 2.1.5 Sustainability standards and certifications in cocoa

To authenticate and differentiate sustainable products from their competing conventional products, some producers acquire certifications in the form of labeling. This means that consumers have the option of choosing sustainable products over conventional ones. The standards and certifications are intended to show the commitment of companies and other organizations to sustainable development. They are provided by independent third-party operators and are publicly or privately owned. The core of their operations is to provide certificates, mostly in the form of labels, to companies that pass their training and auditing schemes. (Blowfield, 2000; International Trade Centre, 2008; Hagen, Manning & Reinecke, 2010)

Nonetheless, there are currently many kinds of labels in the market. There are over 400 private standards schemes. Instead of aiding sustainable business, they have become a source of confusion for both producers and consumers (International Trade Centre, 2008; Hagen et al., 2010). Figure 1 below shows some of these labels. In addition, most of the schemes address environmental and social issues separately (Blowfield, 2000) making them incoherent

with sustainable business practices. Hagen at al. (2010) found a vast difference between the criteria used by the different standardization organizations to audit the same product. Standardization and certification schemes are also voluntary and there is a trend where voluntary standards are substituting those that are mandatory (Ponte & Gibbon, 2005). This phenomenon has brought about competition among the standardization and certification schemes hence these two major implications: I) Producers that just want to "green-wash" can opt for the label they consider cheap and easy to acquire and II) Standardization and certification organizations can lower their standards in order to attract more clients. The International Trade Centre (2008) maintains that standardization schemes serve as a market entry barrier especially for producers from developing countries.

Figure 2 below shows some of the labels given by standardization and certification organizations. They are all based on the three dimensions of sustainability namely environmental, societal and economic. The four well-known standards are Fairtrade, Rainforest Alliance Certified, UTZ Certified and Organic (Hagen et al., 2010), and they are also the largest certification organizations in the cocoa industry (KPMG, 2012).

Figure 3 Standardization and certification labels (Source: Dahl, 2010)



Standards and certifications have dominated the cocoa industry's sustainability discourse and have become almost synonymous to sustainable cocoa. Cocoa importing countries have prioritized certified cocoa over conventional cocoa and this puts enormous pressure both on farmers and chocolate producers alike. Many in the industry have welcomed certifications acquisition as a proper way to meet sustainability standards aimed at improving the livelihoods of cocoa farmers and moving their communities out of poverty. Others

are critical of the true impacts of sustainability standards and certifications. Government authorities and cocoa farmer organizations posit that the net benefit of acquiring certifications is not encouraging. Most farmers do not have the resources to make them become certifiable. Those who are certifiable have the burden of high compliance direct and indirect costs (KPMG, 2012).

# 2.2 Sustainable development

For many decades, businesses have been aware of the importance of championing sustainability. The United Nations (UN) has played a leading role in bringing together world leaders to find common solutions needed to achieve sustainable development. These efforts led to the convening of two historical conferences by world leaders in Stockholm, Sweden and Rio de Janeiro, Brazil in 1972 and 1992 respectively (UN, 1993). In addition, in 1983, the UN called upon a former Norwegian Prime Minister, Gro Harlem Brundtland, to establish and chair a special and independent commission to address sustainable development on a global scale. The commission would be called the World Commission on Environment and Development (WCED). In 1987, WCED published the "Brundtland report". The Brundtland report defines sustainable development as "the development that meets the needs of the present without compromising the ability of future generations to meet their own needs "(WCED, 1987, 43). Until today, Brundtland's definition of sustainable development is widely accepted and it has pioneered unprecedented future works by both industry and academia.

The Brundtland report incorporates two vital concepts in the field of sustainable development: 1) the concept of "needs", and 2) the idea of "limitations". The concept of *needs* refers to the critical needs of people living in poor regions of the world especially in most parts of Africa and parts of Asia and spotlight the priority needed in these areas. The idea of limitations refers to the fact the advancement in technologies and social organization limits the ability of the environment to meet present and future human needs (WCED, 1987). The Brundtland report emphasizes the critical need of policy makers worldwide to integrate the three pillars of sustainable development into their policies (Goodlands, 1995). The three pillars of sustainable development (people, planet, and profit) are also referred to as the triple bottom line (TBL) or the 3Ps (Slaper & Hall, 2011). The figure 3 below illustrates in a different perspective the three pillars or dimensions of sustainability.

Figure 4 The three dimensions of sustainability (Source: MIRA Technology Park, 2017)



## 2.2.1 The triple bottom line

John Elkington coined the term "triple bottom line" in 1994 (Alhaddi, 2015; Slaper & Hall, 2011; Zak, 2015). The article was expanded and comprehensively explained in a book published in 1998 entitled Cannibals with Forks: The Triple Bottom Line of 21st Century Business (Gnap, 2012). It is "an accounting framework that incorporates three dimensions of performance: social, environmental and financial" (Slaper & Hall, 2011, 4). It "proposes a way of thinking about the social responsibility of covering not only company's profit, but also Earth and humans" (Zak, 2015, 251). The argument of Elkington was that companies preparing for the traditional profit and loss "bottom line" of their operations should also have the "people" and "planet" accounts. According to him, the "people" account would provide to some extent how a particular company has shown social responsibility throughout its supply chain. The "planet" accounts for the environmental aspects of a company's operations (Zak, 2015).

However, Slaper & Hall (2011) and Alhaddi (2015) confirm that there exist limited empirical researches on TBL. This further confirms the many criticisms regarding the practicability of TBL. The project type and location determine the indicators to consider in a TBL measurement. This gives companies an upper hand in choosing what they want their stakeholders to see. Profits and losses are measured in dollars and other currencies. However, it is somewhat impossible to measure the social and environmental aspects of a company's operations in terms of dollars (Slaper & Hall, 2011; Zak, 2015). "The full cost of an oil-tanker spillage, for example, is probably immeasurable in monetary terms, as is the cost of displacing whole communities to clear forests, or the cost of depriving children of their freedom to learn in order to make them work at a young age" (Hindle, 2008, 194). How then can TBL truly reflect reliable financial, social and environmental dimensions in a single bottom line? In this thesis, the terms "sustainability" and "sustainable development" are used simultaneously to mean the same thing. Their similarities and differences and their relationship to the TBL are not in the scope of this thesis. Each of the 3Ps (people, planet and profit) is discussed below in the next sections.

## People

It is obvious that businesses have to value their workforce in order to stay operational. First of all, they have to put in place hiring procedures that would help them attract the right job applicants. They also need to have good career development and training programmes that will ensure that their employees possess knowledge on changes in the workplace. Employees also require a fair salary in addition to other remunerations such as yearly bonuses, promotions, rewards for exemplary employee initiatives, acceptable working hours, healthcare and insurance coverage for employees and their families, a healthy and vibrant working environment, and tolerating an independent workers' union. All these would make employees feel a sense of ownership of the business and would gladly take their responsibilities and obligations seriously. Furthermore, businesses are imperatively part of the community in which they operate. It is important for them to consider how their operations affect people not within the organization but live in the larger community (Alhaddi, 2015).

#### **Planet**

The planet aspect of TBL calls on businesses to engage in practices that do not deplete environmental resources to deny their availability for future generations. It means that energy resources should be utilized efficiently, greenhouse gas emissions should be brought to its possible minimum, ecological footprint should be drastically reduced, and renewable energies should replace nonrenewable energies (Goel, 2010). In fact, the planet aspect of the TBL, in other words the need to safeguard the environment, serves as the foundation of the sustainable development discourse. According to Scoullos (2015), the idea of sustainable development was borrowed from forestry. This shows that sustainable development has its roots from the need to protect the environment. The ideology in the late 1970s was at protecting the environment and available resources are automatic solutions to achieving a sustainable development. Scoullos (2015) further explains that mostly less-developed countries especially in Sub-Saharan Africa of the world challenged this ideology. These countries exported raw materials only and did not have a direct use of natural resources. The levels of development were low or non-existent and there was also hunger, pollution, and environmental distraction in these countries. This challenge led to the definition of sustainable development in terms of the three pillars of sustainability (Scoullos, 2015). Crals & Vereeck (2005, 174) posit that "environmental care, chain management, eco-efficiency, clean products, sustainable technology development, sustainable industry fields and eco-design are concrete examples of these issues". In the long run, businesses that are environmentally friendly tend to be profitable and sustainable compared to businesses that are not responsible. (Alhaddi, 2015)

#### **Profit**

In the TBL, profit differs from the traditional understanding of the profit and loss shown in a company's balance sheet. Instead, it refers to the economic value that a business creates at the societal level. Elkington (1997) posits that the profit aspect of the TBL allude to the impact that an organization's operations have on an economic system. In other words, the wealth that a company enjoys should also be enjoyed by society at large. This ties the growth of a company's profitability to the growth of the entire economic system (Alhaddi, 2015).

# 2.3 Entrepreneurship for sustainable development

Economics and management literature has gone beyond the inclusion of entrepreneurship to recognize sustainable entrepreneurship as a particular type of entrepreneurship (Schaltegger & Wagner, 2011). This is because of the realization that entrepreneurship has a crucial role to play in sustainable development (Parrish, 2010). However, the extent of role that entrepreneurship will play in sustainable development is not yet certain (Hall et al. 2010). Both Parrish (2010) and Hall et al. (2010) agree that existing literature in the field focus on corporate sustainability and not sustainable entrepreneurs. Parrish (2010) goes further to add that research in the field has fundamentally been about developing a business case that sustainable entrepreneurs do not require.

Furthermore, researchers generally agree that traditional entrepreneurship is explicitly intended for profit-maximization and sustainable development has brought about a new type of entrepreneurship that looks beyond profits. This new entrepreneurship is motivated by the need to cause social change and safeguard the environment. However, researchers' use of different terms to mean the same or different things attest to the disagreements that exist in the field. Some usual terms found are "social entrepreneurship" (e.g. Sharir & Lerner, 2005; Mair & Marti, 2006; Bloom & Smith, 2010: Makhlouf, 2011; Lajovic, 2012, Schaefer, Corner & kearins, 2015), "environmental entrepreneurship" (e.g. Mair & Marti, 2006, Thompson & Scott, 2010) and "green entrepreneur or entrepreneurship", "eco-preneur" (e.g. Beveridge & Guy, 2005; Gevrenova, 2015; Linnanen, 2002). An increasing number of researchers use the term "sustainable entrepreneurship" to describe an integrated form of social, environmental and economic oriented entrepreneurship (e.g. Cohen & Winn, 2007: Choi & Gray, 2008; Dean & McMullen, 2007; Hapenciuc et al., 2015; Hockerts & Wüstenhagen, 2011; Schaltegger & Wagner, 2011; Sheperd & Patzzelt, 2011). The exception is Schaef et al. (2015) that describes social, environmental, and sustainable entrepreneurships as different from each other but downplays their complexity. "Sustainability entrepreneurship" or "sustainability-driven entrepreneurship" is also used by other group of researchers (e.g. Schlange, 2007; Parrish, 2010; Young & Tiley, 2006). In the table below, Schaltegger & Wagner (2011) do a great job by summing up the distinctions between ecopreneurship, social entrepreneurship and sustainable entrepreneurship.

