

Spring 2008

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Now There's Politically Correct Chocolate

Move Over Willy Wonka:

By Leah Dobkin

From his home in Milwaukee, USA and a \$9,000 loan from his life insurance policy, Steve Wallace started an international business to sell the best slavefree, guilt-free, politically-correct, single source chocolate in the world. The business is a chocolate factory called Omanhene, an African word meaning chief, the repository of ethical and moral authority. Its mission is to process the cocoa grown by local family farmers into chocolate products for export, keeping both agricultural and manufacturing dollars in Ghana, and thereby helping to improve the lives of its people. Until recently, all cocoa beans grown in Ghana were exported to other countries that produced finished cocoa products like chocolate, which brings in much higher profit. Wallace was convinced that if Ghana can grow one of the finest cocoas in the world, then it should be able to produce one of the finest chocolates in the world. Omanhene is a unique chocolate company in that its 300 factory workers are shareholders. They also receive subsidized housing, free health care, meals and transportation, translated into an increase in disposable income. Ghana cocoa beans are grown by family farms on small plots of land. According to Wallace the average farm in Ghana is less than four acres compared with the average sized farm in the Ivory Coast which is 400 acres. Larger farms create a need for a large supply of cheap labor, which creates a demand for slave labor. The business

model in Ghana is very different from neighboring countries like the Ivory Coast where kidnapping children over the border for slave labor to work on cocoa plantations has been well documented.

With 40% of all annual revenues coming from raw cocoa grown by 600,000 farmers, cocoa farmers have become a significant voting block. The government purchases and sells all cocoa beans, and insures a minimum price for beans to farmers.

Wallace's interest in Ghana stems from his foreign exchange student experience in 1978 when he was sixteen. This experience has spawned his internationally significant social enterprise praised by national leaders such as Jimmy Carter, Shirley Temple, and Kofi Annan.

Creating a Sweet Deal

Omanhene is successful because Wallace was tenacious, patient, adaptable, and sensitive to Ghanaian cultural ways of doing business. By working through bureaucratic mazes and changing governmental leadership, including a dictatorship to a democracy, Wallace was able to convince the Ghana government to join him in his chocolate quest.

Wallace first set up a meeting with the government run Cocoa Board to discuss his idea to create a chocolate factory. "I was a pain in the neck. "But my tenacity paid off and although the Board was risk adverse, I crafted a deal that if we were successful the government would get all the credit, and if we failed I was responsible," said Wallace.

Conducting business in a foreign country can be tricky and a very different process than in the U.S. "In Ghana, for example, they don't want to get to

business right away; they want to find out what kind of person you are first. You have to be culturally sensitive to how the deal is put together; the timing and the pace of the negotiation.

You can't just schmooze your way in," says Wallace.

Wallace's chocolate is guilt-free not only because it uses only slave-free cocoa beans, but because the company focuses on dark chocolate products which have newly touted health benefits that are good for your sex life, heart and P.M.S.

Omanhene products are sold in local retail stores, and through the company's web site, and as faraway as Japan and England. Wallace will soon offer his products in Scandinavian countries. Baking chocolate is sold to the hospitality industry including prestigious restaurant and pastry chefs. It took Wallace ten years to build a profitable company. Omanhene is now growing at 55% a year over the last three years, but it is still a small business. Wallace believes you need a long-term perspective to create a strong and sustainable business.

If you take beans offshore you're taking value offshore; I believe private business and not charity is the most effective way to help the people of Ghana deal with economic hardships," says Wallace. "If you are doing this as a compelling charitable idea it won't sustain itself; it has to be good or better than Swiss chocolate,"