Worksheet 3

Name Class Date

**How objectives changed in a pandemic**

**Task:** Read the text below and use the information to answer the questions that follow.

The King Arthur Baking Company has been through a lot in the 230 years that it has been selling flour. However, nothing in the Vermont-based company’s history – no prior wars, depressions or even pandemics – could have prepared it for what happened in early 2020 when the first round of COVID-19 lockdowns hit and millions of laid-off, furloughed and newly homebound workers took refuge in their kitchens and started baking.

Almost overnight, the frenzy for homemade bread and other comfort foods up-ended the sleepy baking industry. King Arthur – the second biggest flour seller by revenue in the US – found itself in a race to meet demand and in a great position to maximise its profits. However, at the height of the rush, its executives did something that devotees of Milton Friedman might have found unthinkable – they shut down the company entirely to give its 400 or so workers a break to catch their breath. That they were comfortably able to do so was down to a combination of short-term luck and long-term strategy.

‘We were sitting there in the first week of March, and we were all starting to become aware of what we were potentially facing, and then the shutdown came and our business just spiked practically in a day’, says Karen Colberg, co-chief executive of King Arthur Baking Company. The surge was not too badly timed. King Arthur had been building up its supplies for the Easter rush, its second busiest time of the year behind Christmas, so it was not caught completely flat-footed. But its stockpile did not last long. ‘As you can imagine, it just poured out of our warehouses’, Ms Colberg says.

To try to keep pace, King Arthur retooled its supply chain and workforce. The company designed and launched new smaller flour bags to be sold directly to home bakers. It also started moving workers from its retail store and baking school – which had been closed due to the pandemic – into warehouse jobs or into positions answering recipe questions on its ‘baker’s hotline’ or social media accounts.

King Arthur’s problems, in many ways, were good ones to have. Many companies were struggling to make payroll or to pay their rent rather than to meet unprecedented demand. But it was evident that the sustained flood of new business was taking its toll on workers, Ms Colberg says. ‘We were meeting, and we said you know what... we really need to just close the whole business. Everybody needs a break.’

So on Memorial Day, the US holiday that traditionally marks the beginning of summer, the company did exactly that – and gave its workers a four-day weekend to relax. ‘We turned everything off... we even actually stopped taking orders on the website because we thought if we don’t do that we would just be creating this tsunami of orders that people would be coming back to. And we wanted to avoid that’, Ms Colberg says.

This decision was not without risk. ‘There absolutely was a discussion about... if our big customers have a problem getting their orders, what is going to happen?’ Ms Colberg recalls. ‘But I have believed for a long time that people care how you manage your company, it’s not just about getting the thing, but it’s about how the thing is made.’

‘Some customers may have been disappointed that they could not place an order immediately’, says Bill Tine, vice-president of marketing, but ‘they actually think really highly of us, and we get the benefit from a brand equity standpoint that we’re making good decisions.’

**1** How was The King Arthur Baking Company affected during the early stages of lockdown?

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**2** How did the company’s objectives change during this period of high demand?

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