Table 3 Characterization of different kinds of sustainability-oriented entrepreneurship (Adapted from Schaltegger & Wagner, 2011, 224)

	Ecopreneurship	Social entrepre- neurship	Sustainable entrepreneurship
Core motiva- tion	Contribute to solving envi- ronmental prob- lem and create economic value	Contribute to solving societal problem and cre- ate value for soci- ety	Contribute to solving societal and environmental problems through the realization of a successful business
Main goal	Earn money by solving environmental problems	Achieve societal goal and secure funding to achieve this	Creating sustainable development through entrepreneurial corporate activities
Role of eco- nomic goals	Ends	Means	Means and ends
Role of non- market goals	Environmental issues as integrated core element	Societal goals as ends	Core element of integrated end to contribute to sustainable development
Organiza- tional devel- opment chal- lenge	From focusing on environmental issues to integrating economic issues	From focus on societal issues to integrating economic issues	From small contribution to large contribution to sustainable development

### 2.3.1 Ecopreneurship

The Brundtland report in 1987 created great awareness for entrepreneurs, who are considered to be the engine of growth in the economy (Gevrenova, 2015), and have the ability to positively impact the world (Cohen & Winn, 2007). Going green means that there should be an intersection between entrepreneurial zeal and green motivations. Some researchers use the term "environmental entrepreneurship" (Mair & Marti, 2006, Thompson & Scott, 2010) and "green entrepreneurship", (Gevrenova, 2015) independent of each other. However, I agree with the position of Beveridge & Guy (2005) that the two terms each are just another way of saying "ecopreneurship". Most attempts at defining ecopreneurship attest to a general agreement between researchers on the topic. Pastakia (1998, 1157) states that "individuals or institutions that attempt to popularize economic ideas and innovations either through the market or non-market routes may be referred to as Ecopreneurs". Also, Isaak (2002, 81) de-

fines ecopreneurship as "a person who seeks to transform a sector of the economy towards sustainability by starting up a business in that sector with a green design, with green processes and with a life-long commitment to sustainability". Gevrenova (2015, 323) concludes that ecopreneurship "could be defined as a new type of commerce which is equally profit- and nature-oriented, and might possibly solve ecological problems throughout its business activity".

Furthermore, Linnanen (2002, 78) proposes that ecopreneurs can be classified into two segments: "(1) their desire to change the world and to improve the quality of the environment and life, and (2) their desire to make money and grow as a business venture". These two segmentations can be rather tricky as ecopreneurs need to know where to draw the line between being their zeal to be environmentally responsible and the necessary financial decisions needed to stay in business. Linannen (2002) addresses this dilemma in the figure below;

<b>9</b>		Desire to make money	
change vrld		LOW	нісн
ire to d the wor	нісн	Non-profit business	Successful idealist
Desir tl	LOW	Self-employer	Opportunist

Figure 5 Drivers of eco-business sectors (Source: Linnanen, 2002, 78)

### 2.3.2 Social entrepreneurship

In the previous section, ecopreneurship is explored. Reference is made to "individuals" and institutions" (Pastakia, 1998). This attests to the social elements in entrepreneurship. In other words, entrepreneurs have to be socially responsible in order to achieve their goals, hence social entrepreneurship. Social entrepreneurship research is still emerging and in fact most researches have focused on conceptual definitions and not been empirical (Bloom & Smith, 2010; Hoogendoorn, Pennings & Thurik, 2010). Social entrepreneurship is a "process that catalyzes social change and/or addresses important social needs in a way that is not dominated by direct financial benefits for the entrepreneurs" (Mair & Marti, 2005, 1). This means that social entrepreneurs give a great deal of priority to creating social value and bring about development. This is not to say they totally ignore creating economic values, as they require that to stay in operation (ibid). Lajovic (2012) adds, "Social entrepreneurs are individuals who offer innovative solutions to significant social problems", and they emerge to fill in gaps in society such as "health, environment, education, entrepreneurial development, sports, culture" (ibid, 85) and others.

Ashoka, an organization that has the purpose of developing social entrepreneurship puts forward a comprehensive definition; "individuals with innovative solutions to social problems. They are ambitious and persistent, taking major social issues and offering new ideas for wide-scale change. Rather than leaving societal needs to the government or business sectors, social entrepreneurs find what is not working and solve the problem by changing the solu-

tion, and persuading entire societies to take new leaps (Ashoka, 2010). Makhlouf (2011, 1) adds, "Social entrepreneurship starts with an entrepreneur who has a novel idea, an innovative product or service, a creative approach to solving a perceived problem, a new business model, and/or a previously untried approach to product or service delivery".

## 2.3.3 Sustainable entrepreneurship

The on-going dialogue between researchers regarding the meaning of sustainable entrepreneurship has brought about a plethora of definitions. The table below presents seven of such definitions given by some prominent researchers in the field during the past ten years.

Table 4 Sustainable entrepreneurship definitions

Author(s)	Year	Sustainable entrepreneurship definition
Dean, Thomas J. and McMul- len, Jeffery S.	2007	"The process of discovering, evaluating, and exploiting economic opportunities that are present in market failures which detract from sustainability, including those that are environmentally relevant" (pp. 58).
Cohen, Boyd and Winn, Monika I.	2007	"The examination of how opportunities to bring into existence future goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences" (pp. 35)
Choi, David Y and Gray, Ed- mund R.	2008	"Sustainable entrepreneurs, in our view, not only create profitable enterprises but also achieve certain environmental and/or social objectives. They pursue and achieve what is often referred to as "the double bottom-line" or "triple bottom-line" (pp. 559).
Hockerts, Kai and Wüsten- hagen, Rolf	2010	"The discovery and exploitation of economic opportunities through the generation of market disequilibria that initiate the transformation of a sector towards an environmentally and socially more sustainable state" (pp. 482).
Schaltegger, Stefan and Wagner, Mar- cus	2011	"An innovative, market-oriented and personality driven form of creating economic and societal value by means of break-through environmentally or socially beneficial market or institutional innovations" (pp. 226)

Shepherd, Dean A. and Patzelt, Holger	2011	"Sustainable Entrepreneurship is focused on the preservation of nature, life support, and community in the pursuit of perceived opportunities to bring into existence future products, processes, and services for gain, where gain is broadly construed to include economic and noneconomic gains to individuals, the economy, and society" (pp. 142)
Spence, Martine; Gherib,	2011	"A concept that combines elements from both sustainability and entrepreneurship" (pp. 335).
Jouhaina Ben-		"Sustainable entrepreneurship, as defined for
Boubaker; and		this research, consists of an SME led by an en-
Biwolé, Vivi-		trepreneur, to innovate and to create value by
ane Ondoua.		carrying out managerial sustainable practices (MSP)" (pp. 337)

The definitions of sustainable entrepreneurship outlined in the table 4 above attest to how research regarding the concept has evolved during the past ten years. They show both differences and similarities. Dean & McMullen (2007) asserts that sustainable entrepreneurship results from market failures and downplays the relevance of environmental aspects of sustainable entrepreneurship. Choi & Gray (2008) agree with Dean & McMullen (2007) by highlighting the dominance of economic aspects in sustainable entrepreneurship and equates the concept to double- or triple-bottom-line. Winn & Cohen (2007) deviates from all the other definitions by including the psychological aspects of the sustainable entrepreneurship concept.

In addition to the above, the definitions proposed in 2007 prove a claim made by Hall et al. (2010) that previous research in the field of sustainable entrepreneurship has focused on corporate sustainability. However, recent definitions of the concepts have taken into the consideration the entrepreneurs engineering the concept of sustainable entrepreneurship. Choi & Gray (2008) defines the concept in direct reference to sustainable entrepreneurs. Schaltegger & Wagner (2011, 226) excellently defines the concept as "An innovative, marketoriented and personality driven form of creating economic and societal value by means of break-through environmentally or socially beneficial market or institutional innovations". Their definition encompasses both individual and corporate elements of the concept. In the case of corporate sustainability, Schaltegger & Wagner (2010) even acknowledge the contributions of dedicated individuals within corporations that champion sustainable entrepreneurship.

Moreover, the most accurate definitions to date are those proposed by Sheperd & Patzzelt (2011) and Spence et al. (2011). Spence et al. (2011, 335) posit that sustainable entrepreneurship is "a concept that combines elements from both sustainability and entrepreneurship" and maintain that the concept "consists of an SME led by an entrepreneur, to innovate and to create value by carrying out managerial sustainable practices" (Spence et al. 2011, 337). Gevrenova (2015) adds that entrepreneurship is the engine of growth in every economy as it ensures economic and technological growths, business innovations and sustainable employment opportunities. Sheperd & Patzzelt (2011) further describe

the dominance of environmental and social aspects in the sustainable entrepreneurship concept. In fact, their definition catapults all the important themes in the entire field of sustainable entrepreneurship.

Furthermore, an important element that all the definitions, except the one given by Hockerts & Wüstenhagen (2010), missed is the contribution of sustainable entrepreneurship to the transformation of their respective sectors or industries towards sustainability. In their definition of the sustainable entrepreneurship concept, Hockerts & Wüstenhagen (2010) contend that the performance of sustainable entrepreneurs is a major indicator in the transformation of industries towards sustainability. The authors maintain that sustainable entrepreneurs discover and exploit economic opportunities that result from market disequilibria. The process through which they transform industries towards sustainability is described later in this chapter.

To conclude, all the researchers agree that sustainable entrepreneurship seeks to go beyond the financial bottom line to add non-economic variables. These non-economic variables are primarily social and environmental aspects of a firm's operations. Sustainable entrepreneurship is the key concept for the thesis. I chose this because its definitions encompass the fields of "entrepreneurship" and "sustainable development" holistically. It provides room for indepth and comprehensive discussions.

### 2.3.4 How entrepreneurs contribute to sustainable development

There exist limited empirical studies into the contributions of sustainable entrepreneurship towards sustainability. As illustrated in table 5 below, Hockerts & Wüstenhagen (2010, 488-489) sets out a four-phase process through which sustainable entrepreneurs contribute to sustainable development:

Table 5 The four phases of industry transformation by sustainable entrepreneurs (Adapted from Hockerts & Wüstenhagen, 2010, 488-489)

Phase	Process
I	A highly motivated sustainable entrepreneur who has some unique principles launches a product and/or service. This product or services would be a response to customer grievances that existing firms have failed to produce or render mainly due to financial reasons. The product or service may also be an entirely new and innovative product or service intended for a specific segment of the market.
II	The launched product and/or service attract the attention of customers resulting in the growth of the start-up. During this phase, incumbent firms tries to catch up with the growing trend by introducing competitive products or services. These spark the transformation of the industry towards a sustainable future. Other stakeholders begin to acquaint themselves with developments.
III	Other sustainable entrepreneurs enter the market with start-up entities backed by sustainable investors. These new entrants are sustainability professionals that understand the market and they possess the skills needed to attract new customer segments. The combine growth of the sustainable entrepreneurs makes them able to compete with incumbent firms that have large market access.
IV	This is the maturity face where incumbent firms see the real threat being posed by sustainable entrepreneurs. These incumbents begin to come up with strategies on a larger scale to gain the market share. In some cases, the incumbents acquire the ownership of the start-ups.

Gevrenova (2015, 322) sums up the effects sustainable entrepreneurs have on industries as a result of doing the following: "I) Offering products or services the consumption of which leads to a change in the consumer's behavior, reducing negative effect on the environment; II) equalizing the ecological and economic goals of the company; III) introducing innovative ecological solutions to problems connected with production and consumption of products and services; IV) developing business models which, when applied to use, might lead to a sustainable economic development; and V) discovering new possibilities on the market which are in connection with the demand and new way of living of the society."

The process described above present important characteristics in the field of sustainable entrepreneurship that are worth noting. These characteris-

tics are: I) a person or group of people are motivated to bring about positive social and environmental change; II) new and innovative marketing strategies are required to survive the market competition; and III) Sustainable products and services are created as the new solution. As Gevrenova (2015) puts it sustainable entrepreneurs are young visionaries that possess tacit knowledge and education in the field of sustainability.

## 3 RESEARCH METHODOLOGY

This chapter provides an overview of the research approach of this study and the justifications for the research approaches. First of all, the research method is introduced. This is followed a detailed description of how the data was collected. The chapter is concluded with a description of data analysis used in this research.

