



UNIVERSITY OF GUAM
SCHOOL OF BUSINESS
& PUBLIC ADMINISTRATION

MAKING WAVES

2022 | SMALL ISLAND, BIG IMPACT





INTRODUCTION

ABOUT GUAM

Guam is a small island located 13°N 144°E and is the largest and southernmost island in the Northern Marianas Island chain in the Pacific Ocean. According to the 2020 U.S. Census, Guam's population is roughly 153,836, and residents are dispersed throughout its 19 villages. There are currently three military bases in Guam housing three different military branches - Anderson Air Force Base (Air Force) and Camp Blaz (US Marines) are located on the northern tip of Guam. In contrast, Naval Base Guam is located near the southern part of Guam. Roughly 21,700 US military personnel and families reside in Guam; however, that number is estimated to be larger since there has recently been a more concerted effort to transfer Marines from Okinawa to Guam. Guam is a melting pot of ethnicities which include Guam's indigenous population of CHamoru (37%), Filipino (26%), Caucasian (7%), Chuukese (7%), Korean (2%), other Pacific Island (2%), other Asian (2%), Chinese (2%), Palauan (2%), Japanese (1%), Pohnpeian (1%) and other mixed ethnicities (10%).

ABOUT THE REPORT

The University of Guam Professional Master of Business Administration (PMBA) Program Cohort XVII has produced a case study report featuring businesses in Guam, U.S.A. in the Western Pacific region. The premier report will be the first of several issues that will bring educators and students around the world the stories of entrepreneurs from the Asia-Pacific region. The reports will highlight the universality of the entrepreneur's persistent and untiring spirit and the rewards for their hard work. The teaching cases featured in this issue show how businesses address various challenges, including compliance with government regulations, competitive pressures in the market, a growing need for professional financial services, and a changing customer base and their approach towards the impacts of the COVID-19 pandemic.

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NUMA'LO
zero waste refillery

Reduce Reuse
REFILL
single-use plastic
WE SUPPORT LOCAL BRANDS

only NATURAL, TOXIN-FREE, PLASTIC FREE
with HOUSEHOLD PERSONAL CARE products

WE ACCEPT DEBIT & CASH

NUMA'LO
zero waste refillery

NUMA'LO ZERO WASTE REFILLERY: GUAM'S FIRST MOBILE REFILLERY

This case is about the Numa'lo Zero Waste Refillery, an eco-friendly, female, family-owned retail business that operates as a mobile dispensary for zero waste household and body products. They do weekly pop-ups and home delivery around the island and workshops to educate consumers on how to move towards a zero-waste lifestyle. There are many obstacles that this start-up faces, including sourcing products, growing a customer base, promoting behavior change, inspiring a zero waste lifestyle, business strategies for growth, and being the first mover in a new market.

Numa'lo Zero Waste Refillery, Guam's first-ever mobile refillery, opened its van doors on January 1, 2022. Jasmine Flores-Cantrell, climate activist and the founder of Numa'lo, grew the business idea of a refillery from a necessity to continue an eco-friendly lifestyle she adopted while living stateside and a deep passion for educating others about sustainable living. Flores-Cantrell was born on the island of Guam and grew up in California, where she worked as a high school English teacher for the public school system. She had been practicing a sustainable lifestyle since 2018, when she embarked on a journey towards zero waste. Luckily, California had great eco-friendly resources, and she lived just a couple of blocks from one of the first zero-waste refilleries in the state. Flores-Cantrell documented her transition on social media, where she shared everything she learned along the way. She went over three years without having a plastic garbage bin, composted all her food waste every week, and dropped it off at the local compost community garden. She even planned her own zero-waste wedding in 2021,

complete with compostable food ware, dried floral arrangements, and DIY and upcycled decor.

Flores-Cantrell had plans to leave her six-year career in education and return home to Guam in the summer of 2021 to start something new. The thought of moving home without the resources to maintain a green lifestyle gave her an overwhelming feeling of eco-anxiety, so her husband suggested the idea of starting her own refillery business. In September of 2020, she reached out to Micronesia Climate Change Alliance (MCCA), a non-profit community organization dedicated to developing solutions to climate change, who assisted her with getting a van. Although she did not initially plan to operate a mobile business, she did have experience renovating and living out of an RV for a year to reduce her carbon footprint, so building a van was right up her alley. Plus, she would save a substantial amount of money on rental expenses that come with a traditional brick-and-mortar establishment. From September 2020 up until she arrived in Guam in July 2021, she worked diligently on the business plan, attended financial training, and got approved for a non-extractive line of credit from Climate Justice Alliance for starting inventory. Once in Guam, she started doing market research and compiling a list of sustainable local and neighboring island businesses to sell their products. She got the keys to the van in October 2021 and, with the help of her cousin and co-founder, Victoria Flores, built it into a business in just two and half weeks. They waited a few months for financing to come through until Numa'lo's much-anticipated debut in January 2022.

ZERO WASTE MISSION

The zero waste initiative is a philosophy focused on sustainability and eliminating waste. According to the Zero Waste International Alliance, zero waste centers around the conservation of resources, including responsible production, reduced consumption, and the reuse and regeneration of products, packaging, and other materials. *Numa'lo* aims to be a zero-waste business by producing as little waste as possible and connecting to the people of Guam through its three-pronged mission to "Seed, Sow, and Grow." To seed is to plant knowledge of zero

"To seed is to plant knowledge of zero waste practices to the community. Sow is to set in motion by educating and inspiring people to make conscious efforts to live sustainably. And to grow is to thrive by building a regenerative economy, securing a healthy and abundant environment for future generations."

waste practices to the community. Sow is to set in motion by educating and inspiring people to make conscious efforts to live sustainably. And to grow is to thrive by building a regenerative economy, securing a healthy and abundant environment for future generations. Flores-Cantrell and Flores take the responsibility of zero waste very seriously, living up to the CHamoru business name, *Numa'lo*, which translates to revive and return. Since its inception over two months ago, all the waste *Numa'lo* has produced can fit in a small 4x4 inch box. The only waste the business produced came from the plastic backing of its

brand stickers, but they have since found a zero-waste alternative that is water-resistant, printed on FSC (Forest Stewardship Council) certified paper, and the backing is made with wood pulp that is 100% curbside recyclable and compostable.

WHAT IS A REFILLERY AND HOW DOES IT WORK?

A refillery is a retail space designed to help consumers reduce the amount of single-use waste consumption. Rather than purchasing new containers each time they shop, consumers are encouraged to reuse and refill containers with *Numa'lo's* household and personal care products using a "weigh and pay" method. *Numa'lo's* weigh and pay method is a four-step process that begins with BYOC, which is an acronym for bring your own container. Customers bring in their clean empty containers (or they can choose from the many donated containers or purchase amber glass bottles or jars from *Numa'lo*). The second step is to note the TARE, which is the weight of the empty container. Next, *Numa'lo* will FILL the container with new product before weighing it for a second time. Lastly, *Numa'lo* subtracts the tare weight, and the customers PAY only for the weight of the product itself. Purchasing from refilleries not only reduces the amount of waste that ends up in the landfill, but it also comes with the benefit of cheaper products since customers do not pay for the packaging.

BYOC > TARE > FILL > PAY

PRODUCT OFFERING

Numa'lo offers a variety of zero-waste household and body products such as laundry soap, multipurpose cleaner, stain remover, shampoo, conditioner, body soap, and more. They also carry numerous cleaning tools, toiletries, and hygiene products. Half of the items they sell are sourced locally. The other half are from neighboring islands in Micronesia, Marianas, and the Pacific.

