

# Mystic monk coffee case



**ASSIGN  
BUSTER**

1. Has Father Daniel Mary established a future direction for the Carmelite Monks of Wyoming? What is his vision for the monastery? What is his vision for Mystic Monk Coffee? What is the mission of the Carmelite Monks of Wyoming?

Father Daniel Mary established a future direction for the Monks such as the expansion of the monastery to 500 acres that would, in turn, increase the capacity of monks up to 30, build a church and a convent for nuns and a hermitage. Their vision for the monastery was to strengthen the whole church and be a spiritual oasis in America and their vision for the Mystic Monk Coffee was to be able to fund the expansion of the monastery and “turn the coffee into the land.” The mission of the monks were to purchase the land and build a better place for worship and vow obedience, chastity, poverty and make sacrifices associated with living a cloistered religious life.

2. Does it appear that Father Daniel Mary has set definite objectives and performance targets for achieving his vision?

Father Daniel Mary has set definitive objectives such as to increase the production of coffee by purchasing a new roaster which will lead to an increase in sales. The profit will then be used to fund the expansion of the monastery. Another objective he set was to decrease the total cost and expenses of the MMC. On the other hand, he does not have a set performance target for achieving his mission such as target sales per day or when they should be able to purchase the land and start the construction.

3. What is Father Prior’s strategy for achieving his vision? What competitive advantage might Mystic Monk Coffee’s strategy provide?

Father Prior's strategy was to provide more commission to people who can refer new affiliates to the Mystic Monk through their ShareASale program. They are also targeting wholesale sales to churches and local coffee shops. Their competitive advantage was that there is a large percentage of US Catholic coffee drinkers who support their mission. Their strategy will attract a lot of people because it allows them to have another source of income whilst helping the monks. The monks were also accepting donations and they have a foundation which helps them raise funds which is really good since they will be able to promote their cause and still earn money for the expansion.

4. Is Mystic Monk Coffee's strategy a money-maker? What is MMC's business model? What is your assessment of Mystic Monk Coffee's customer value proposition? its profit formula? its resources that enable it to create and deliver value to customers?

MMC's strategy is non-profit since they do the labor and all their profit goes to the fund for the expansion of the monastery. Their business model focuses on US Catholic coffee drinkers. They use high-quality fair trade Arabica and fair trade organic Arabica beans which will then be processed into whole bean, ground caffeinated and decaffeinated varieties in dark, medium and light roasts and in different flavors. and is advertised through word of mouth, internet websites, and their ShareASale program which provides a generous commission. They also expanded their business model which includes wholesale sales to churches and local coffee shops.

MMC's customer value proposition is good because they offer high quality coffee and at the same time, they support the World Fair Trade Organization which helps farmers with the cost of operating their farms. Their profit formula is:

COS = 30% Shipping Cost = 19% Broker Fees = 3% Total COGS= 52%

Operational Expenses = 37% Total Cost = 89% Net Profit = 11% of total sales

Their labor force is free because they do it themselves and their supply comes from WFTO. They deliver their website-ordered products through the United Parcel Service or U. S. Postal Services and they also give the option of joining the coffee club which offered monthly delivery of coffee bags. They also have promos which include free shipping for bulk orders.

5. Does the strategy qualify as a winning strategy? Why or why not?

It is a winning strategy since it is profitable and it also helps other people to have a source of extra income. They are able to gain profit while promoting their vision and mission for the Catholic church. It also has a good competitive advantage and market but it is not the best since they are mostly limited to the Catholic members.

6. What recommendations would you make to Father Daniel Mary in terms of crafting and executing strategy for the monastery's coffee operations? Are changes needed in its long-term direction, objectives, strategy, or its approach to strategy execution?

I would recommend that they lower the commissions given to its affiliates in order to increase profit and they may hire part-time workers in order to continue production when they are praying or doing their religious works. As of now, they generate a very small amount of profit and it will take a long time before they will be able to purchase the land. There may be other people who are interested in buying the land and buy it before the monks can generate enough money.

A change is needed after they have earned enough money to buy the land. They have to make a decision whether to stop the business or continue it. If they decide to continue, they have to think of a new mission on where to spend the money earned such as feeding programs, building schools, etc. They may also have to consider expanding their target market and include non-catholic people, however, if they decide to stop the business, they should think of another way to generate enough funds to sustain their needs and to maintain the monastery.