# 3.1 Research design

Qualitative and quantitative researches are two common types of research. "Qualitative research is an approach for exploring and understanding the meaning individuals or groups ascribe to a social or human problem", and "quantitative research is an approach for testing objective theories by examining the relationship among variables" (Creswell, 2014, 32). Babbie (2010) posits that a quantitative research is solely based on statistical, mathematical or numerical analysis of data to describe the subject or variables. Creswell (2014, 32) agrees that "these variables, in turn, can be measured, typically on instruments, so that numbered data can be analyzed using statistical procedures".

This study focuses on finding and exploring links between the bean-to-bar concept and sustainable entrepreneurship. The bean-to-bar concept lacks both previous theoretical and empirical studies. In addition to that, theoretical studies on sustainable entrepreneurship are underexplored (Hockerts & Wüstenhagen, 2010), and the existing studies mostly focus on corporate social responsibility undertakings of large organizations and not on start-ups (Hall et al., 2010). Also, Hockerts & Wüstenhagen (2010) adds that empirical research on sustainable entrepreneurship is in its infancy. Due to these reasons, I am convinced that qualitative research approach is the most suitable to undertake this study.

Qualitative research is a preferred approach when a researcher wants to discover and explore a new area to develop hypotheses (Miles & Huberman, 1994) and that is what I intend to do. It aims to create an understanding of issues from perspectives of the stakeholders involved (Merriam, 2014). Typically, a data that is not in numerical form is called a qualitative data but it can also be something much more than text. For instance, photographs, videos, sound recording and others (Trochim at al., 2000). In a qualitative study, a researcher uses scientific methods to find answers to their research questions. Researchers use pre-established to collect and analyze data relevant to the study. The goal is to bring about findings that have not been determined in advance. A qualitative researcher studies issues in their raw state, makes a conscious and calculated attempt to make sense of the issues, and brings to life how relevant stakeholders understand the issues, in order to form an opinion for further development (Denzin & Lincoln, 1994).

The main reason why qualitative style of research was chosen for this study is because of its strength. That is, its ability to provide complex textual

descriptions of how people experience a given research issue and how discourse and concepts relate to each other. Compared with quantitative research, qualitative research is more flexible. Respondents to a qualitative research have the flexibility of giving responding to questions. But this is not the case for quantitative research as respondents are limited to response categories given by the researcher (Creswell, 2014). I argue that, qualitative method give the researcher the power to look beyond the research problems and to pay more attention new finding that was not anticipated during the introduction of the study. On this account, I am firmly convinced that qualitative method is best alternative to achieve and fulfill the purpose of this study.

## 3.1.1 Inductive reasoning

A quantitative research has "statistical formulas and established hypothesistesting protocols" (Saldana, 2011, 93). Its "final written report has a set of structures consisting of introduction, literature and theory, methods, results, and discussion" (Creswell, 2014, 32). This is not the case for a qualitative research. In a qualitative research, there are "no standardized methods of data analysis" but instead "there are recommended guidelines from the field's scholars and a legacy of analytic strategies" that researchers can follow (Saldana, 2011, 93). Two of these strategies are deductive reasoning and inductive reasoning. "Deduction is what we generally draw and conclude from established facts and evidence. Induction is what we explore and infer to be transferable from the particular to the general, based on an examination of the evidence and an accumulation of knowledge (Saldana, 2011, 93). For this study, I chose *inductive reasoning*. This is because it is the best approach in regard to the purpose of this study.

### 3.2 Data Collection

After defining the research problem and mapping out the research design, the next step is data collection (Kothari, 2004). Data collection should be formal (Sapsford, 2006). The data collection process was formal since all the respondents were contacted by phone calls and e-mails. Formal letter followed and this paved the way to book the interview appointments.

#### 3.2.1 Primary data

Data for this study was primarily collected through semi-structured online interviews, commonly referred to as theme interviews. Theme interviews are used when a researcher wants to collect real-world description of a phenomenon in order to interpret it (Steinar, 2007). The option of a semi-structured interview ensured that respondents did not deviate from the predetermined

themes of the study but still had the flexibility of talking freely. This helped to extract a quality and original data that were relevant to the study. The interviews were transcribed and the keynotes and quotes were extracted to support the study findings and analysis. The overall purpose was to find and explore links between the collected data and the described themes. (Creswell, 2014)

## 3.2.2 Respondents

As indicated in chapter one, an independent online portal (www.bean.bar) has a list of over 250 bean-to-bar chocolate manufacturers. However, the actual number of bean-to-bar chocolate manufacturers the world over cannot be ascertained. This is because there are no standards to verify who is a bean-to-bar manufacturer and who is not. In fact, some manufacturers have only a small percentage of their products as bean-to-bar but generally brand their company as being bean-to-bar. This served as the biggest challenge in vetting out the most suitable respondents for this study. Researchers have many options in sampling out respondents for a study. In this study, I employed purpose sampling. Purpose sampling refers to "using your own judgement to select a sample" (Greener, 2008, 49).

As a first step, I conducted extensive background research on the potential respondents' business activities to ascertain their credibility as being beanto-bar. Secondly, the cocoa industry is old with incumbents being in business for an average of over 50 years. Therefore, it was important to ensure that the respondents' organizations are start-ups or have not been in business for over ten years. I came across many bean-to-bar chocolate manufacturers through web search engines and websites, in particular www.bean.bar. I also participated in cocoa industry events in Accra (Ghana), Dubrovnik (Croatia), Paris (France) and Stockholm (Sweden). The most notable one was Le Salon du Chocolat in Paris that took place from 28th October to 1st November 2016. At these events, I met and interacted with some bean-to-bar chocolate manufacturers that "fit" my theoretical background and research objectives. Due to the relevance of this topic to the entire cocoa industry, this study is not limited to particular geographical locations. The intention was to get respondents from as many countries as possible.

In addition to the above, my initial planned was to interview the founders and CEOs of the organizations. Some of them were busy and did not have time to have the interview sessions. They appointed their trusted employees to do the interviews in their behalf. However, those interviews were equally great as the respondents had deep insight into the history and practices of their organizations. Most of the respondents considered the responses to be private and so their personal information is not included in this study. However, the table below shows their respective positions and the countries where they are located.

Table 6 Study respondents

Job title	Country
Project Manager & Chocolate Maker	Iceland
Founder	Jamaica
Marketing Director	Madagascar
Co-founder	The Netherlands
Founder	Finland
Founder	Sweden
Co-founder	England
Co-founder	Holland

#### 3.2.3 Content of the theme interviews

The interview questions were prepared based on the study's research questions. The idea was to generate an in-depth discussion with the respondents on the main issues. There was also room for the respondents to add any other issues relevant to the study. The interview questions are presented in Appendix I.

Initially, a pre-interview was conducted with one of the respondents. This was helpful in properly restructuring the interview questions. Based on the pre-interview, the feedback from my thesis supervisor, the theoretical framework of this study, and the literature on thematic interviews and analysis, I drafted a logical and quality interview questions template. The questions template is in line with Greener's (2008) position that research interview questions should not be "too off-putting, not too long, not too difficult to read, easy to know what you have to do to complete it". Also, the questions template has major themes such as bean-to-bar, sustainable entrepreneurship, sustainable development, sustainability, motivation(s), goals(s), sustainability standards, and certifications.

# 3.3 Data analysis

Data analysis helps to transform the collected data into the desired or undesired relevant information. Undesirable information is relevant as they set the ground for more critical analysis and discussion. It is the "computation of certain measures along with searching for patterns of relationship that exist among data-groups" (Kothari 2004, 122). Marshall and Rossman (2006) opine that the process of analysing data is cumbersome and consume time but also brings out the creativity in a researcher. There exist many ways of analysing qualitative data (Marshall & Rossman 2006; Kothari, 2004) and most of them include categorizing data into different codes (Kuckartz 2013). This study uses thematic analysis, a common form of analysing qualitative data (Braun & Clarke, 2006). "Thematic analysis is a method for identifying, analysing, and reporting patterns (themes) within data. It minimally organizes and describes your data set in (rich) detail" (Braun & Clarke, 2006). The themes or patterns can be pri-

marily grouped into different categories through *inductive thematic analysis* (or bottom up) or theoretical thematic analysis (or deductive or top down). In inductive theoretical analysis, the identified themes or patterns are linked with the data strongly. The sole purpose of collecting the data is to support the particular study. In theoretical thematic analysis, the analysis is heavily influenced by the researcher's interest (Kuckartz 2013; Braun & Clarke 2006).

In this study, the data is analysed through inductive thematic analysis. Guest, Namey & Mitchell (2013, 9) ascertain that inductive thematic analysis "involves identifying and coding emergent themes within data" and that it is the "most common analytic approach used in qualitative enquiry". The idea is to code a data without intentionally fitting in a coding frame that already exists (Braun & Clarke, 2006). In this thesis, the interviews were conducted exclusively for the data analysis. The researcher's theoretical interests do not control the analysis. Instead they are linked with the data to develop a new framework for discussion.

## 4 RESEARCH FINDINGS

This chapter presents the main findings of this research. The findings are organized according to the sub-questions stated in chapter one and the themes explored are bean-to-bar, motivation(s), goals(s), sustainability standards, and certifications.

# 4.1 Defining bean-to-bar

In chapter one bean-to-bar is briefly described. An assertion is also made that that the term has not been conceptualized by academics or the industry. In order to set a strong foundation to analyze the findings of this research, it was necessary to seek the views of the respondents, who were all bean-to-bar chocolate manufacturers. The research revealed the following basic definition of bean-to-bar:

"Bean-to-bar is transforming the cocoa beans into chocolate." (Interview 6)

"From my perspective, bean-to-bar means we would bring a bag of the beans and we will process the beans into chocolate." (Interview 3)

Normally most of the chocolate companies buy cocoa in the form of semi-finished cocoa products such as cocoa butter, cocoa powder and cocoa cake. They have less options regarding what kind of cocoa they use. In some cases, they are not able to maintain their desired ratio of sugar and cocoa butter. In addition, these chocolate producers have limited options to optimize the various flavours of a particular cocoa bean. Bean-to-bar producers do not face these challenges since they make their chocolate straight from cocoa beans. In most cases, they perform all the processes under a single roof.

As stated in chapter one, previous attempts to define bean-to-bar claim that it is the concept of processing cocoa beans into chocolate by a single manufacturer (Tracy, 2016; Organic Fair, 2017; Shute, 2013). However, this research found that the bean-to-bar concept is more than having ownership of the whole chain from the bean to the bar. In fact, bean-to-bar chocolate producers have two primary requirements; 1) have direct contact with their cocoa farmers and 2) have direct relationships with their customers. Firstly, bean-to-bar companies have to go beyond the conventional commercial relationship with the farmers by showing commitment to ensuring that the farmers and their communities are not living in poverty, and that they are fairly treated. In cases where the bean-to-bar chocolate companies do not have the capacity or resources to work directly with farmers, they have to work closely with their partners to deliver these services. For instance, one of the respondents stated he was compelled to stop buying his beans from one supplier because he was not satisfied with how they treat their farmers. Secondly, bean-to-bar chocolate producers have to educate their consumers to become aware of the real issues in the cocoa industry. 36

They would be willing to pay more for chocolate products if they know how their purchases are supporting cocoa farmers.