Numa'lo prioritizes local first before sourcing from the mainland. They are very particular about the suppliers they collaborate with and the types of products they offer. All of the companies they work with must agree to work within the guidelines of their closed-loop system. This means that the eco-friendly products are distributed either without containers or for off-island vendors; the containers or shipping material can be thoroughly sanitized and returned to the supplier to be used over and over again. This circular model can make sourcing products logistically tricky, but it is essential for the integrity of both the environment and the zero-waste business model.

Numa'lo's founders practice Extended Producer Responsibility (EPR), a system that includes being responsible for not just the product they sell but also for the waste the product creates. They strive to be a zero-waste company by producing as little to no waste as possible and any packaging the customers receive with their products is either biodegradable or compostable.

“Numa'lo's founders practice Extended Producer Responsibility (EPR), a system that includes being responsible for not just the product they sell but also for the waste the product creates.”

Numa'lo intentionally does not make any of the products they sell. They choose to bring power back into the economy by supporting other small businesses with sustainable initiatives. As much as possible, they try to purchase items locally but will source products from other places if economically and environmentally necessary. The objective is to make zero-waste, clean ingredient products accessible to their customers.

SERVICES

Numa'lo pops-up weekly in the Northern, Central, and Southern villages of Guam. Location and time details are posted on its website, or customers can follow them on social media for updates. Guam-based home deliveries, which can be ordered in advance from the website, are filled every Monday from 10:00 am to 2:00 pm (ChST). *Numa'lo* hosts monthly DIY workshops, where customers can learn to make zero-waste household and body products while being inspired to live more sustainably. *Numa'lo* may also be spotted at special local events. They recently participated in the Ina Wellness Collective Summer Retreat and the University of Guam's Professional Master of Business Administration (PMBA) Annual Alumni Mixer.

MARKETING AND COMMUNICATIONS

Before the official launch of *Numa'lo*, the business had already begun creating a buzz in the media. Micronesia Climate Alliance was sharing them on the news, they were being widely shared on social media, and they also garnered attention from the pop-up shops and DIY workshops they offered to the community to generate income while waiting for financing to come through. Since then, they have been featured by major local media companies, including Pacific Daily News, KUAM, The Guam Daily Post, Pacific News Center, and Newstalk K57. *Numa'lo* also gets the word out via social media platforms like Instagram, Facebook, and TikTok. Using social media allows for a broad reach to promote its products and deliver its mission to educate and inspire people to live more sustainably. In addition, *Numa'lo* engages with customers in-person at home deliveries, pop-ups, and special events. In-person communication allows for meaningful interactions and connections with customers on a deeper level. Lastly, *Numa'lo* builds networks and lasting relationships with suppliers, collaborators, and non-profit organizations. Flores-Cantrell currently sits as a board member of Micronesia Climate

Change Alliance and is a committee member of the Our Power Loan Fund through Climate Justice Alliance.

CHALLENGES

One of the challenges faced by *Numa'lo* is sourcing sustainable, clean, and economical products. *Numa'lo* does its best to source products locally but if they do not align with the business model or are too expensive, they will reach out to sister islands beginning with Saipan and the rest of the Marianas. If they are unable to find products in the Marianas, they will source products from Hawaii and other "Pacifica" islands. Currently, *Numa'lo* has vendors located in Guam, Saipan, the Marshall Islands, and Hawaii. Although sourcing locally is a challenge, it could also benefit since it minimizes *Numa'lo's* reliance on materials produced outside of the Pacific and keeps money circulating in the region.

Operating a mobile business has its ups and downs. The upside is lower startup costs and the flexibility to be where customers are. The downside is not having a set location or hours of operation. For customers to know when and where *Numa'lo* will be, it takes a little more effort and planning on their end than it would for a traditional brick-and-mortar establishment. Cantrell-Flores sometimes wonders if flexible hours are a barrier to potential business.

Another challenge is being the first mover to offer a new service and product in an emerging green market. When Flores-Cantrell was starting up, she did not have anyone to mentor her about operating a zero-waste refillery out of a van because no one else had done it in Guam. Although being a first-mover has its advantages, such as establishing strong brand recognition and gaining a competitive advantage, it takes a lot of work to get consumer buy-in. Guam is moving towards more sustainable actions and has

made significant developments towards reducing consumption and waste, but there is still a lot of work to be done. *Numa'lo* strives to leave a legacy to be good ancestors which means doing its part to live sustainably and educate and inspire others to join the mission to preserve the planet for future generations.

Finding financing was another bump in the road for *Numa'lo*. According to Cantrell-Flores, she was ready to launch *Numa'lo* in July 2021 but had to wait due to a hold-up with financing. Financing was secured in January of 2022, and *Numa'lo* was able to secure a non-extractive loan. Non-extractive financing is finance that, by its terms, makes the cost of capital usually equal to or less than 50% of investments made by the company.

The last and biggest challenge *Numa'lo* faces day-to-day is Guam's unpredictable tropical weather. Since *Numa'lo* operates out of a van, they are always set up outside. Workdays can range from a spectrum of the sun's extreme heat to a torrential tropical downpour. If it rains, they already know that they will not get a lot of business. They had a popup canopy at one point, but it was a lot of work to set it up and keep it stable, and they did not have the excess space in the van to store it.

"Flores-Cantrell sees Numa'lo growing into a brick-and-mortar operation. She envisions a shop she can consider home to expand its product line from household goods and body products to offer more local products and start offering non-packaged foods."

FUTURE STATE

The future is full of opportunities for *Numa'lo*. Although they have only been in business for a couple of months, they are actively working towards achieving their following goals. Flores-Cantrell sees *Numa'lo* growing into a brick-and-mortar operation. She envisions a shop to expand the product line from household goods and body products to offer more locally produced merchandise and begin selling non-packaged foods. Some examples of the goods they anticipate will be available to refill at the store would be anything from oils, beans, pasta, and spices to zero-waste lifestyle and hygiene products. Another goal is to start a cooperative model organization that is worker-owned and operated, to empower the individuals who work in the operation and give people an opportunity to be business owners. *Numa'lo* is also working on getting certified to provide zero-waste consulting for event planning and other businesses. *Numa'lo* plans to offer "zero waste" certification for companies that meet the criteria.

This case study was written by Cynthia Cruz and John Duenas, members of the University of Guam Professional Master of Business Administration program, Cohort XVII.



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PUNTAN DOS AMANTES: A PUBLIC-PRIVATE PARTNERSHIP

How government and private sector vision and collaboration created a popular attraction.

With an iconic silhouette framing the northern end of Guam, Puntan Dos Amantes or more commonly known as Two Lovers Point, is the island’s most famous site, attracting thousands of residents and international visitors who are drawn in by the allure of a romantic legend and the promise of a picturesque view. Boasting two-tiered viewing platforms positioned over 300 feet above ocean waves, the popular attraction features a gift shop and an outdoor restaurant terrace among its featured amenities.

Once just a craggy cliff line on under-developed land, Puntan Dos Amantes was transformed into a modern-day, world-class attraction through a strategic public-private partnership between the Government of Guam and Calvo’s Enterprises.

Puntan Dos Amantes is now Guam’s most famous visitor attraction. Based on consumer exit survey reports by the Guam Visitors Bureau, Two Lovers Point remains one of the most visited local attractions across all tourism source markets. The success of this public-private partnership has been referenced as a good model for infrastructure and product development.

