**Dr Pepper/Snapple Case Study**

BMGT 1327 Chapter 2 Assignment

# Introduction

# In the Heart of Texas, Waco to be exact, Dr Pepper Bottling Company was founded.  Over the years, the company grew and eventually was acquired by Snapple Group.  Today, Dr Pepper and its many brands are owned by Keurig.  Clearly, Dr Pepper is a well-established subsidiary with brands that are easily marketable and desired across the globe.  However, this growth has not occurred without a few challenges along the way.  This case study presents one of these challenges and provides you with the opportunity to apply your knowledge in order to find solutions for the issues defined in the case study.

# Assignment Instructions

# Download the associated case study by clicking the following link: [Dr Pepper Snapple Case Study.pdf](https://brightspace.mclennan.edu/d2l/common/dialogs/quickLink/quickLink.d2l?ou=%7borgUnitId%7d&type=coursefile&fileId=Dr+Pepper+Snapple+Case+Study.pdf).  After reading the case study, use your knowledge, the textbook, and research to answer the questions contained at the bottom of the case study document.  You will respond to the questions in an essay, using the [Essay Template](https://brightspace.mclennan.edu/d2l/common/dialogs/quickLink/quickLink.d2l?ou=%7borgUnitId%7d&type=content&rcode=mcc-424738) as a guide.  Your essay should be written in APA format (the template is formatted appropriately, however, be sure to reference the [Helpful Writing Tools](https://brightspace.mclennan.edu/d2l/common/dialogs/quickLink/quickLink.d2l?ou=%7borgUnitId%7d&type=content&rcode=mcc-391533) document and its link to Purdue's OWL to best understand the formatting requirements).  You will need to include a cover page, essay, and references page with appropriately cited references.  Be sure to include in-text citations as well.  If you need assistance with writing your essay, be sure to check out MCC's Center for Academic Excellence for our Writing Lab or use SmartThinking.

# Your essay should address the following:

# A cover page containing all required information;

# An introductory paragraph that outlines the content of your summary;

# Body content (multiple paragraphs) that discusses the issues identified in the case study and your responses to the two questions contained at the end of the case study;

# A conclusion paragraph that draws your summary to a close in a logical and meaningful way; and,

# A references page that identifies all academic sources used in the writing of your essay (formatted in APA).

# Grading Rubric

Your essay will be graded using a standard rubric.  The rubric can be reviewed using the link in the bottom-right corner of this page.  Be sure to review the rubric to guide your writing.  Plagiarism will not be tolerated.  To evaluate for plagiarism, all submissions will be submitted to TurnItIn.  Your TurnItIn index score should be less than 25.  There will be a penalty for plagiarism.

Your essay is expected to demonstrate critical thinking.  Critical thinking involves:

* Analyzing information by dividing a topic into parts to discover their nature, functions, and relationships
* Seeking information that contains valid, viable, and relevant evidence, facts, or knowledge that may be objective, subjective, historical, or current in nature
* Logical reasoning that draws conclusions that are justified by research or scientific evidence
* Transforming knowledge in a manner that converts the nature or function across contexts

Case Study – Dr Pepper/Snapple

As a manager with lots of experience in negotiations, you’ve experienced a lot of different conflicts. There was that one case where a worker argued that he should be allowed to smoke his (legally prescribed) marijuana at his desk. Another time, someone asked you to mediate between two executives who were having a strategic disagreement—one thought that the company should invest in tulip futures, while the other thought that pork bellies were the future. But even with all of this experience, you haven’t seen a case like the one going on at a Mott’s apple juice factory that you’ve been called in to consult on.

Mott’s, a division of Dr. Pepper Snapple Group, employs 305 people at its juice factory in Williamson, N.Y., near Rochester. All 305 employees, however, have been on strike for more than three months. They are protesting the fact that the company wants to make severe cuts in pay and benefits—a reduction of wages by $1.50 (about $3,000 per year), a pension freeze, a reduction in 401K contributions, and a decrease in the health insurance subsidy.

On the surface, these cuts seem to make some business sense because companies all over the world are struggling. But what is so unusual in this case is that Dr. Pepper Snapple Group is more profitable than it ever has been. In the last year, its net income was $550 million, a dramatic improvement from the previous year, when it lost $312 million. Because of this success, employees are accusing the company of being greedy. Stuart Applebaum, the president of the factory workers’ union, says “[Dr. Pepper Snapple doesn’t] even show the respect to lie to us. They just came in and said, ‘We have no financial need for this, but we just want it anyway because we figure we can get away with it.’”

The company, meanwhile, defends the pay and benefits cut by arguing that its current labor costs are considerably higher than other local companies. The average pay at the Mott’s plant is $21, whereas other factories and transportation companies in the area pay closer to $14. In a public statement, the company defends the move, saying in part, “As a public company, Dr. Pepper Snapple Group has a fiduciary responsibility to operate in the best interests of all its constituents, recognizing that a profitable business attracts investment, generates jobs, and builds communities.”

You have been assigned to a task force with representatives from management and labor that has been charged with resolving the crisis. As all of you review the files, you realize that this is a critical case; if the employees lose, other companies might be motivated to take similar actions and cut labor costs (and increase profits) even when they are not struggling financially.

**Case Study Source:** Steven Greenhouse “In Mott’s Strike, More than Pay at Stake” *The New York Times*, August 17, 2010, accessed September 30, 2016, from www.nytimes.com/2010/08/18/business/18motts.html?\_r=1&adxnnl=1&adxnnlx=1297947774- W3u9XoLkFQ6q+a7OmuVx1A**.**