"It is having a direct contact with the cocoa growers, to transform everything what they do into what we do." (Interview 6)

"You can say bean-to-bar or you can advertise and market bean-to-bar chocolate, but it's really a fake thing to be doing if you are not connected to a true relationship with where you are getting your beans from or you are getting your sea salt or other ingredients from." (Interview 7)

"What we do is that we try to engage the people that we work with. For instance, we interact with our farming groups within the community, and outside the community. We group, share ideas, we do farming workshops. And they produce cocoa beans, which is organically grown with good quality." (Interview 2)

"Bean-to-bar is to get the consumer into that story. I mean the consumer should be able to come to my shop, feel the chocolate. My shop is an open home for my customers. They should be able to come here, see what is going on, smell the product, taste it, on sight" (Interview 4)

The descriptions identified two important stakeholders. Without these stakeholders, bean-to-bar would be a hoax: 1) Farmers or Growers, who come before the bean, and 2) Consumers, who come after the bar. All the respondents stressed the importance of establishing mutual relationships with these two stakeholders. In addition, this research found a detachment between the description given and the actual practices were noticed. The detachment followed one particular pattern: where their businesses are located. While respondents from non-cocoa origin countries have the difficulty of connecting with farmers, their counterparts of cocoa origin countries have difficulties connecting with consumers, since over 90 percent of chocolate products are consumed in noncocoa origin countries. The figure below illustrates the findings of this study in regards to the definition of bean-to-bar. It is an extension of the definition illustrated in figure 1 in chapter one. In this figure, bean-to-bar includes the need for producers to establish relationships with cocoa farmers and chocolate consumers. It can also be noticed that in figure 1, the connection is one way; from the bean to the bar. This is not the case in figure 5. Here, the connections go both ways. This indicates that in order for bean-to-bar chocolate producers to achieve their goals they have to allow for transparency in all stages of their operations.

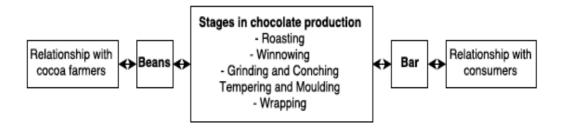


Figure 6 Defining bean-to-bar chocolate production (2)

#### 4.2 Motivations of bean-to-bar manufacturers

The respondents were knowledgeable about issues in the cocoa industry and their motivation stem from their background. The research revealed that there is a wide range of factors that motivates entrepreneurs to enter the bean-to-bar business. First of all, bean-to-bar chocolate producers are motivated to *educate ordinary consumers* about the cocoa industry. For instance, the popular challenge of child labour has existed in the industry for many years. Despite the many efforts to eradicate it, it still prevails. The respondents were of the view that their customers deserve the right to know what really is happening in the cocoa industry and their business models ensure that ordinary customers do not just buy chocolate but also go home with the story behind the chocolate that they buy.

"I wanted to educate people, I wanted to understand, learn what is going on. I wanted them to understand that chocolate is not just chocolate. There is so much in this world of cocoa. The product that we call chocolate can be so much more." (Interview 4)

"We wanted to share with our customers how chocolate is made, where it comes from, how much work is put into it, what you can do with it." (Interview 1)

Secondly, the respondents touched on the importance of *working directly with cocoa growing communities*. They were critical of the many players in the cocoa supply chain, and how much money they are cashing home at the expense of cocoa farmers, without who there would be no chocolate in the first place. In *working directly with cocoa farmers*, they are able to better serve them by *shifting more profit to the growers*.

"Cocoa traders charge too much money for the beans but too little money go to the farmers. The farmers cannot even make ends meet. It is so unfair that we said this has to stop." (Interview 6)

"It is important that we make the chocolate but it is as important that we get the cocoa from the farmers, so that's our motivation." (Interview 8)

Fermentation, an important process in the cocoa value chain is predominantly done by farmers. How well they ferment the cocoa beans affect both its quality and flavour. The respondents opine that by working directly with the farmers they are able to help ferment the beans. This means they will get the flavour that they want, consumers would be willing to pay more for quality, and in turn the farmers get more income. In cases where the farmers' poor fermentation is adversely affecting the chocolates made, they are able to provide the needed education to reverse the case. The research discovered that mass chocolate producers may not have the time or motivation to do this it may not serve their commercial interest. Also, bean-to-bar chocolate makers need to maintain a true and honest story to tell their customers. Therefore, working directly with the farmers would ensure that.

Thirdly, all the respondents stated that they are passionate about *helping other people*. So, their work as bean-to-bar chocolate producers gives them an excellent opportunity to *impact the lives of others, especially cocoa farmers*. In fact, previous professions of some of the chocolate producers who participated in this research included an Architect, a Computer Gaming Expert, and a Pastry Chef. Their curiosity, drive to cause positive impact, and search for answers have led them to become chocolate makers. They fell in love with the fascinating and complex nature of the cocoa and the many benefits it has to offer.

"Recently, I became so interested, I wanted to find out. Chocolate for me was a great material, I knew everyone love it but I wanted to understand the whole concept about chocolate, the growing of it, and understand the uses of cocoa", "If I were to be for example in the wine industry, I would have done the same I am sure." (Interview 4)

In addition to the above, the research revealed that bean-to-bar chocolate producers are motivated to *bring something new to the marketplace*. The respondents mentioned that scanning through chocolate shelves in shops worldwide, there are not many options available because of the standardizations of the product. But they feel that a wide range of chocolate products should demonstrate the many different varieties of cocoa.

"I went into bean-to-bar to bring better alternative products to people. Because people do not really know. People are eating chocolate without knowing pretty much anything about it. They need to know that chocolate can come in my different forms." (Interview 5)

Fourthly, it was also revealed that producing different varieties is good for the environment as it *saves some cocoa varieties from extinction*. One of the respondents described how in Venezuela some cocoa varieties are diminishing. This is because they are produced on small scales and due to that, cocoa traders do not buy them, as they do not serve their commercial interests. This discourages farmers from producing more of them. In the end, they destroy or abandon the farms to make way for other crops with market access. This makes the work of bean-to-bar chocolate producers important as they help to reverse this negative trend in the cocoa industry.

"We buy rare cocoa that people do not want to buy because there is not a lot of quantities of that variety available. And then we try to explain to people that we prefer those varieties. It is like we are saving them from extinction because the grower with that variety will say nobody wants to buy this because there is not a lot of quantity. So, the farmers cut them down and plant some beans that are more profitable, and then you lose that variety that has been around foe I don't know how many years, but you lose it forever." (Interview 7)

Furthermore, some bean-to-bar chocolate producers are motivated to produce healthier options of chocolate. This they believe will expose the many health benefits cocoa has to offer while making sure that people with milk and dairy allergies also get to enjoy chocolate bars. The mass production of chocolate has led to the use of many ingredients that are detrimental to people's health. Bean-to-bar chocolate producers are motivated by the importance of bringing healthier chocolates to the market.

"Before becoming a chocolate maker, I did not eat much chocolate or knew much about cocoa. But after my investigations, I realized that actually it was very nutritious. It's just that the chocolate that you find in shops are full of white sugar and milk powder etc. so it's just a way these big companies have produced those chocolates that make them not so healthy. So, then I started making chocolate for myself, and I just loved it. And I was like if there is such an amazing product that I can make myself that is not available in shops, it's like a health product. Why wouldn't I make more?" (Interview 5)

"Chocolate producers add a lot of unnecessary ingredients to their products which are not good for our health." (Interview 6)

"I thought that there was definitely a demand for chocolate that was more sustainable and healthier. A health-conscious chocolate." (Interview 5)

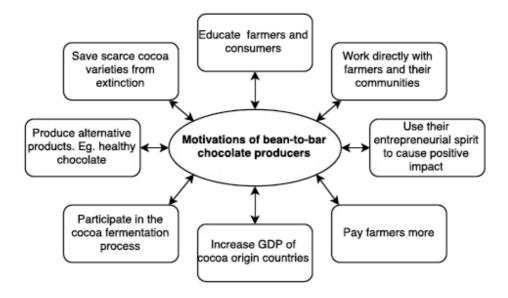
In addition to the above, this research discovered that some bean-to-bar producers are motivated to *build national brands of cocoa origin countries* while *contributing to Gross Domestic Product (GDP)*. Most cocoa origin countries do not add value to the beans before exporting them. These countries greatly lose from cocoa value chain since it is not just the cocoa being exported but also the many jobs that exist in the cocoa and chocolate value chain. The governments of the origin countries also lose a lot of taxes in this process. Eventually, the chocolates produced elsewhere are brought back to origin countries only to be sold at higher prices. Recently, this awareness is growing in the cocoa origin countries and this has motivated people in these countries to produce their own chocolate to export. Producing chocolate in the origin counties has unprecedented advantages. For instance, it will *create jobs* in other areas such as packaging, logistics, commerce, and engineering. All these would immensely contribute to the GDP of origin countries and their governments are able to collect more taxes.

"I don't know anything about the process of wine making, but the fermentation process of the grapes requires some 4 to 5 days and there are other various steps involved to get the wine you want. Now, if I was in France and I was making wine, would I export wine grapes from France, which are fermented to Africa to make French wine? What I mean is, there is no interest to do that. There is no economic interest for France to export the wine grapes to Africa to make French wine, but the whole chocolate industry does that." (Interview 3)

"Cocoa beans are exported for chocolate to be made elsewhere. So, in our case our aim is to do the fermentation, and do it next to the chocolate factory. Because then it's fresh, and also it is economically better and you can control it. We also create many jobs for the locals and pay more taxes to the government." (Interview 3)

The figure below summarizes the motivations of bean-to-bar chocolate producers.

Figure 7 Motivations of bean-to-bar chocolate producers



# 4.3 Goals and challenges of bean-to-bar manufacturers

The research revealed that bean-to-bar chocolate producers have ambitious but practical goals. The diversity between the goals of different producers indicates a promising future for sustainable developing pertaining the cocoa industry. First of all, bean-to-bar chocolate producers, especially those from consumption countries, aim to invest in the cocoa origin countries. This research discovered two approaches in which these chocolate producers aim to invest. The first approach is to *co-own cocoa plantations with farmers*. Despite the growth of bean-to-

bar chocolate makers in origin countries, they only represent a small fraction of bean-to-bar producers worldwide. These producers are mostly located in the western countries where cocoa is not grown. This makes their motivation of working closely with cocoa farmers almost impossible. *They do not have the resources to establish those relations*. For instance, one of the respondents sources cocoa beans from over 30 different plantations from over 10 countries. It is obvious that they cannot travel to all these locations if they plan to stay in business. They do not also speak the local languages to deal directly with the farmers. So, the only option currently is to work with some middlemen. Due to this, some of the respondents have *the goal of eventually co-owning cocoa plantations in the origin countries*. This will not only help them share the benefits, but also take the burden and risks that cocoa farmers take on their farms every day. They also get to conduct different experiments that would contribute to all parties.

"I want to be able to work with a farmer, co-own a plantation, play around with the fermentation, build something over there." (Interview 4)

The second investment approach is to provide the needed infrastructure in the origin countries to add some form of value to the beans before they are exported. To provide better alternatives to mass-produced chocolate, bean-to-bar manufacturers take control of the whole production process. This for instance mean that in order for a chocolate producer in Finland to be a credible bean-to-bar company, there is the need to order for beans from a cocoa origin country. However, this phenomenon is contrary to their motivation of contributing to the GDP of cocoa origin countries and they would not necessarily be contributing to sustainable development. Instead they would be taking be taking away jobs from the origin countries. To address this phenomenon, some of the respondents aim to conduct at least some phases of their production process in the origin countries. As illustrated in figures 1 and 5, the stages in chocolate production include roasting, winnowing, grinding and conching, tempering and moulding, and wrapping. So, for instance, a chocolate producer could decide to undertake the roasting and winnowing stages in the origin countries.

"In the long term, we can also give some work to farmers in the origin but currently we are still too small that we can't overview the process yet. I think it wouldn't be a bad idea if in the origin of cocoa, they can also do the other project phases there so that they will get even more business and money." (Interview 5)

Moreover, some of the respondents have the ambitious goal of *making it* possible for cocoa growers to co-own their factories with them. In this way, the farmer will not only get extra income but will also be highly motivated to work hard.