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THE LEGEND

Being the island’s most iconic landmark, *Puntan Dos Amantes* and the legend that had transpired there is deeply rooted in Guam’s people and culture. Throughout the years, there have been many versions of the story. French researcher Louis Claude de Freycinet first recorded the most common version in 1819; the story tells of two Chamorus whose love for one another

was negatively perceived by others due to their different status in society. So, rather than conforming to social norms, the young lovers scaled the 300-foot cliff overlooking the Pacific, tied their hair together, and leaped off into eternity. The legend of *Puntan Dos Amantes* is retold in schools and dinner tables all over the island and continues to be a piece of Guam culture the island enjoys sharing with the world. Culturally significant sites such as *Puntan Dos Amantes* can be found all over the world with societies having an inherent interest in their preservation. This case will focus on the partnership between Guam’s public and private sector in the growth, preservation and sustainability of the two lovers’ sites and the benefits of public-private partnerships in developing the necessary infrastructure for sustainable tourism on the island.

BENEFITS OF PUBLIC-PRIVATE PARTNERSHIP (PPP)

If managed properly, collaborations between the public and private sectors can yield lasting benefits for all stakeholders involved and the community in general. Combining the resources and skills needed to embark on future developments will ensure the community has the necessary infrastructures to protect and enhance opportunities for the future. Benefits of public-private partnerships include, but are not limited to:

Access to Capital: Local governments often find themselves short of capital to facilitate the development and improvements of infrastructure. PPPs offer an opportunity to reduce the funding gaps needed for necessary projects. Furthermore,

this reduces the potential for future public debt and frees up public funds for other services.

Rise of Innovations: Merging resources and skills can fill the knowledge gaps from both parties, promoting innovation for current and future projects.

Shortening Project Delivery: Having access to private sources of capital and resources can accelerate projects that may often be delayed or uncompleted.

Transfer of Risk: The government can choose to transfer any inherent risk associated with a project to include financing, construction, and operation and maintenance.

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“Though Puntan Dos Amantes was already a popular site amongst Guam’s growing tourism industry, it was not well-maintained nor safe for visitors, with criminal activity often taking place due to the location’s remoteness.”

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GOVERNMENT OF GUAM AND CALVO’S ENTERPRISES: A PUBLIC-PRIVATE PARTNERSHIP

In the first Gutierrez-Bordallo administration between 1995-1999, former Governor Carl T.C Gutierrez along with the Guam Visitors Bureau recognized the importance of highlighting Guam’s unique culture in destination development and sought to establish a signature park for Guam. The two lovers’ site was identified for this endeavor as it was not only a United States national registered natural landmark but had a culturally significant legend that had resonated in overseas markets with a sister city two lovers’ site in Izu City, Japan.

Though *Puntan Dos Amantes* was already a popular site amongst Guam’s growing tourism industry, it was not well-maintained nor safe for visitors, with criminal activity often taking place due to the location’s remoteness. The Gutierrez-Bordallo administration recognized that significant development would be needed to provide the infrastructure and amenities to transform the park into a premier attraction for Guam. Realizing the benefits of private-sector investments and innovation, the administration reached out to Calvo’s Enterprises, a locally owned diversified business that owned property adjacent to the site. The government and Calvo’s Enterprises entered into a public-private partnership to mutually invest in the two lovers’ attraction. A multi-agency board consisting of Government of Guam agencies and the private sector was commissioned to facilitate and lead the development. As a result of this public-private partnership, *Puntan Dos Amantes* developed into Guam’s most visited attraction.

PUNTAN DOS AMANTES: THE ATTRACTION

Puntan Dos Amantes currently has several attractions that captivate both residents and tourists, who are inspired and enchanted by the island’s remarkable beauty. The landmark is considered Guam’s most well-known attraction, with hundreds of thousands of visitors frequenting the site before the Covid-19 pandemic. In addition to *Puntan Dos Amantes’* key attractions, the site reinforces Guam’s brand image as a romantic destination. Many visitors have the opportunity to choose Guam as their wedding and honeymoon destination with the iconic silhouette of the two lovers’ site visible from the scenic tourism district of Tumon bay and its beachside wedding chapels located on the west-central side of the island. *Puntan Dos Amantes* provides tourism stakeholders with a fresh perspective on the world in order to meet the ever-increasing need for deeper and more meaningful travel experiences.

The Lookout Point

Puntan Dos Amantes boasts a two-tiered cantilevered platform positioned over 300 feet above the coral below at the northern extremity of Tumon Bay. Its distinctive view encompasses the south’s rugged volcanic terrain, the north’s level limestone plateau, and breathtaking ocean blues that define Guam. The narrative of *Puntan Dos Amantes* is immortalized on four specially constructed stone walls, where visitors can read the complete legend in multiple languages and enjoy the cultural significance of Guam.

The Terraza

The Terraza is an open-air outdoor restaurant terrace offering scenic ocean views and providing a comfortable venue for site-goers to relax and enjoy local refreshments. The space can be utilized for private events and functions.

The Love Bell

Love is a universal emotional experience in all the world’s cultures, regardless of nationality, race, or religion. In 1989, Takashi Aoki, the mayor of Japan’s Toi city, reached out to then Guam

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“As a result of a constant search for deeper and more meaningful travel experiences, a visit to Puntan Dos Amantes allows one to view the world in new ways and form meaningful relationships.”
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Governor Joseph Ada to sign a sister agreement, commemorating Japan’s love and friendship with the CHamorus. The people of Japan’s Izu Prefecture presented and erected a bell at *Puntan Dos Amantes* in a ceremony that symbolizes love to visitors of the site. In 2003, a second sister

agreement was formed between then Guam Governor Felix Camacho and Kashiwazaki Mayor Shingo Tsuchida from Niigata Prefecture of Japan.

Gift Shop

The *Puntan Dos Amantes* gift shop offers a variety of handcrafted items and souvenirs. These are mementos of one’s vacation to Guam, the breathtaking sights, and the hope of returning to Guam to relive *Puntan Dos Amantes’* legend.

Heart Lock Wall

Thousands of visitors have the opportunity to place heart locks on specially constructed fences as a reminder for all to see that they heard the legend, felt the passion, and have seen the legendary beauty. *Puntan Dos Amantes* commemorates the passion and love that it develops amongst people and cultures around the world with each heart lock.

Natural Cavern

A vast cavern formed at the base of *Puntan Dos Amantes*, a drop of more than twenty stories, as water seeps through the raised limestone plateau. Visitors may listen for the water drops as they cascade down the massive landmark, thanks to a specially designed bridge that spans the cavern.

911 Memorial

The legend of *Puntan Dos Amantes* is part of the CHamoru people’s long journey to peace. It is appropriate that a monument was erected by the Northern Rotary Club of Guam as a memorial to those who perished in the September 11th terrorist attacks. It represents a commitment to peace.

THE SIGNIFICANCE OF THE PUNTAN DOS AMANTES PUBLIC-PRIVATE PARTNERSHIP

The success of this public-private partnership has been referenced as a good model for infrastructure and product development for Guam. The partnership was a creative way to develop the site by combining government support and private sector buy-in. Furthermore, the public-private partnership demonstrated significant benefits in the following ways:

Capital investment in infrastructure improvements

Infrastructure improvements to the site would not have been possible without significant private sector capital investment.

Private Management has ensured a safe and maintained site

Private management of the park has provided the resources and commitment needed to ensure that the attraction is consistently well-maintained and safe for all visitors. The absorption of the maintenance costs to include utilities, security, and groundskeeping by the private sector has alleviated the government from having to manage and expend public funds for the park.