"I would bet money on this issue that the farmer would be happy to have an investment for example in a chocolate factory in Europe, it can go both ways. That is the future, I believe" (Interview 4)

This research found that bean-to-bar chocolate producers aim to *establish mutual* and sustainable relationships with farmers, farmer groups and communities. This would be the best way to achieve this goal. It will also give bean-to-bar producers access to the real-life issue of farmers. Through this, they would be able

to maintain a story that will help attract new customers while deepening relationship with existing customers. The challenge here is that cocoa farmers are not in the capacity to fairly negotiate. As indicated in chapter two, *most cocoa farmers are smallholders, uneducated and are not well organized to fight for the rightful place in the industry* (Onumah et al., 2014). To address this challenge, governments of origin countries need to strengthen capacity-building programmes aimed at educating cocoa farmers.

Moreover, at the heart of sustainable development is *the need to employ good agricultural practices (GAPs)*. The industry is doing whatever possible to bring about the production of organic cocoa beans. Bean-to-bar chocolate producers see themselves as being crucial to champion this goal since their direct contact with local communities would provide farmers with the needed resources required to employ GAPs.

"We like the idea of working with the community, and we like the idea of farming organically, and we engage the community." (Interview 2)

The benefits of GAPs are not limited to the farms but will also benefit the communities in which they are employed. For instance, GAPs lead to better cocoa beans that attract price premiums. These premiums are additional incomes that would help boost the status of farmers and their communities.

"Our goal is to help them grow better products regardless of if we are buying it all or if we are only buying a little bit or we are just getting some samples. So that we can affect the community, the farm, the economy of where we are sourcing from, in a positive way, and other ways as well, social ways. That's probably the best we can do." (Interview 1)

Last but not least, this research discovered that bean-to-bar chocolate producers have a mindset of "win-win" in all their dealings. They assert that because mass-produced chocolates are produced in the cheapest possible way while power is concentrated among few companies in the sector, the farmers are the ones carrying the entire burden.

"The current system, how the cocoa supply chain works, is not win-win. It's definitely a win-lose, and the losers are the farmers. And that is something that I want to do my best to make a change." (Interview 5)

Figures 8 and 9 below respectively summarize the goals of bean-to-bar chocolate producers, and challenges and solutions to these goals.

Figure 8 Goals of bean-to-bar chocolate producers

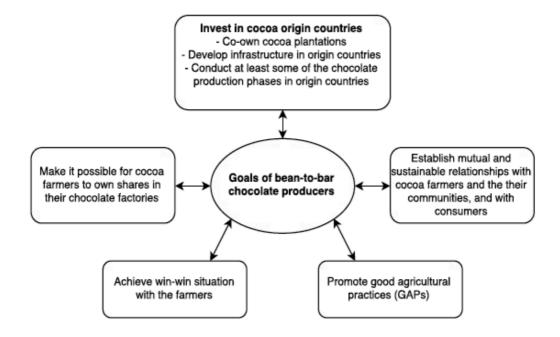


Figure 9 Challenges and solutions: bean-to-bar chocolate production

Challenges	Solutions
Limited resources to establish meaningful relationships with cocoa farmers and their communities	Co-own cocoa plantations
The concentration of bean-to-bar factories in non-origin countries takes jobs away from origin countries	Conduct at least some phases of the chocolate production process in the origin countries
The effects of climate change are already visible and origin countries are incapacitated to address them	Create climate change adaptation and mitigation strategies that take into consideration all elements of triple bottom line; people, planet and profit

# 4.4 The role of sustainability standards and certifications in bean-to-bar

The findings from this research support the assertion made in chapter two, that sustainability standards and certifications have become a source of confusion producers and consumers (ITC, 2008; Hagen et al., 2010). The respondents were mostly critical of the actual impact of standards and certification schemes in the cocoa industry. First of all, bean-to-bar chocolate producers posit that their direct relationships with farmers are far more important than acquiring certifications. They say that when a customer walks into their shops or finds their products in a retailer shop, their interest is to tell the real story of how they are working with the farmers and not the kinds of certifications they have acquired. In other words, they focus on the actual practices and not a validation from standards and certifications organizations.

"We would rather have a direct relationship and really be transparent about our ingredients and where we are getting our beans without having to do the paper work for certification." (Interview 7)

"As we are concerned the most important thing is your actual practices. Obviously when you are certified organic, you can come under a certain pricing and you get a certain level of respect also. But for us it's about actually doing it rather than showing. There are people claiming to be certified, but if you look closely you might question their principles. So, we try to work with our community, and with nature and achieve that balance." (Interview 2)

However, choosing to work directly with the farmers or with certification organizations is not a straightforward choice to make. The entire cocoa supply chain is structured in a way that favours big purchases. So, it ultimately favours big companies who are mass producers and not bean-to-bar producers, who are mostly small-sized and under-resourced. For instance, the cost of shipping cocoa is high and so it makes sense to buy cocoa in bulk in order to save cost. This is a big challenge for bean-to-bar chocolate producers. They focus on different varieties and can obviously not buy large quantities from a single source. Even if they are able to buy cocoa beans in large quantities at a particular point in time, they might not even have storage facilities. Due to these reasons, most bean-to-bar chocolate producers have to form some kind of partnerships with standards and certifications organizations even if they might necessarily not be in agreement with their practices.

"We do use different kinds of certified raw materials and ingredients that are certified but we don't label that on our package, we don't label it anywhere or word them on our package. And the product itself is really meant to stand-alone. However, we can share information about our product and where they come from, what certifications they have." (Interview 1)

Secondly, bean-to-bar chocolate producers maintain that standards and certifications do not necessarily translate into economic benefits for cocoa farmers. Standards and certifications organizations work in a way that they pay premiums on top of farmers' producer price. These premiums are calculated in percentages. The claim here is that paying even up to a 100 percent premium on an unfair producer price does not translate into a fair price. Besides, even without premiums the farmers should be paid a fair producer price. The respondents called for a whole restructuring of the cocoa supply chain to ensure that farmers are paid fairly.

"In reality, 98 percent of all the money in chocolate is remain in Europe and America, only 2 percent is going back to the country of origin. That's the issue. It is s a big issue. And so, paying a little bit more to the farmer is one very little step." (Interview 3)

"We don't think certifications are the most important thing, especially economically speaking for cocoa farmers, for where we are getting our beans" (Interview 1)

"For me as a chocolate producer I can't care less. Because if I have a direct trade with a farmer and I know the product that I buy from this farmer is top-notch, there is no reason for me to get all these stickers."

(Interview 4)

This research also revealed that it costs farmers to sign up for the various standards and certifications schemes. This means that the farmers have to use part or all of their received premiums to service the same scheme through which they got the extra income. Some of the respondents view these schemes are just some additional middlemen in the cocoa chocolate value chain.

Thirdly, the respondents say they already pay their growers or farmers prices that are more than the market price and the premiums combined. So, they do not see the need to employ anyone of the standards and certifications schemes.

"Things like certifications, that doesn't link in to what we do because we are already paying the farmers many times more. We pay our farmers about four times higher than the cocoa in West Africa. That is already well above any type of certified cocoa price." (Interview 3)

"We pay to our farmers in Venezuela 200 times more for a kilo of cocoa than the prices you will find in the New York Stock Exchange (NYSE). So that is the main value of our cocoa shop" (Interview 6)

They are able to pay their farmers these high prices partly because they work directly with the farmers. In cases where they cannot get direct contact with the farmers, they involve credible partners that they perceive to be fair in their undertakings. However, they end up having high cost of operations that translate to high price of their chocolate products. The challenge then is that they have to convince their customers why they should pay more for their chocolate products. This issue is discussed in chapter five.

Furthermore, some of the respondents argue that *standards and certifica- tions schemes have focused only on the need to increase productivity*. The premium amount that cocoa farmers receive depends on their productivity levels. Some of the certification schemes are openly market-oriented making them push for higher productions levels. Even though more production means more money for farmers, it is not a sustainable solution since too much burden is placed on farmers. The respondents say that by predominantly focusing on increased productivity, certifications organizations are addressing the short-term solution of meeting the high cocoa demand from big companies in the industry.

"All they are trying to do is to increase productivity" (Interview 7)

"We are different from the big companies. If we want to tell our customers that, then we don't need those certifications" (Interview 8)

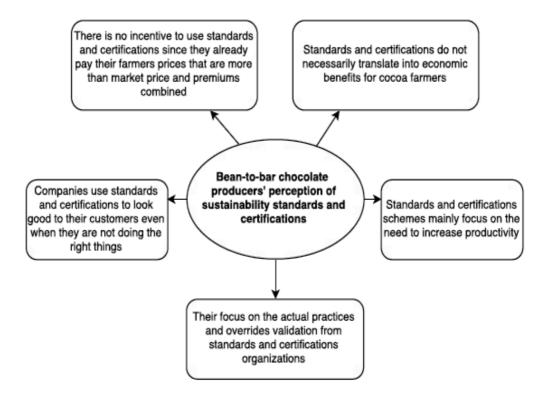
Last but not least, on a more critical note, respondents to this research assert that standards and certifications are meant for companies to look better to their customers even if they are not. The establishment of certification schemes was a response to the increasing awareness among consumers regarding the source of their foods, including chocolate. In the case of the cocoa industry, after two decades of the introduction of certifications schemes, the problems still exist. They are even getting worse. The respondents are of the opinion that they offer alternative solutions that would have a greater positive impact in the cocoa sector.

"You got to think about how did certification start in the first place. It's because the large companies in Europe and America are basically buying cocoa at little cost. So now they have to respond to their customers by looking good." (Interview 7)

"It is like you are saving your face by buying off these certifications" (Interview 4)

The figure below summarizes the perception of bean-to-bar producers in regards to sustainability standards and certifications. According to this research, sustainability standards and certifications play a limited role in the bean-to-bar concept.

Figure 10 Bean-to-bar chocolate producers' perception of sustainability standards and certifications



#### 5 DISCUSSIONS

This chapter discusses the findings in the context of the theoretical framework. Other topics related to the study and current affairs in the cocoa industry are also discussed.

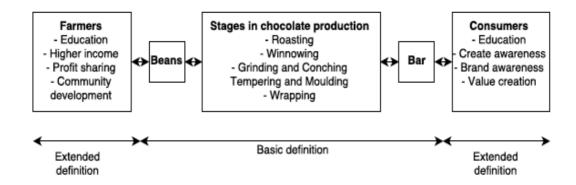
### 5.1 Are bean-to-bar producers sustainable entrepreneurs?

As indicated in chapter two, the most accurate definitions of sustainable entrepreneurship are those put forward by Spence et al. (2011) and Sheperd & Patzzelt (2011). Spence et al. (2011, 337) define sustainable entrepreneurship as "an SME led by an entrepreneur, to innovate and to create value by carrying out managerial sustainable practices" and adds that it is "a concept that combines elements from both sustainability and entrepreneurship". Sheperd & Patzzelt (2011, 142) also maintain that "sustainable entrepreneurship is focused on the preservation of nature, life support, and community in pursuit of perceived opportunities to bring into existence future products, processes and services for gain, where gain is broadly construed to include economic and noneconomic gains to individuals, the economy and society". Against this backdrop, it can be argued that bean-to-bar chocolate producers are sustainable entrepreneurs. The analysis put forward in this thesis attest to that.

However, this study maintains that, currently no single bean-to-bar chocolate producer can be described as being a sustainable entrepreneur. Investigating the ever-growing number of bean-to-bar entrepreneurs worldwide, including the respondents for this research, revealed that each entrepreneur focuses on one particular dimension or sub-dimension of sustainable development. A single company, especially being a start-up, cannot focus on many things at the same time. This study argues that bean-to-bar entrepreneurs are either ecopreneurs or social entrepreneurs. For instance, bean-to-bar entrepreneurs being ecopreneurs is confirmed by Schaltegger & Wagner's (2011, 224) assertion that the main goal of ecopreneurs is to "earn money by solving environmental problems" and their core motivation is to "contribute to solving environmental problem and create economic value". The creation of economic value is an important part of the goal and motivation of ecopreneurs. Linnanen's (2002) framework in chapter two adds that *ecopreneurs* with low desire to make money and low desire to change the world are self-employers, and those with high desire to change the world and low desire to make money are *non-profit businesses*. In this regard, this study further argues that bean-to-bar entrepreneurs are selfemployers.