Sustainable income stream

Commercializing portions of *Puntan Dos Amantes* has created a sustainable income stream that provides revenue that can be reinvested into the park. This provides an opportunity for the attraction to be self-sustaining as opposed to dependency on government funds.

Private sector innovation

The private sector's involvement has also allowed the park to constantly evolve and grow with the ever-changing tourism market trends. *Puntan Dos Amantes* continues to invest in providing new visitor experiences.

Elevated brand reputation

In addition to promotions of the site by the government, the private sector has also invested in marketing this product. The vested interest

of the private sector to ensure the attraction's success has elevated *Puntan Dos Amantes'* brand reputation and in doing so has boosted the attraction's promotions in overseas markets.

Sub-sector support

The success of this attraction has supported other industry sub-sectors. For example, transportation systems such as the trolley shuttles, bussing companies, tour operators, taxi services, and rental cars have benefited from the demand of visitors to frequent this site. Wedding companies have also benefited from the attraction's romantic allure with most of Tumon's beachside chapels offering a view of *Puntan Dos Amantes'* iconic silhouette.

Repeat visitor market

The nostalgic significance of *Puntan Dos Amantes* has positively impacted Guam's repeat visitor market. Many repeat visitors to the island are drawn back to *Puntan Dos Amantes* for the special memories created there.

PUBLIC-PRIVATE PARTNERSHIP: SUSTAINABLE TOURISM

Pre-pandemic, over one billion tourists have traveled the world annually, creating opportunities, supporting industries, and boosting economies. Global tourism accounted for approximately 3.5 trillion dollars or 4% of the world GDP in 2019. Over the past forty years, Guam's tourism industry has supported the

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“The nostalgic significance of Puntan Dos Amantes has positively impacted Guam's repeat visitor market. Many repeat visitors to the island are drawn back to Puntan Dos Amantes for the special memories created there.”

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way of life for many island residents, ultimately becoming one of the main pillars of its economy. In addition, for many small island economies, tourism is essential for growth and prosperity. Understanding the importance of the tourism industry for many of these economies, there has been a push for more sustainable tourism. The United Nations World Tourism Organization (UNWTO) defines sustainable tourism as “tourism that meets the needs of present tourists and host regions while protecting and enhancing opportunity for the future.”

Partnerships between members of the private sector have often been established to improve services and grow sectors. However, the continuing development of tourism and the search for a more sustainable model would undoubtedly require the government’s involvement. Governments are tasked to oversee the management and control of public resources and passing policy, regional economic developments, and social and environmental protections. The opportunity for members of the public and private sectors to collaborate through a Public-Private Partnership (PPP) brings together stakeholders with the necessary skills and resources to develop appropriate infrastructures, create market efficiencies, and improve the attractiveness of the island as a regional destination. In addition, PPPs often enhance a tourism destination’s competitiveness by developing niche markets and creating support for these subsectors to thrive.

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This article was written by Nakisha Garrido, Clarissa Padua, and Thomas San Agustin, members of the University of Guam Professional Master of Business Administration program, Cohort XVII.

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INFUSION COFFEE & TEA: BUILDING A BUZZ

How to Create a Scalable Locally Owned and Operated Business in a Limited Island Economy

When Archway Inc., a Guam-based wholesale distribution company, encountered challenges in introducing products and equipment to a new and limited customer base on a small island in the Pacific, its most important consideration was how to share the products and increase awareness. Mika Caldwell and Richard Chan, Guam residents who co-own Archway Inc., had a solution: a drive-thru to showcase how to use the products. From there, Espresso came into fruition in a small one person drive-thru. A year later, Espresso was renamed Infusion Coffee & Tea and opened its second location in Upper Tumon, a central area of Guam. Since then, the one-person sized drive-thru and cafe shop scaled to thirteen cafes, ranging from full restaurants to kiosks. What started as an issue of having limited businesses to sell to on an island with fewer than 153,836 residents, one would not assume a company specializing in coffee and tea would not scale to more than five stores. However, that is not the case for Archway Inc. and Infusion Coffee & Tea – it was able to scale by taking risks, adapting, and mobilizing leaders.

BACKGROUND

One of Guam's fast-growing and most well-established companies, Infusion Coffee & Tea, originates from Archway Incorporated, a wholesale distribution company established in 1996. This distributor services companies around the island of Guam, with its products featured in its cafes, Infusion Coffee & Tea. Local business owners Caldwell and Chan are the epitome of successful business leaders. They thrived while taking pressure from business challenges and created diamonds with its successful coffee and

tea business under the umbrella of Archway Inc. Caldwell discussed how, unlike in the United States, where potential resellers are plentiful, Guam's wholesalers face a limited number of businesses they can sell to. Only a few resellers were seen as its most significant customers within the small group of resellers. The owners also explained how Archway Inc. brought new products such as syrups and Frappuccino powders but struggled to retail them as many businesses were cautious of featuring new items on their menus. Consequently, Archway Inc. was left with excess product, causing problems for its inventory turnover, profitability, and other financials.

SOLUTION-DRIVEN GROWTH

With this challenge in mind, Caldwell and Chan developed the idea of opening a small café. Caldwell stated that this café would act as a showroom for Archway to show businesses how to utilize the various products and equipment while eliminating dead inventory by making it up through retailing. This café would be known as Espresso, located in what is now their Harmon drive-thru location in the northern area of Guam. Caldwell described this first location as tiny, only fitting one individual inside. Archway faced the opportunity of opening a second location in the central village of Tumon, with this location being much more prominent than its Harmon storefront. Caldwell and her partners deliberated about this significant decision, with the costs associated at the forefront of their worries. Ultimately, Archway Inc. went forward with the new location, and it came to a name change; thus, Infusion Coffee and Tea was born. Its Harmon and Tumon locations featured Infusion's exact name change

and branding. Caldwell explained how with its limited amount of capital, it was invested towards establishing the Infusion brand and logo on all its inventory – cups, napkins, etc. Archway was forced to order all its products in bulk with this branding. Caldwell said it worked with opening its second location as a way to get through all its inventory as quickly as possible. She believes this is the cause for Infusion growing so quickly – the opening of multiple locations in a short time frame. Infusion cafe locations were able to share the business’s expenses, such as rent, administration, and utilities.

“It was able to scale by taking risks, adapting, and mobilizing leaders. With these factors, the team must consider what to start, keep, or remove in order to continue its success for the future.”

FACTORS TO SCALING

Sometimes the best way to start the day is with a fresh brew of your favorite coffee, tea, or smoothie made conveniently behind the counter, which can be easily picked up on the way to work or school. In the case of Guam, consumers have a variety of locations to be served their favorite beverages throughout the day. While many businesses offer the same products and services in perhaps in two or three locations, Infusion can service its customers at thirteen locations throughout the island, from the northern area at the Andersen Air Force Base to the south of the island in the village of Sumay, Agat. An outside observer has to wonder, “How does a company have that ability to serve coffee in 13 locations successfully?” In an interview with Caldwell, the key takeaway was that the company is open to experimenting with new

things and is willing to take risks and learn from its failures. This approach led to crucial factors that spurred their scalability in a small island economy: risk-taking, adaptability, and mobilizing leaders.