Bean-to-bar is still in its infancy and it requires more time and studies for a particular company in this sector to be recognized as practicing sustainable entrepreneurship in its entirety. This study proposes the definition or framework illustrated in the table below when assessing whether a chocolate producer should be recognized as bean-to-bar or not.

Figure 11 Definition of bean-to-bar chocolate production (3)



The figure above is an extension of figure 6. It indicates the ways in which bean-to-bar could establish relationships with cocoa farmers and consumers. The framework will go a long way to recognize the contributions of both farmers and consumers to the sustainable transformation of the cocoa industry. Also, the growers would require good representations to negotiate a good deal on their behalf. This would be to ensure that they are just not being used as part of a larger marketing strategy.

# 5.2 Bean-to-bar versus mass producers

The current study was partly motivated by a research by an assertion by Hockerts & Wüstenhagen (2010) that large and small firms play different roles transforming industries towards sustainable development. In this context, the large and small firms are the mass and bean-to-bar chocolate producers respectively. This study argues that achieving a sustainable cocoa industry will require the input, co-operation, interaction and competition between bean-to-bar and mass chocolate producers. As indicated in chapter two, sustainable transformation by an industry cannot be made possible by either small (entrant) companies or big (incumbent) companies. Instead, it can be achieved through the interaction between small and large companies. Even though this thesis acknowledges this assertion by Hockerts & Wüstenhagen (2010), the focus has been on the transformation of the cocoa industry towards sustainability by bean-to-bar chocolate producers. This has not meant to prove that bean-to-bar producers can solely transform the cocoa industry towards sustainability.

Furthermore, this study predicts that in the future there would be no difference between the two. This is because as bean-to-bar companies are aspiring to grow, they can end up becoming larger than some incumbent large companies and attract additional market segments. In reverse, situations in large companies can compel them to change their whole strategy into becoming relatively small bean-to-bar companies. Another issue worth noting is that, on one hand, bean-to-bar companies are still a small segment of the market. Even though they have relatively sustainable and innovative products, they do not have the capacity and resource to scale up their production. On the other hand, mass producers have the mass market and command a lot of power in influence.

ing consumer behavior. This makes their role in the sustainable transformation of the cocoa sector critical.

# 5.3 Contributions of bean-to-bar to cocoa sustainability

In chapter two, four phases of industry transformation by sustainable entrepreneurs (Hockerts & Wüstenhagen, 2010) in table 6. The table below adapts this framework to describe the process through which bean-to-bar producers are contributing to the sustainable transformation of the cocoa industry.

Table 7 How bean-to-bar entrepreneurs are transforming the cocoa industry

Phase	Bean-to-bar process
I	Bean-to-bar producers introduce unique chocolate products to the market. This in response to the demand for more sustainable and healthier products. The demand is usually fuelled by a segment of the market who are becoming aware of the many varieties of chocolate there are, and at the same time want to buy from companies who are genuinely contributing to sustainable development.
II	The launched chocolate and chocolate products become a success because of the real impact being made. This leads to the growth of the company in question. The attention of big companies (mass chocolate producers) is attracted. They try to innovate to catch up with growing trends by introducing better products and proving better and competing services to farmers. These activities begin the steps towards sustainability. More stakeholders begin to explore their involvement in this process.
III	As the industry moves towards sustainability, more entrepreneurs enter the market and some of them have access to bigger investments. This leads to the creation of a new sector within the industry. This new sector is able to compete with incumbents. The health competition will extend to cocoa farmers by providing for them even better services and to consumers by producing even healthier and environmentally friendly products.
IV	This the maturity phase where mass chocolate producers would see the real threat that those bean-to-bar chocolate producers are posing. In this stage, there would be unprecedented efforts and investments by incumbents in an effort to strengthen their share among the market segments of the bean-to-bar producers. The usual strategy is usually to buy out these smaller firms.

Table 7 above illustrates how bean-to-bar chocolate producers are transforming the cocoa industry. Current trends in the industry put the transformation by bean-to-bar producers in the second stage of the process. Bean-to-bar start-ups are becoming successful and their presence is quickly being noticed. For instance, there are few to many exhibitions in different countries that seek to promote the bean-to-bar sector.

# 5.4 Accessing the motivations and goals of bean-to-bar produc-

The core motivation of sustainable entrepreneurs is to "contribute to solving societal and environmental problems through the realization of a successful business" (Schaltegger & Wagner 2011, 224). This assertion by Schaltegger & Wagner (2011) has to elements; 1) contribution to solving societal and environmental problems, and 2) realizing a successful business. In the latter, the success of the businesses interviewed for this research cannot be ascertained, as it is not in the scope of this thesis. However, the respondents were enthusiastic and have been in business for an average of five years. This indicates that they might be successful. In the former, motivations of bean-to-bar chocolate producers are undoubtedly immensely contributing to solving societal and environmental problems. Their motivations include educating farmers and consumers, saving some cocoa varieties from extinction, paying more to farmers for their cocoa, increasing the GDP of cocoa origin countries and others. All the respondents touched on the importance of education, both for the farmers and the consumers. Educating farmers to produce cocoa organically solves environmental problems because no harmful chemicals would be introduced to the soil. Educating consumers to create awareness about the different kinds of cocoa that exist will give them the ability to choose between varieties of chocolate. This will save some varieties of cocoa beans produced on relatively smaller scales from going extinct.

Furthermore, the respondents touched on the need to create jobs in cocoa origin countries by adding value in these countries. This they say would also contribute to the GDP of those countries. As exists in other industries, the developing world is seen a source of raw materials to feed industrial nations. Changing this trend to keep jobs in the origin countries is on the list of bean-tobar chocolate producers. However, there is yet to be a discussion on how this will happen. The operation costs of running factories in the origin countries can be high. For instance, if a machine breaks down someone has to be flown from another country to fix the problem because of lack of skilled labour in origin countries. Also, bean-to-bar producers take pride in having all their production stages at a single location. So, if they decide to create jobs in the origin countries, does that mean they will move their whole production plants to these countries? If they do, how are they going to continue selling their stories to their customers, who are mainly found in Europe and North America where cocoa is not grown? These are just a few of the issues that need to be discussed later on.

The main goal of sustainable entrepreneurs is to create "sustainable development through entrepreneurial corporate activities" (Schaltegger & Wagner 2011, 224). This goal is commensurate with the findings of this research. The respondents said their goals as bean-to-bar chocolate producers are to coown cocoa plantations, give the possibilities for farmers to own shares in their companies, invest directly in cocoa origin countries, and achieve win-win situation (make it possible for farmers to get their fair share of the cocoa industry's wealth). These goals can better be achieved if sustainable development is central to bean-to-bar companies. Co-owning plantations will help to absorb some of the burden cocoa farmers face. However, the farmers stand to lose a lot if their new partners decide to be unfair to them. The farmers are mostly uneducated, poor, and vulnerable to unfair treatment due to their weak position. They require strong representations to negotiate on their behalf. The best-case scenario would be to have a reciprocal ownership deals. Which means that in a particular deal, a bean-to-bar company get to co-own a cocoa plantation and those same farmers would own shares in the bean-to-bar company. This would serve as foundation for sustainable development in the cocoa industry.

Almost all cocoa growing countries are under-developed and their location in tropical regions makes them the most vulnerable to climate change (Bender & Guggenheim, 2006). As indicated in chapter two, a major challenge is that the effects of climate change are already visible (Bender & Guggenheim, 2006; Botwick & Timoner, 2010; Romppanen, 2016; IPCC, 2016; UNFCCC, 2016). Also, access to basic necessities of life such as food, shelter, clothing, health, and education are limited in the developing world making it imperative that climate change will not be first on the agenda of their governments (Botwick & Timoner, 2010). This is the case for cocoa farmers. To address this challenge, the motivations and goals of bean-to-bar chocolate producers have to be aligned to the need to climate change adaptation and mitigation strategies that take into consideration all elements of triple bottom line; people, planet and profit. (Alhaddi, 2015; Slaper & Hall, 2011; Zak, 2015)

To conclude, the motivations and goals of sustainable entrepreneurs are similar to bean-to-bar chocolate producers. This is because both groups share a common goal of not just creating economic value but also solving societal and environmental problems. However, in practice, things can be different. Bean-to-bar chocolate producers have the room to create stories that sells without necessarily contributing to solving societal and environmental problems.

# 5.5 Implications for sustainability standards and certifications

As indicated in chapter two, the over 400 private standards schemes have become a source of confusion for producers and consumers (ITC, 2008: Hagen et al., 2010). Also, according to this research, bean-to-bar chocolate producers do not view the use sustainability standards and certifications as the best solution to achieve sustainable development. They are of the position that their motivations and goals do not align with that of certifications organizations. In fact, some of them feel that their existence is as a result of the inefficiencies of certifications organizations. They see certifications organizations as just one of the

middlemen in the cocoa value chain who are benefitting from its unfair structure. In essence, they are of the view that sustainability standards and certifications play little or no role in the bean-to-bar concept.

Some certifications organizations permit the mixing of certified cocoa beans with non-certified cocoa beans (KPMG, 2012; Nieburg, 2012). This implies that if a customer purchases certified or labelled chocolate bar from a shop, it does not necessarily mean that the product is fully certified. There is even the possibility that a labelled chocolate bar may be made of cocoa beans that are fully un-certified. The sustainable transformation of the cocoa industry will only be achieved when these crucial issues are properly managed.

Moreover, the European Committee for Standardization (ČEN) and the International Standards Organization (ISO) in 2016 created a standard for sustainable and traceable cocoa, *ISO/TC34 SC 18* (ISO, 2017). Even though this standard is voluntary, it has been embraced by all of the cocoa industry's stakeholders (Nieburg, 2014). In this regard, will the new standard replace or compete with the existing private standards? Since the new standard aims is to move sustainable cocoa from the niche market into the mainstream, what will be the need of the private certifications schemes? The future of private sustainability standards and certifications depend on how they are able to adapt to the current evolution of the current sustainable transformation of the cocoa industry.

# 5.6 Proving sustainability without standards and certifications

This study has established that the bean-to-bar chocolate producers generally do not welcome sustainability standards and certifications. The challenge, however, is that consumers are not educated enough about the reality of life for farmers and the facts behind standards and certifications. The implication is that when consumers see the bean-to-bar chocolates in the shop, they only see an expensive chocolate in comparison to mass-produced chocolate. In other words, they see relatively cheaper chocolate products with labels on them (certified mass-produced) and more expensive chocolate products (bean-to-bar). It is obvious that they would opt for mass-produced chocolate if they do not know the reasons behind the different pricing. This means that if bean-to-bar chocolate producers are to survive the competitive market, it is very important for them to know how to tell their story. They require strategies that would create awareness among the general public and their market segments about how their products and/or services are contributing to sustainable development.

An effective way for bean-to-bar chocolate producers to tell their story is to provide transparent information to their customers. The scarcity of information limits the ability of consumers to get access to the activities of stakeholders in the supply chain and how they affect farmers. However, the advancement of information and communication technologies provides many unprecedented avenues for bean-to-bar chocolate producers to achieve their goals and show how transparent they are. In fact, many services are being established to support the "bean-to-bar sector". For instance, there is a website

that features small bean-to-bar chocolate makers in the USA every month to promote them, <code>www.cococlectic.com</code>, a chocolate journalist who blogs about bean-to-bar chocolate, <code>www.thechocolatejournalist.com</code>, and as indicated in chapter one, a website that list all bean-to-bar chocolate producers worldwide, <code>www.bean.bar</code>.

#### 6 CONCLUSIONS

The chapter summarizes the findings of this research in regards to the research purpose. This is followed by the contributions, reliability and validity of this study. Finally, the limitations and suggestions for further research are presented.

#### 6.1 Summary of this research

The purpose of this thesis was to explore the links between bean-to-bar and sustainable entrepreneurship. The data was collected through theme interviews with eight bean-to-bar chocolate producers from eight countries; England, Finland, France, Holland, Madagascar, Sweden, Iceland, and Jamaica. My aim was to interview people from as many countries as possible. This is because even though the cocoa industry is large, its activities show similar circumstances irrespective of location. For instance, what a small company does in Finland can affect cocoa farmers in Ghana, Fiji and Venezuela. Therefore, it was necessary not to limit this study to a specific geographical location. The research findings revealed the motivations and goals of bean-to-bar chocolate producers. It also revealed in their view the role of sustainability standards and certifications in their profession and in the cocoa industry at large. The aims of this study were achieved through in-depth exploration of the themes; *motivations*, *goals*, *sustainability standards* and *certifications*. This section aims to summarize the research findings in regards to the main research questions developed for the study.

According to the research findings, the goals and motivations of bean-to-bar chocolate producers have many similarities with the goals and motivations of sustainable entrepreneurs. In order to better explore these themes, it was important to first examine the respondents' definitions of bean-to-bar. This was even more important because no research was found during the theoretical stage of this thesis. According to this research, bean-to-bar chocolate production is more than producing chocolate bars from beans on the spot and owning the whole chain. Instead, it also extends to developing relations with the growers on one hand and with consumers on the other hand. According to the research, bean-to-bar entrepreneurs deepen their relations with the growers through education, higher income, sharing profits, and community development. They also deepen relationship with consumers through education, creating awareness, band building, and value creation.

The research found that the motivations of bean-to-bar chocolate producers include; educate farmers and consumers, working directly with farmers and their communities, entrepreneurial passion to cause positive impact, pay farmers more, increase GDP of cocoa origin countries, create jobs for locals, produce alternative products, and save cocoa varieties from going extinct. Some of the motivations shared similarities but the explanations given by the respondents show how knowledgeable they are about the field and their genuine motivations. Some of the bean-to-bar entrepreneurs were formally architects, gaming producers, lawyers,

and pastry chefs. This shows the diverse perspectives that different entrepreneurs are bringing into the cocoa industry.

Also, according to this research, the goals of bean-to-bar entrepreneurs include; co-own plantations, farmers to invest in chocolate factories in Europe, direct investments and infrastructural development in origin countries, and achieve win-win situation. These are laudable goals that should be looked out for. For instance, allowing cocoa farmers to own stakes in bean-to-bar companies in Europe will not just provide increased incomes for the said farmers, but would be a sign of alleviating farmers from poverty

In addition to the above, the research found that bean-to-bar chocolate producers are critical of *sustainability standards and certifications*. They generally do not think that certifications programmes are contributing enough to the sustainable transformation of the cocoa industry. They posit that their approaches provide better options for farmers and consumers. They do this by working directly with farmers and communicating these activities directly with customers. Their work with farmers ensures that they cut off as many middlemen as possible to pay the farmers more. They also posit that their direct relationship with their customers ensure that they are creating awareness about the cocoa industry, how chocolate is made, and the tedious work growers do. However, they are able to do that because they are usually smaller in size. Developing close relationship with final consumers is not a luxury that large companies have. They also have to produce for the mass market and so might not be able to take the same approach as bean-to-bar entrepreneurs.

An important issue that the respondents talked about was the price of their products. Their approach leads to high operational cost and they can only survive by shifting part of those costs to their customers. For instance, shipping smaller quantities of cocoa beans attracts high fees. Their motivation to work directly with cocoa farmers and their communities also means high cost. Eventually, the high price they charge for the chocolate products has to compete with those produce by the mass market. They can only survive the competition by informing their customers the reasons why they charge more. The growing awareness about the life realities of cocoa farmers among the general public is helping in this regard. But more efforts are required.

Lastly, the research identified strong links between *bean-to-bar* and *sustainable entrepreneurship*. However, the themes used to establish these links are not enough to conclude that bean-to-bar chocolate producers are sustainable entrepreneurs. Until now, bean-to-bar is a jargon that has been adopted by the industry. Due to the fact that it is trending and gaining popularity, it has also become a marketing tool for some chocolate producers who might necessarily not be practicing it. For instance, a chocolate company that produces 10 percent of its chocolates under the bean-to-bar process can market the whole company as being bean-to-bar.

## 6.2 Reliability and validity

The quality of a study depends on how the data was collected, analyzed and interpreted. Reliability and validity are the two main factors used to evaluate the quality of a study. The use of reliability and validity in qualitative studies is rather new since it has previously been used only in quantitative studies (Golafshani 2003). If the same research results can be produced or reproduced by another researcher using the same research approach, then the study can be considered as being reliable (Creswell 2014; Golafshani 2003; Merriam 2014). The validity of a study refers to the appropriateness of the methods, processes and data used to tackle the main research questions of the study (Creswell 2014; Golafshani 2003).

The interviewer (researcher) lacked previous experience in conducting thematic interviews and this is considered to have had a minor impact on the reliability of this study. In order to minimize this negative impact, a test interview was conducted to understand the process of thematic interviewing. Afterwards, the interview questions were re-formulated to collect the most valuable data needed to collect the data. Another factor that minimized this risk is that the researcher has a previous work experience in the cocoa industry. This was instrumental in asking the questions in a way that made the respondents comfortable in giving honest responses.

According to the research design, all the respondents were supposed to be bean-to-bar entrepreneurs. This would allow a deep discussion on the topic since some there is no better person to talk about goals and motivations than the entrepreneurs themselves. Two of the interviews did not have the entrepreneurs themselves participating and this is considered to have a minor effect on the validity of the study. In the first case, even though the researcher was in contact with the entrepreneur, he was not informed that an employee would be entrusted to conduct the interview. It was no longer possible to make any amendments at the time. In the second case, it was difficult to reach the entrepreneur because he was on a long business trip. He directed his assistant to participate in the interview. Despite this shortfall, these two respondents showed tacit knowledge about their respective companies and provided valuable data.

Furthermore, the validity of a study can be grouped into two; *internal validity* and *external validity*. Internal validity refers to the credibility and authenticity of a study and external validity refers a study's transferability and adjustability (Kuckartz 2013, Miles & Huberman, 1994). In order to ensure the internal validity of this study, the researcher explained and justified methodological choices and research findings. Also, 6 out of the 8 respondents were all bean-to-bar entrepreneurs and they face the issues discussed on daily basis. The remaining two respondents have been with their respective companies long enough and had the credibility to participate in the data collection process. The respondents in this study have diverse backgrounds but their motivations and goals, and their opinions on sustainability standards and certifications were coherent. They exhibited a great deal of enthusiasm during the data collection process. These factors paved the way for insightful and valuable interview sessions.

To conclude, the research findings are both reliable and valid. Only eight companies participated in this study but they represented eight countries and three continents. The issues discussed are global issues since each country in the world is either a cocoa growing or consumption country, or both, there was coherency between all the responses. These factors make the research findings generalizable. The findings are transferable to other countries not covered in this study.

### 6.3 Limitations and suggestions for further research

A major limitation of this study is the lack of previous literature on the topic. Sustainable entrepreneurship literature is just emerging and researchers are yet to agree on key issues in the field. This limitation is enhanced by the fact that bean-to-bar has not appeared in any literature review. Finding the basic definition of the term was even problematic. The researcher had to rely on online news articles and his experience working in the field to critically form an idea on what bean-to-bar actually is.

Another limitation worth noting was the inability and difficulty in reaching the right companies and finding the most suitable respondents for the study. Initially, the plan was to interview well over 10 bean-to-bar entrepreneurs. This would have allowed for a wide data set to provide a more quality and in-depth data analyses. It was discovered that most of the bean-to-bar chocolate producers were not willing to share their story in an academic study. It was frustrating to have some respondents cancel interview sessions in the last minute without giving reasons. In fact, some no longer responded after failing to cancel the appointments they made. Nevertheless, the researcher was fortunate to have eight of the respondents participating in the interviews. Also, they gave valuable responses. Therefore, it is fair to say that this study would not have been successful without them.

Furthermore, future research in the field of sustainable entrepreneurship is required to deepen our understanding and serve as the basis for more empirical studies. For instance, in-depth case studies exploring sustainable entrepreneurs in other many other fields will lead to the discovery of more theories to support sustainable entrepreneurship literature. This study thematically studied key issues relating to bean-to-bar entrepreneurship. However, in-depth case studies understanding the reality for few companies will be valuable. The study was also not limited to a specific geographical location. Future research could focus on studying issues pertaining to bean-to-bar entrepreneurs from specific geographical locations.

To conclude, a research that focuses on the actual interaction between bean-to-bar and mass chocolate producers would be valuable. For instance, such a research could focus on how these interactions are leading to sustainable transformation of the industry. Almost all the respondents touched on the need to create more jobs in origin countries and those from the origin countries described how they are an important part of their countries' industrializations aspirations. A future research could focus on the actual impact of having more bean-to-bar companies in origin countries.

#### 6.4 Contributions

With the limitations in mind, this thesis makes some significant contributions. First of all, this thesis has introduced bean-to-bar into academic research, as no such research existed before. This thesis has developed a framework based on which the actual meaning of bean-to-bar can be formulated. This could eventually lead to the recognition of bean-to-bar as a stand-alone concept. The recognition of the bean-to-bar concept is relevant, as trends shows that a whole new sector is being formed around it. For instance, as indicated in chapter five, there are many different websites being formed to provide different information and services for bean-to-bar entrepreneurs and consumers.

Secondly, the findings of this thesis have some managerial implications for not only bean-to-bar entrepreneurs but also all other stakeholders in the cocoa industry. The sustainable transformation of the cocoa industry will require a coordinated mutual effort from all stakeholders. This means that farmers are required to produce quality cocoa beans to attract better prices and remunerations. Also, both bean-to-bar and mass chocolate producers are required to provide even more services for farmers, and collaborate where necessary.

Thirdly, this thesis has some implications on consumer behaviour. The study reinforces the importance of consumers in the cocoa industry. Consumers are powerful stakeholders in the industry but not organized. They are required to push for a more transparent supply chain. They are able to do this by buying chocolate products from only responsible companies and giving critical feedbacks. They could also spend a little more time learn more about the story behind the chocolate they are consuming.

Lastly, for the first time a research has attempted to link bean-to-bar chocolate production to sustainable entrepreneurship. This is even more relevant as the sustainable entrepreneurship is also an emerging field. This thesis will also go a long way to validate the contributions of bean-to-bar chocolate producers to the sustainable transformation of the cocoa industry.

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## **Appendix I: Interview questions**

What are the links between sustainable entrepreneurship and the bean-to-bar concept?

- 1. What are the **motivations** and **goals** of bean-to-bar chocolate producers?
- 2. What is the role of **sustainability standards and certifications** in the beanto-bar concept?

#### **Part 1: Introduction**

- 1. Please tell me about your background.
  - a. How long have you been with your current company?
  - b. What is your position?
  - c. What is your previous work experience?
  - d. What is your educational background?
  - e. Do you consider yourself an entrepreneur? If yes, what kind?
- 2. Please tell me about your company's background
  - a. Why did you start the company?
  - b. How did you start?
  - c. Has the company's mission changed since it was started?
- 3. How do you define bean-to-bar?
  - a. Producing the bar from the bean yourself?
  - b. Knowing the source of your raw materials?
  - c. Paying extra money to the farmers?
  - d. Undertaking a CSR project?
- 4. What kind of organizational structure have you created?
- 5. How have you integrated sustainability practices into your organization?
- 6. What attributes do you think differentiate your products from other chocolate producers?

#### Part 2: Motivations of bean-to-bar manufacturers

- 1. What attracted you to the cocoa industry?
  - a. Did you see a business opportunity?
  - b. Did you see a chance to cause positive environmental and/or social change?