Taking Risks

Since the inception of Infusion, there have been several scenarios in which owners had to take a significant risk when opening their drive-thru to open its first dine-in cafe within the same year in 2009. “We were a little nervous because this would be an actual sit-down location. My partner and I asked ourselves if we were ready to gamble on this because it involved huge amounts of money. However, we decided to do it,” shared Caldwell. With a small budget, owners also decided to change the name from Espresso to Infusion Coffee & Tea and started putting their first sit-down cafe together but encountered a challenge of ordering large amounts of inventory for cafe essentials such as cups and napkins. Caldwell noted that their cups alone required 50 cases of one size, and Infusion would offer three sizes of drinks. “So, it was another gamble we took, and because we had to order so much, we almost had to open up a second location to get through all that inventory as quickly as possible. Moreover, that is why we grew so fast.” In order to manage expenses, owners decided to continue to scale and opened their third location in the central village of Tamuning in 2011.

Caldwell shared that another risk they had to take on was excess inventory. She said, “I notice that many companies when they start, they do not want to give away products because there is not much money to begin with, and you do not want to fill up pastry cases because they might not sell. Luckily, my partner had the insight to say no and make sure cases look full.” Infusion partners were able to maintain “full shelves” and avoid food waste by donating unsold items; it also meant

losing money, but owners found it to be worth the risk. Excess inventory, such as food items, gave customers a chance to try the products and led to donations to organizations such as United Service Organizations, Inc. As military families that frequent the organization shared its appreciation, it also created brand exposure. In turn, Infusion's business ecosystem started to reduce food waste while creating partnerships and customer loyalty that continue to this day.

Another risk taken during its early years of business was its "free WiFi" service to customers. The owners were advised to limit customers' time on the free service as it was an expense to the business. Caldwell shared, "People have always tried to tell us, students are occupying your WiFi and your table for hours. However, our mindset is that students are the people who have kept us in business, you know, college, high school students, even middle school students. We cannot turn around and take back service for being a good patron."

"While many businesses offer the same products and services in perhaps in two or three locations, Infusion can service its customers at thirteen locations throughout the island, from the northern area at the Andersen Air Force Base to the south of the island in the village of Sumay, Agat."

Adaptability

While there is no secret recipe behind the necessary traits and abilities to help a company become more adaptable, for Infusion, taking action and being proactively innovative

have helped the company navigate through challenging times and have continued to play critical factors in facing the future. Its continued development in its product has led the company to thrive even in uncertain times. The practices of taking action and scaling started early on for the business with its early beginnings as a wholesale company that needed to get rid of dead inventory through Espresso drive-thru. It expanded to include additional locations to efficiently manage inventory orders to maintain a profitable business. Businesses owners understood that it needed to adapt according to consumers' purchase patterns and trends, indicating menu items that needed to be removed and acting accordingly—they also took the risk by introducing new items to test the consumer's demands.

Quality Products

Other areas, such as product, had the owners contemplate the best possible approach, such as "keeping the shelves full." As the business continued, owners saw the need to adapt to customers' needs to keep things interesting while pushing inventory to keep moving. Infusion referenced its sales reports and kept big sellers like blueberry and banana muffins. "For product pricing, we always try to stay affordable. We always want to give a good quality product at a good value and try to find the best ingredients. Some companies look for the cheapest ingredients, but then you sacrifice quality. Customers will keep coming back when you offer a good quality product, and they are willing to pay for it," shared Caldwell.

Technology

Infusion combined technology to create innovation further and scale the business with its product strategy. Technology increased efficiency, from starting with punch cards to utilizing a point of sale system that streamlined the loyalty program. More recently, an update to the system

was made in November 2021 and helped bring the loyalty program to another level by integrating customer information to assist with customer relationships, such as saving their birthdays and email addresses. The new technology was quite taxing for the staff. However, investments were made in working with an information technology company to help manage the system and ensure a quick response time to address the overall process. Ultimately, the technology was a positive investment as it enhanced the customer experience.

Sustainability

Sustainability also played a role in the business scaling. Infusion recognized that it needed to manage the increasing consumption of products as a fast-moving business. More and more customers went through the store and the owners realized how they were adding trash to the landfill. As a result, the introduction to “bring your own cups” came into play and the business also encouraged customers not to use straws. The business found it challenging to maintain consistency with the measuring of drink mixes for different-sized customer cups. However, with the positive consumer response and encouragement to practice sustainability, it became a permanent practice for the stores.

LEADERS AT THE FRONTLINE

Infusion takes a unique approach to leveraging leadership. Infusion operates with 175 employees strategically placed into different wholesale, central kitchen, contracting, and upper management departments. These individual departments provide the structure and balance of the company but must be managed efficiently to be successful. Upper management consists of the company’s leaders and they frequently analyze areas where the company can improve. The leaders consider improvements by using proper data collection techniques and analyzing

sales reports or other documents. The leaders also provide opportunities for employees to move up the company ladder. Caldwell mentioned that baristas are often encouraged to be promoted to kitchen supervisor or café supervisor. This opportunity allows the employee to cover a supervisory position in their career, but the company will most importantly maintain workplace culture. Caldwell stated that having an employee promoted instead of hiring a new supervisor will maintain workplace culture and reduce time spent on training.

Archway/Infusion’s leadership tactics showed their true colors when COVID-19 struck Guam. The pandemic affected the sales of this company and its structure of employees. Caldwell noted that they had to furlough 70% of its employees when the pandemic happened. This furlough resulted in many challenges, such as being short-staffed when it came to the kitchen and wholesale operations. During this period of being short-staffed, Caldwell and the rest of the upper management had to cross-train within the operations of the kitchen and wholesale. The leaders of this company were operating on the frontline, where they began making drinks for customers and organizing the distribution

“Through this experience, having business leaders at the frontline became an effective way of collecting data in real-time and gaining in-person feedback and analysis.”

of products to be sent out. Caldwell mentioned that leaders must work odd jobs in the most demanding situations so that the business will stay afloat. Through this experience, having business

leaders at the frontline became an effective way of collecting data in real-time and gaining in-person feedback and analysis. It is a practice that is unexpected yet effective to maintain for the future as it provides efficiency in the amount of time spent on operations research. Caldwell graciously offered a last piece of advice, “We are all still going through changes, so focus on where you are going and do not find someone to blame if things go wrong, because it may be at the top management level.”

WHAT’S BREWING NEXT?

Infusion encountered various challenges throughout the pandemic and managed to turn these “lemons into lemonade.” In 2020, Infusion opened its twelfth location at Guam National Guard Readiness Center, situated in the central village of Barrigada. As of February 2022, they opened its thirteenth location at the Marine Corps Base (MCB) Camp Blaz, U.S. Marine Corps facility, located in the village of Dededo in northwest Guam, all while maintaining its gross profits. This led to the question, “Are there any concerns with scaling too quickly?” Caldwell mentioned that they are concerned about scaling too quickly. Caldwell wants to maintain customer service with thirteen locations that entail a consistent product. She further explained that it gets harder to stay on top of customer service and consistency as the company grows. Leading to Caldwell’s emphasis on further building their team, “a stronger management team equates to a stronger company.” Caldwell focuses on developing a young workforce using a coaching approach. With young managers eager to learn, Infusion promotes from within and further develops them as leaders to manage personnel. Infusion is also brewing another new business venture with its recent expansion into the wholesale business of “Infusion ready-to-eat products” to be made available with outside companies. The possibilities are endless, and Infusion will continue to give its best shot.

WHAT FINAL LESSONS DOES INFUSION BRING?

Infusion’s success shares a story of how a locally owned business on a small island can make significant impacts on its community by leveraging key factors such as the courage to take risks, adapting when needed, and making swift decisions. Through Infusion’s leadership, they show accountability and hard work in all aspects of their business, leading to their expansion throughout the island. It can also be noted that their presence at the frontline mitigates the communication gaps between customers and business decision-makers. Also, as they promote employees, placing trust and accountability into their team may be another factor in scaling so quickly. As their internal team grows, so does the loyalty, and in turn, sets a strong foundation for their business and can be the most significant factor to their success.

This article was written by Leann Abonales and Joshua Miller, members of the University of Guam Professional Master of Business Administration program, Cohort XVII.



CORESEED: OPPORTUNITIES IN AQUACULTURE

The University of Guam (UOG) is a U.S. land-grant institution whose objective is to teach, to conduct research, and to provide service to communities. As part of a public-private partnership with the University of Guam, CoreSeed Aquaculture (Guam) Corporation has produced locally and sustainably raised shrimp and tilapia at the Guam Aquaculture Training and Development Center, also known as the Fadian Hatchery. The shrimp and tilapia are readily available for residents and businesses to purchase directly through CoreSeed or the Guam Fisherman's Co-operative Association. Developed by UOG researchers, CoreSeed's shrimp are "specific-pathogen-free" and are in high demand in Southeast Asia. The pathogen-free shrimp provide a unique opportunity in becoming Guam's first real export. With Guam's constant shortages and delays in shipments of food items, the facility's growth could also provide a source for food security for the island. This case study will evaluate the value of CoreSeed's products on local businesses and Guam's economy.

HISTORY

Hidden in the heart of Guam's village of Mangilao by the coastline of the Pacific Ocean lies the oldest and largest aquaculture center in the Western Pacific. The bio-secure facility is home to locally and sustainably raised shrimp and tilapia produced by CoreSeed Aquaculture (Guam) Corporation at the Guam Aquaculture Training and Development Center (GATDC). As the leading agency for aquaculture development on the island, CoreSeed and the Guam Aquaculture Training and Development Center strive to support the growth of the aquaculture industry through research, education, direct farmer support and service.

Originally built in the 1980s, the Guam Aquaculture Training and Development Center, also known as the Fadian Hatchery, was a private facility designed to produce fish and eel fry for the Southeast Asian market. The hatchery was transferred to the Government of Guam in 1986, then passed on to the University of Guam in 2001 to serve as a research facility and to support aquaculture development and operations. However, without proper maintenance, many of the buildings were deemed unfit and dangerous as a workplace. Faced with limited options, it was vital for the University of Guam to seek private investments to renovate the facility or close completely.

Public-Private Partnership

In 2017, the University of Guam initiated plans to enter a long-term public-private partnership to revitalize and expand the Guam Aquaculture Training and Development Center. An estimated \$2 million would be needed to renovate and adequately support the facility's growth. In October 2017, the University of Guam Board of Regents authorized the university to enter a lease partnership for a period of up to 30 years.

In 2020, the University of Guam officially announced its public-private partnership with CoreSeed Aquaculture (Guam) Corporation. CoreSeed has invested over \$600,000 in the Guam Aquaculture Training and Development Center during fiscal years 2020 and 2021. The five-acre facility located in the eastern coast of the island is complete with 14 concrete ponds and numerous fiberglass tanks and continues to be a research operation for the University of Guam. Dr. Donghuo Jiang supervises operations at the

facility as managing director at CoreSeed. With a doctorate in fisheries science from Texas A&M University, Jiang brings extensive experience in the field of aquaculture.

PRODUCT OFFERINGS

CoreSeed hosts unique product offerings. Product offerings in a business are vital to the revenue generation of its operations. CoreSeed's product offerings meet a considerable demand in the market, especially on the island of Guam. Guam is a melting pot of cultures, with island residents utilizing various ingredients and produce within its cuisines. However, a commonality amongst all

“As the leading agency for aquaculture development on the island, CoreSeed and the Guam Aquaculture Training and Development Center strive to support the growth of the aquaculture industry through research, education, direct farmer support and service.”

cuisines found in Guam exists in seafood. Whether from shrimp to fish, at least one form of this type of protein is seen within menus across the island. CoreSeed specializes in farming and retailing seafood. CoreSeed offers three products: shrimp, black tilapia, and red tilapia. CoreSeed features Pacific white marine SPF (specific pathogen-free) shrimp, black tilapia, and salt-tolerant red tilapia. With its shrimp being SPF, unlike those imported frozen, no antibiotics or chemicals are needed or used as the shrimp are disease-free. Tilapia,

mainly considered freshwater fish, has now been bred by CoreSeed to be saltwater tolerant, giving it a distinct flavor and texture different from freshwater tilapia. All its seafood is locally and sustainably raised at the Guam Aquaculture Training and Development Center. CoreSeed's operations contribute to the island of Guam two-fold: contributing to the food security on the island and the local economy. CoreSeed retails its products to local businesses, and those wanting to purchase can find their products sold at the Fisherman's Co-Op. Currently, the price for its shrimp at the Co-Op is \$17.99/pound for shrimp and \$6.99/pound for its tilapia. With CoreSeed's operations and product offerings, it can capitalize on a significant portion of Guam's consumer market.

CURRENT MARKET

CoreSeed's product offerings allow it to reach a broad market as seafood is a popular protein across all cuisines present in Guam. CoreSeed offers three products, each having its specific target market and each market purchasing products several times within a week. CoreSeed's current market for one of its operations includes local farmers for which they provide seed products. For its second operations, CoreSeed appeals to local companies, hotels, and residents for which they provide seafood for consumption, such as the Hyatt Regency Guam, Dusit Thani Guam Resort, and the Fisherman's Co-op. For its last exports operations, CoreSeed's target market is the Southeast Asia Market, for which CoreSeed exports to places including Hong Kong and Vietnam. CoreSeed features SPF shrimp in high demand throughout Southeast Asia, as the shrimp found in that area often test positive for specific pathogens or banned chemical substances. With its markets expanding beyond Guam's borders, CoreSeed hopes to expand its current markets both on and off the island.

OPERATIONS DURING THE COVID-19 PANDEMIC

Organizations alike were impacted due to the COVID-19 pandemic, and CoreSeed was no exception. CoreSeed faced several challenges during the pandemic that impacted its operations in three different aspects. Jiang stated that lack of human resources was their first issue, as recruiting employees had been a struggle during the pandemic. The second issue faced by this business is the local market regarding tourism. Because CoreSeed provides high-end, premium seafood to Guam's popular international hotels, the decline in tourism impacted hotel operations and thus impacted CoreSeed. Due to almost non-existent international tourist arrivals, a decline in consumption impacted CoreSeed's sales to the local markets. Another operation of CoreSeed that was impacted by the pandemic was its exports. Due to COVID-19 and the shortage of flights, CoreSeed's export activities were impacted. CoreSeed found it challenging to find

“CoreSeed’s operations contribute to the island of Guam two-fold: contributing to the food security on the island and the local economy.”

flights to export its products. Connecting flights to its destination proved even more difficult for CoreSeed. Despite these challenges impacting its operations, CoreSeed remains diligent in maintaining its operations and the quality of seafood it is known to have.

BUSINESS OPPORTUNITIES

Impacting Guam's Economy

Guam relies heavily on tourism as its main driver for its economy. With the pandemic, in

conjunction with government mandates, Guam's economy was heavily impacted as the decline in tourism caused a snowball effect on various businesses on the island. With this comes the need to find alternative drivers for Guam's economy to avoid such a drastic impact in the future. CoreSeed can step into that role and act as another driver for Guam's economy. CoreSeed aims to contribute to food security on the island, but it also reaches various markets both on and off the island. With tourism being Guam's leading industry, CoreSeed plays an important role in supporting Guam's economy. Jiang emphasized the idea that tourists visit Guam for its island experience. CoreSeed contributes to this by enabling tourists to experience local, high-quality seafood. While CoreSeed can boost tourism to drive Guam's economy, it can provide Guam with an export. With the current trend of healthier food options increasing, CoreSeed's specific pathogen-free shrimp fits into that market and demand. While it currently supplies shrimp to the Southeast Asia markets, CoreSeed hopes to expand these exports into markets in Thailand and Indonesia.