- c. Was it as a result of your prior experiences?
- d. Or was it because of your knowledge in the field of environment?
- 2. Why did you choose to become a bean-to-bar manufacturer?
- 3. What is your knowledge of the field of sustainable development?

#### Part 3: Goals of bean-to-bar manufacturers

- 1. In assessing your performance, what do you prioritize?
  - a. Financial performance? Why?
    - i. Do you pay extra for your cocoa beans?
  - b. Social performance? Why?
    - i. How are you involved in the life of cocoa farmers?
  - c. Environmental performance? Why?
    - i. How do you ensure that you source only ethically produced cocoa beans?
  - d. All or some of the above? Why?
  - e. Some other goals? What are they?
- 1. How do you create sustainable value?
- 2. How do you think you are contributing to sustainable development and how do you intend to improve?
- 3. Are you concerned only about sustainable development in the cocoa industry or also in other industries?

# Part 4: Sustainability standards and certifications

- 1. Do you think bean-to-bar chocolate manufacturers need sustainability standards and certifications?
- 2. Do you use sustainability and certification standards?
- 3. Why do you use it?
- 4. Which one do you use?
- 5. Why do you use that particular one instead of the others?
- 6. What challenges exist?
- 7. If you don't use sustainability standards, why?
- 8. Do you have any form of co-operation or link with a certification organization?

#### **Part 5: Conclusion**

Is there something that you would like to add or discuss?

### Appendix II: Sample invitation letter sent to respondents

COMPANY NAME AND ADDRESS DATE

Dear (RECIPIENT),

In reference to our earlier correspondences, I am delighted to send you this letter. My goal is to have an in-depth discussion with you regarding the bean-to-bar concept. Please let me first introduce my background and the objectives of this research.

I am a master's student at the School of Business and Economics at the University of Jyväskylä in central Finland majoring in Corporate Environmental Management and minoring in Environmental Science. I am currently at the last phase of my studies where I am required to undertake an independent research project. During my studies over the past one and half years, I have been motivated to research bean-to-bar chocolate manufacturers the world over and their contributions to the cocoa industry's effort to achieve a sustainable cocoa sector. I previously worked in the cocoa industry for over three years. My former employer was the Cocoa Marketing Company, a subsidiary of the Ghana Cocoa Board.

Sustainability discussions in the cocoa industry have been one-sided because the focus has mainly been on improving livelihoods cocoa farmers by providing relevant inputs and increasing their producer price. The gamechanging innovations and ideas that entrepreneurs like you are bringing to the sector have not gained recognition in the sustainability discourse. My research objective is to establish a link between bean-to-bar chocolate producers and sustainable entrepreneurship (entrepreneurial initiatives that are motivated not just by the need to create financial wealth but the motivation to cause positive social and environmental change). In short, my main questions to be explored are 1) what are the motivations and goals of bean-to-bar chocolate producers? And 2) what is the role of sustainability standards and certifications in the bean-to-bar concept? The discussion will take between thirty minutes and one hour.

During my research, I identified many bean-to-bar chocolate producers that are involved in different projects to sustain the cocoa industry. I identified CHOCOLATE MAKERS as being a positive contributor towards the sustainability of the cocoa industry.

Being a Ghanaian with a mission to cause positive change in the cocoa industry, I have been involved in the global cocoa sustainability discourse by attending many industry conferences around the world. I will present this research project to many relevant stakeholders in the industry. I look forward to your response.

Yours Sincerely, Emmanuel Yakah

MSc. Student, Corporate Environmental Management Jyväskylä University School of Business & Economics Finland

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# Appendix III: List of bean-to-bar chocolate producers

(Source: www.bean.bar)

Producers	Country
Acalli Chocolate	United States
Adi Chocolate	Fiji
Agapey	Barbados
Åkesson's	Switzerland
Alain Ducasse	France
Amano	United States
Amazilia	Costa Rica
Ambrosia Pastry	Canada
Amedei	Italy
AMMA	Brazil
Anahata Cacao	United States
Anthon Berg	Denmark
Antidote	United States
Ara Chocolat	France
Areté Fine Chocolate	United States
ArribaNoir	United States
Askinosie	United States
Bahen & Co	Australia
Bar au Chocolat	United States
Baravelli's	United Kingdom
Barry Callebaut	Belgium
Beanpod Chocolate	Canada
Belcolade	Belgium
Belize Chocolate	Belize
Benoit Nihant	Belgium
Bernachon	France
Bisou Chocolate	United States
Bittersweet Chocolate Café	United States
Black Mountain	United States
Blanxart	Spain
Bonnat	France
Bouga Cacao	France
Brazen Chocolate	United States
Bright Chocolate	Australia
Cacao Atlanta	United States
Cacao Prieto	United States
Cacaosuyo	Peru
Campco	India
Captain Pembleton	New Zealand
CariBeans	Costa Rica

Castronovo Chocolate	United States
Cello Chocolate	United States
Chapon	France
Chocolarder	United Kingdom
Chocolate Makers	Netherlands
Chocolate Mamas	Tanzania
Chocoláte ~ Spirited Artisan Chocolat	United States
Chocolaterie Morin	France
Chocolaterie Robert	Madagascar
Chocolates Para Ti	Bolivia
ChocoSol Traders	Canada
ChocoVic	Spain
Chocovivo	United States
Chocxo	United States
Chokolat	Canada
Cicada Chocolate	Australia
Cinagra	Madagascar
Chagia	Sao Tome and Prin-
Claudio Corallo	cipe
Cocanú Chocolate	United States
Cocoa	Poland
CocoáFair	South Africa
Coppeneur	Germany
Cotton Tree Chocolate	Belize
Cravve	Australia
Dagoba	United States
Daintree Estates	Australia
Damson Chocolate	United Kingdom
Dandelion	United States
Danta Chocolate	Guatemala
David Bacco	United States
Davis Chocolate	United States
Dead Dog Chocolate	United States
DeVries Chocolate	United States
Dick Taylor	United States
Doble & Bignall	United Kingdom
Domori	Italy
Dormouse Chocolate	United Kingdom
Duffy's	United Kingdom  United Kingdom
EastVan Roasters	Canada
El Castillo del Cacao	Nicaragua
El Ceibo	Bolivia
El Rey	Venezuela
Equal Exchange	United States
1	France
ERITHAJ Chocolat Escazu	United States
ESCAZU	Officed States

Ethereal Confections	United States
Favarger	Switzerland
Fearless Chocolate	United States
Felchlin	Switzerland
Finca Chocolate	United States
Firefly Chocolate	United States
Forever Cacao	United Kingdom
Franceschi	Venezuela
French Broad	United States
Fresco Chocolate	United States
Friis Holm	Denmark
Frolic Chocolate	United States
Fruition	United States
Gabriel Chocolate	Australia
Garden Island Chocolate/ Nanea Choco-	Tustiana
late	United States
Ghirardelli	United States
Giddy Yoyo	Canada
Grenada Chocolate Company	Grenada
	Italy
Guido Costagna Guittard	United States
Habitual Chocolate	Canada
Hachez	
	Germany
Hacienda El Castillo	Ecuador Ireland
Hazel Mountain Chocolates	
Hoja Verde	Ecuador
Holy Cacao	Israel
Honest Chocolate	South Africa
Hotel Chocolat	United Kingdom
Hummingbird Chocolate	Canada
ICAM	Italy
Idillio	Switzerland
Indaphoria Bend	United States
Indi Chocolate	United States
iQ Chocolate	United Kingdom
It's Chocolate!	United States
Jordi's Chocolate	Czech Republic
Kakaw	Belize
Kallari	Ecuador
Kiskadee Chocolates	United States
Kuna Yala	Spain
Кууа	United States
Lake Champlain	United States
Le Criollo	France
LetterPress Chocolate	
	United States Finland

Lindt Living Libations Canada Lonohana United States Luker Colombia Lulu's Chocolate Madécasse Madre Chocolate Mahogany Chocolate Malagasy Malagos Chocolate Malmö Chocolate Philippines Malmö Chocolate Factory Mana United States Manifesto Cacao Manoa Manoa Marañón Chocolate Marou Marsatta Fancy Chocolates Mast Brothers Matel Chocolate Maverick Chocolate Maverick Chocolate Mayta Chocolate Ecuador	
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Mayta Chocolate Ecuador	
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Meadowlands Chocolate United States	
Menakao Madagascar	
Metiisto artisan chocolate Sweden	
Metropolitan Netherlands	
Michel Cluizel France	
Middlebury Chocolate United States	
Millcreek Cacao United States	
Mindo Chocolate Makers United States	
Momotombo Nicaragua	
Monsieur Truffe Australia	
Nahua Chocolate Costa Rica	
Naive Lithuania	
Nick's Chocolate Australia	
Night Owl United States	
Nova Monda United States	
ÓBOLO Chocolate Chile	
Ocho New Zealand	
Oialla Denmark	
Olive & Sinclair Chocolate Co United States	
Olivia Chocolat Canada	
Omanhene United States	
OmNom Chocolate Iceland	

Organic Fair	Canada
Origianal Hawaiian Chocolate	United States
Original Beans	Netherlands
Österlen Choklad	Sweden
Pacari	Ecuador
Palette de Bine	Canada
Parliament Chocolate	United States
Pascha Chocolate	Canada
Patric	United States
Paul A Young	United Kingdom
Pierre Marcolini	Belgium
Pitch Dark	United States
Potomac	United States
Pralus	France
Pristine Chocolates	India
Pump Street Bakery	United Kingdom
Q & Co	United Kingdom
Quinta	Brazil
Quinto	Sweden
Raaka	United States
Rain Republic	Guatemala
Raüsch	Germany
Raw Goodies	United Kingdom
República Del Cacao	Ecuador
Ritual Chocolate	United States
Rogue Chocolatier	United States
Rózsavölgyi Csokoládé	Hungary
Sacred Chocolate	United States
Salgado	Argentina
Salt's Chocolate	United Kingdom
Samaritan Xocolata	Costa Rica
Santander	Colombia
Santome	France
Scharffen Berger	United States
Shark Mountain Coffee	United States
Shattell	Peru
Sibu Chocolate	Costa Rica
Sibu Sura Chocolates	United States
Sirene Chocolate	Canada
SiriuS Chocolate	United States
Sjölinds Chocolate House	United States
Slitti	Italy
Solstice Chocolate	United States
Soma Chocolatemaker	Canada
SPAGnVOLA	United States
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SRSLY Chocolate	United States
Steelgrass Chocolate	United States
Stone Grindz	United States
Strita Supreme Chocolat	United States
Sublime Chocolate	United States
Szanto Tibor	Hungary
Tabal Chocolate	United States
Taza	United States
TCHO	United States
Tease Chocolates	United States
Tejas Chocolate	United States
Terroir Chocolate	United States
The Chocolate Conspiracy	United States
The Chocolate Tree	United Kingdom
The Oakland Chocolate Company	United States
Theo	United States
Theo & Philo	Philippines
Tobago Cocoa Estate	Trinidad and Tobago
tōcōti	United States
Treehouse Chocolate Co	United States
Twenty-Four Blackbirds Chocolate	United States
Valor	Spain
Valrhona	France
Vao	Madagascar
Venchi	Italy
Videri	United States
VietCacao	France
Villars	Switzerland
Weiss	France
Wellington Chocolate Factory	New Zealand
Westminster Kingsway College	United Kingdom
White Rabbit Cacao	New Zealand
Wild Sweets by Dominique & Cindy Duby	Canada
Wilkie's Chocolate	Ireland
Willie's Cacao	United Kingdom
Woodblock Chocolate	United States
Wren Chocolate	United States
Xocolatl	United States
York Cocoa House	United Kingdom
Zazubean Chocolate	Canada
Zokoko	Australia
Zotter	Austria
Бритарев (Britarev)	Russia