The Experience Economy

The Guam Visitors Bureau's Japan In-Market Insight Report for May 2021 found that when considering a destination to visit, respondents rated the phrase "I would like to try a new food and local cuisine" a 3.26 out of a 4-point scale. This shows that visitors are interested in local food and intend to try a dish during their stay. CoreSeed can contribute to Guam's experience economy through the immersion of local dishes such as *kelaguen uhang*, a popular local dish prepared with smashed, unshelled shrimp combined with lemon juice, grated coconut, hot pepper, and a dash of salt. With the experience economy, commodities are turned into experiences which then provide added economic value. Hotels and restaurants in Guam can create truly locally sourced dishes by incorporating CoreSeed's products for visitors to

experience. The Café Kitchen at the Hyatt Regency Guam has achieved this through their Grilled Prawn Salad, which highlights CoreSeed's locally farmed shrimp. Because the specific pathogen free shrimp is in high demand in Southeast Asia, there are opportunities to give visitors a chance to experience this product through popular established Guam events such as the BBQ Block Party, *Maila Ta Fan Boka*, and village festivals as well.

Food Security

Guam is heavily reliant on imported goods. Based on the November 2019 Bureau of Statistics and Plans Import Report, 27.77% of Guam's import commodities is made up of food and non-alcoholic beverages. The COVID-19 pandemic has disrupted supply chains around the world, and Guam is no exception. Shortages in fresh produce can lead to consumers settling for less nutritional alternatives. Though imports provide a sufficient source for food availability, many of the products lack adequate nutritional value. Poor diet is one of the risk factors associated with non-communicable diseases including heart disease and diabetes, which are two of the leading causes of death on the island. The Food and Agriculture Organization of the United Nations defines food security as a situation that exists when all people, at all times, have physical, social, and economic access to sufficient, safe and nutritious food that meets their dietary needs and food preferences for an active and healthy lifestyle. CoreSeed can contribute to not only food security, but healthier product options for Guam residents as well.

Guam imports about \$10 million worth for seafood products a year, many of which are frozen and treated with chemicals. As an alternative, CoreSeed provides the community access to locally and sustainably raised shrimp and tilapia. The availability of fresh, preservative free seafood can also provide health benefits for residents looking to substitute sources for protein. Although

the amount of cholesterol is high in shrimp, it is low in carbs and calories. Shrimp is packed with vitamins and minerals including calcium, potassium, iron, and more. Tilapia has a myriad of health benefits as well. Tilapia is a good source of omega-3 fatty acids, which benefits heart health by lowering cholesterol and blood pressure, reducing blood clotting, and lowering blood pressure. Tilapia is also a great source for selenium, a mineral that plays a role in preventing cancer and heart disease.

CoreSeed can take it a step further with food security by integrating an aquaponics system to produce crops. Aquaponics mimics a natural ecosystem, where the water with nutrients from waste produced by fish is used to fertilize crops such as lettuce, tomatoes, peppers, and more. However, due to the circular nature of the aquaponics system, the water used to fertilize the plants would also be used in the ponds for the specific pathogen free shrimp and tilapia. Further research would be needed to implement the system to ensure that the quality of CoreSeed's products remain consistent.

With Guam's constant shortages and delays in shipments as well as the potential health risks associated with imported processed food items, the facility's growth provides a source for food security for the island. Though the products at

“With Guam’s constant shortages and delays in shipments as well as the potential health risks associated with imported processed food items, the facility’s growth provides a source for food security for the island.”

CoreSeed will not erase the challenges with food security in Guam entirely, it is a step in the right direction.

Expansion of Business

CoreSeed services various markets both on and off the island. Each of its products and operations caters to a different market. When discussing expanding markets, Jiang had high hopes of expansion and highlighted the necessity of expanding markets, stating, “Of course, otherwise you would not survive.” While Jiang and CoreSeed desire the expansion of markets, the same cannot be said about another aspect of expansion: exclusive partnerships. Jiang does not support the idea of exclusivity when it comes to the products CoreSeed offers. Believing in a free market and open competition of products is healthy. With the idea of expansion comes the discussion of CoreSeed expanding its current product offerings. Jiang intends to stabilize its current production of offerings first and then expand CoreSeed’s products to include various seafood, including prawns and sea grapes. Stabilizing its current product offerings will ensure Coreseed maintains the quality of its products while working out challenges it currently faces within its operations. Jiang highlighted that farming sea grapes would be beneficial to utilize the water and produce CoreSeed’s commercial products.

CoreSeed is locally and sustainably raising its seafood, featuring specific pathogen-free shrimp. It provides seafood to various businesses and hotels around the island and is presented with the opportunity to use its unique features for branding. Guam has promoted the concept of supporting local businesses and Coreseed’s operations align with this very idea. CoreSeed and businesses featuring its products can feature a branding similar to the designation of organic products. Businesses can feature a seal or brand when carrying CoreSeed’s seafood, such as a “Farmed on Guam” seal. By doing this, CoreSeed

markets itself and its brand, while both the business carrying its products and CoreSeed themselves gain increased revenues from those consumers attracted to the support local concept. Due to its type of operations being local and sustainable farming, CoreSeed can also expand its business practices to receive certification similar to that of a B Corp Certification. B Corp Certification designates that a business excels in performance, legal commitment, and transparency all in relation to its social and environmental impact. CoreSeed sustainably farms and raises its seafood. By appealing for certification, it can further market its brand, creating a more substantial reputation and recognition.

FUTURE OF THE AQUACULTURE INDUSTRY

In 2019, the growing interest and demand in aquaculture prompted Governor of Guam Lou Leon Guerrero to establish the Guam Aquacultural Task Force. The Governor’s vision is for Guam to become a center for aquaculture in the region. The University of Guam Center for Island Sustainability and Sea Grant has also been tapped to assist in a feasibility study to analyze the viability and potential of aquaculture on the island. With continued government support, the future of CoreSeed and the aquaculture industry looks promising.

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This case study was written by Reede Aguon and Bernadette Capindo, members of the University of Guam Professional Master of Business Administration program, Cohort XVII.

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SAGAN KOTURAN CHAMORU
CULTURAL CENTER

OPEN: MON. ~ SAT. 11:00AM ~ 6:00PM

SAGAN KOTTURAN CHAMORU: TRADITIONAL BEGINNINGS

This case is about Sagan Kotturan CHamoru, a CHamoru Cultural Center which showcases the rich history and evolution of the CHamoru people. The CHamoru Cultural Center opened its doors in 2006, with a foundation of volunteers transforming eight houses into a serene open-air CHamoru Cultural Center. The center serves as a co-operative site which hosts CHamoru artisans and cultural practitioners who wish to develop and exhibit their art form and those who wish to share and sharpen their skills in traditional methods of farming, cooking, and healing. Sagan Kotturan CHamoru, despite its convenient location in Tumon, is currently unable to open on a regular basis due to its limited operating hours. It currently features a variety of CHamoru arts and crafts displays and activities that are largely unknown to the island community.

Japanese occupation during World War II, the island today widely celebrates its native CHamoru culture and pride.

The tropical beaches, clear blue ocean, and rich cultural sites attract tourists from countries such as Japan and South Korea. The island serves as a getaway perfect for those traveling for a family vacation, weddings/honeymoons, and marine sports. The island of Guam also offers a wide range of activities from North to South of the island. Activities also include snorkeling in the pristine waters, festivals, fiestas, waterparks, and dinner/magic shows. Guam is considered a family-friendly destination and is popular with repeat visitors. Additionally, Guam is known for its savory cuisines that combine Asian, Spanish, and Pacific influences into island fusion meals.

GUAM: MICRONESIAN ISLAND IN THE PACIFIC

Located in the heart of the Western Pacific, Guam has an area of 212 square miles (549 km²). Guam is the largest and southernmost of the Mariana Islands with a population of 153,836. It currently has over a century-long relationship with the United States of America as an unincorporated territory. Full of history and culture, Guam is filled with historical landmarks that people frequently visit to learn about Guam's rich history and culture. Guam is known to be a strategic military installation placing the island in a strong military and economic position between Asia and the North American Continent. The people of Guam have been under the rule of different colonizers over the past 500 years. Guam's history includes different periods of CHamoru history including the Spanish Era, United States Naval Era, and

ABOUT SAGAN KOTTURAN CHAMORU

Sagan Kotturan CHamoru (SKC) or which translates as "CHamoru Cultural Center" in English is a non-profit organization, established as Inadahen I Lina'la Kotturan CHamoru incorporated in 2006. Located in Guam's central region, SKC is perched high on a cliffside overlooking the scenic tourism district of Tumon Bay and the Pacific Ocean, it is one of the island's unique cultural learning center. Its area spans over nine acres of land, and has nine individual houses providing a serene environment for learning. SKC is a non-profit organization governed by a board of seven members or volunteers from the public and private sector who focus their time on policymaking and grant writing for the center. Through Inadahen I Lina'la Kotturan CHamoru's leadership, artisans and cultural practitioners

are able to exhibit ways and skills of traditional methods for seafaring, farming, healing, chanting, weaving, and contemporary local art.

Since 2006, SKC has been supporting its mission through education, apprenticeship, exhibition, and demonstration of the CHamoru arts and crafts. The center has been successful in maintaining activities over the years with federal grants, contributions, fundraising efforts, and the hard work and dedication of Guam's local community brings the SKC mission into reality. The nine structures at SKC are called "guma" in the CHamoru language which translates to

"Since 2006, SKC has been supporting its mission through education, apprenticeship, exhibition, and demonstration of the CHamoru arts and crafts. The center has been successful in maintaining activities over the years with federal grants, contributions, fundraising efforts, and the hard work and dedication of Guam's local community brings the SKC mission into reality."

"house" in English. Each guma' focuses on a particular art form or traditional activity, and serves as a site for demonstrations, workshops, and educational outreach. Each guma' operates on its own timetable, which enables multiple activities to take place concurrently at the center. The nine guma' are labeled by house, number, and traditional activity.

SAGAN KOTTURAN CHAMORU OBSTACLES

SKC has encountered obstacles in their quest to grow their operations. Among those obstacles is SKC's inability to obtain an appropriate lease agreement. The land SKC is currently located on is under the jurisdiction of the CHamoru Land Trust Commission (CLTC). The CLTC is a government commission under the Department of Land Management, responsible for the disposition of CHamoru Homelands (public lands). Pursuant to its mandates the CLTC advances the social, cultural and economic development and well-being of the CHamoru people by way of residential, agricultural and commercial land distribution and economic assistance programs. Presently, SKC, as a non-profit, is unable to qualify with the CLTC as a tenant under its current mandates. Despite this SKC hopes to resolve legal mandates to move forward with future plans to ultimately secure a lease agreement.

SKC is conveniently located near Guam's tourism district overlooking Tumon bay, sector making the center's venue a highly desirable location. Weekly activities sponsored by SKC showcasing traditional methods and skills of seafaring, farming, healing, chanting, weaving, and local art are unknown to many. SKC lacks funding to advertise and this lack of advertisement creates another obstacle. Outside of the center, the absence of advertisements depicting and identifying what the center has to offer reduces the possibility of reaching potential visitors, especially to non-residents who may not be aware of its existence. The only information visible when approaching the entrance to the site are two signs sharing the centers hours.

MASTER PLAN

SKC's current master plan maintains its mission by preserving, perpetuating, and promoting the CHamoru culture, language, and history through

the education, exhibition, apprenticeship, and demonstration of the various forms of traditional and contemporary CHamoru arts and crafts. SKC intends to continue to educate residents and nonresidents on the diverse arts found throughout the Mariana Islands, including traditional healing, weaving, carving, sailing, and language immersion. The center also looks to incorporate a guided visit through a living historical CHamoru settlement and the opportunity for guests to experience how the CHamoru people lived hundreds of years before the arrival of the Spanish in 1521. The master plan design features an amphitheater that will host a variety of activities, including dinner shows, special events, and workshops. A museum and gift shop will be conveniently located at the center to ensure visitors have an opportunity to purchase souvenirs reminding them of their visit to SKC.

“Weekly activities sponsored by SKC showcasing traditional methods and skills of seafaring, farming, healing, chanting, weaving, and local art are unknown to many.”

SAGAN KOTTURAN CHAMORU MARKETING AND BRANDING

Thanks to its present marketing efforts SKC’s mission in the community continues. Most of the center’s current events are disseminated through free local media coverage, giving SKC some media presence. Currently, SKC uses social media to keep the community up to date on future events and activities. SKC is now present on a variety of social media platforms due to its collaboration with a variety of organizations. SKC’s social media coverage allows the center to be

branded as Guam’s CHamoru cultural center and as a co-operative site hosting local artisans and cultural practitioners.

Notwithstanding the above, SKC’s website may have a negative marketing impact on visitors. Visitors visiting the website may discover outdated material and that certain organizations have ceased operations at the center. This is a result of the center’s personnel shortage. To be successful, the center must consistently communicate with visitors and provide current information through its website and social media platforms to promote and advertise current and upcoming events.

FUTURE OUTLOOK

Despite its current situation, SKC has been putting efforts towards its lease agreement challenge. As a non-profit organization, there may be faltering retention of sponsors and donors and technology shortfalls, yet the organization continues to make progress. SKC aims to have regular meetings to discuss the organization’s future. Additionally, the policymakers of SKC encourage their members to meet and keep up to date about the status of the lease agreement issue. SKC is counting on a resolution to the lease agreement issue in order to continue operations at their current site.

To keep with the online promotions, SKC management addresses the need to update their company website and Facebook page. Additionally, other platforms such as Instagram will also boost the marketing efforts of SKC. The online platforms have played an important role in all organizations and businesses since the pandemic given the restrictions, therefore SKC plans on boosting their online marketing efforts and gaining more followers online as well. SKC sees the significance of promoting their organization in the educational system, therefore they are constructing educational programs for young learners to be exposed to their CHamoru teaching and arts and crafts.

Since SKC depends on donations and volunteers, it is important for management to maintain relationships with their current donors while creating connections with potential sponsors and donors. To accomplish this, SKC proposes monthly programs to educate the public about SKC's goal and the potential impact in Guam. Because of their location on prime real estate, SKC may consider other options that may be available to continue sharing CHamoru culture with the world, ranging from collaboration with other regional cultural centers to a possible private-public partnership. Additionally, the attraction of the location provides great promise as a marketable resource to Guam's business owners, especially in the tourism industry.

This case study was written by Paciano Gumataotao and Midson Tom, members of the University of Guam Professional Master of Business Administration program, Cohort XVII.

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