

# **Making Ethical Choices in Business Today**

**By Cindi Bigelow**

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**By Cindi Bigelow  
President & CEO of Bigelow Tea**

I'm very happy to be here. This is fun for me for a couple of reasons. One, I get to talk about tea, which I so love doing. I also get to share this with my parents who are here today, because my foundation regarding ethical leadership really started with them and my grandmother. They are my role models, and everything I try to do in the company stems from all the great work they have done.

The theme of this presentation is who we are, what we do and why it matters. I'll share with you what that means in a little bit, but first I want to focus on why ethics are so important. Just a little history to start off – the formal name of the organization is RC Bigelow Inc., named for my grandmother, Ruth Campbell Bigelow. She started as an interior designer, but after she lost everything in the Depression, she wanted to get into a business of her own for her family. In 1945, she created "Constant Comment" tea, modeled after an old colonial recipe. That was our beginning. Then, in 1960 and for the next 50 years, my mother and my father ran the business. Now, there's me. In 2005 I became the CEO of the family business; I'm the third generation to run the company.

For all of you who are familiar with family businesses, only between 2 and 4 percent of them actually make it to the third generation so

I'm very, very, very excited to be here. I can't say anything about the fourth generation but I'm happy we've made it to the third.

Let me share a cute story with you about how Constant Comment got its name. My grandmother didn't really know what to do with her new tea recipe, so she sent it to a group of friends in New York. The next day they called and said it was "the source of constant comment." That's how it got its name and we've kept it ever since.

What my father loves to share about that story is that they had no money when they started after the Depression. They had lost everything and could only afford to do single color labels for the first tea tins. My father and grandfather, David Sr., would actually hand-paint in the green and red. If you look really carefully, they didn't really do a great job; they didn't stay in the lines at all! And as the story goes, my grandfather said to my father, "Don't tell your mother, but I don't think this business is going to go anywhere." He was usually right about things, but I'm happy he was wrong and so was my father. Very happy.

Let me return to the "WWW" statement – who we are, what we do and why it matters. I think it's very important that you have something everyone in the company can relate to and rally around about your mission – who you are, what you are doing and why you are doing it. This statement is for all of us, whether you're in Customer Service or in the warehouse or on the production line making a teabag. I challenge everyone in our company to come up with how they can help share that message in whatever they're doing.

Today I'm going to focus on the ethical leadership aspect. It is really the reason why I get up in the morning because as a family, we truly care about our consumers, our employees and our community. They are the center of all we do. We are a family organization that is blessed to have a lot of investors interested in buying our company, but we never entertain the calls. The reason why

is because we seriously take into account what it would mean to our company and our employees and why it matters.

So what does ethics mean to my family? I break it down into five areas which apply to every organization.

## Quality & Sourcing

The first one is quality in sourcing. When I first started working at Bigelow 30 years ago, we talked about quality, quality, quality. I like the idea of quality, but I really didn't know how significant quality was. I was too new. I didn't really understand it because I had no benchmark, no barometers. But that's really what makes Bigelow, Bigelow. When I got the baton in 2005, it was important that I understood that the foundation of everything we do is our quality.

I work with the teams to make sure they understand that everything about Bigelow starts with quality in sourcing. I started taking members from my R&D team, blending team, purchasing team, sales and marketing team with me when I traveled. It is expensive for a family company to take all these people but it is so important because, instead of just Cindi Bigelow learning first-hand what quality meant, we learn together.

Our trip to the tea fields and tea factories of Sri Lanka was a very unusual experience. Very often, the gardens won't let you visit because they either don't trust what you're going to say or what you're going to film about them. I was very blessed because the manager, although we had a language barrier, trusted that I was going to be honest and wasn't looking to cause a problem for the plantation.

The gardens we use are truly the finest. They are all part of the Ethical Tea Partnership and oftentimes are part of the Fair Trade Association; however, we do not pay for the rights to use the Fair Trade emblem on our packaging.

We're probably the largest importer of Sri Lankan teas in the country because to do the right thing for the tea pluckers, the teas have gotten so expensive. Their wages are the highest in the world. Other tea companies may put only 5 or 10 percent of Sri Lankan teas in their products to be able to say that they use Sri Lankan teas. We're the only ones that still use a majority of Sri Lankan teas in some of our recipes.

When consumers don't know what the teas are, where they're coming from and the conditions of the gardens, they need to be able to trust the family and trust that the people buying those teas are ensuring the teas are the right quality tea and from the right gardens.

Getting to Sri Lanka was the trip of a lifetime. The people we met have known my parents for 40 years and were so appreciative that my parents had established a standard they describe as the gold standard of tea in their country. That's pretty special for me.

I cried when I was shaking their hands because these women are the reason why we have been in business. For me to meet the women who are plucking the teas was a connection that I can't even begin to describe. Even though we had a language barrier, there was an amazing connection between us and these women.

We recently returned from a trip to India and I had the same exact experience.

What I learned from India is that you can tell the health and well-being of the garden and the health and well-being of the tea pluckers from looking at the bushes. When we visited gardens that were beautiful, lush, had the right kind of management and beautifully dressed tea pluckers, it was a good experience.

When we drove by gardens that had sad-looking bushes and poorly dressed women, it was a whole other experience that you can't appreciate unless you've been there.

Even though you've been told you're buying and paying for quality, you really must go there, see these gardens and meet the people.

You have to talk to the managers about their philosophy, smell the teas, be near the tea pluckers and share your spirit with them. The tea business is truly an art form. It's something that their people have been passionate about for 30, 40 and 50 years.

I went up into the high mountains of Darjeeling. I don't know what the English were thinking about when they established those gardens in Darjeeling but it's absolutely beautiful!

We also traveled to Calabria, Italy. Why Calabria? If any of you are Earl Grey drinkers, you know that what makes Earl Grey tea is the bergamot. Calabria is the only place in the world that grows the bush that produces bergamot fruit. It's actually a grafted fruit.

We are probably the only one of the larger tea companies that uses *real* oil of bergamot. Our oil of bergamot is organic. It does not carry the designation of being organic, but it is from third-generation bergamot farms still dedicated to expertly growing citrus bergamot fruit without the use of pesticides, using natural, organic methods from orchards that have been in existence for over 80 years. The fruit is zested using a simple, beautiful process, and local farmers are used to ensure the wages and conditions that are necessary. It is truly a family environment there.

The first pressings of this bergamot crop are used for food, which Bigelow Tea uses, while later pressings are used for cosmetics and fragrance.

But many companies use flavor prills, or they'll buy citrus from other parts of the world that have similar volatile oils but are not the real oil of bergamot. We pay a lot of money for real oil of bergamot but this is about ethics and leadership, so we do the right thing – even when nobody is looking.

On another trip, we took our entire food service and retail sales teams to visit the lemon groves in California, where all of our lemons are grown. I like to call the lemons sun-kissed (not to be confused with Sunkist), because they are absolutely beautiful and high quality. Now, when our teams are talking to people, they're not just using the word "quality." They understand what quality is and that it's the foundation of our family business. Again, it's so important that everyone understands the process and understands the farmers.

When we talk about ethics in leadership, it's about making sure that you really do follow what you're supposed to be doing in terms of quality and quality assurance. I can guarantee that my parents know all that they've already accomplished is safe and quality assured, that their recipes are safe, that I'm not going to look to cut corners, which happens so often in many businesses. We do not do that.

## **Environmental**

The next element is environmental. This is a big commitment for us and funny how it started. Very often young people influence the next generation in such a positive way. My children now are 22 and 24, and when they were in third and fourth grade, they were asking questions like "Mommy, do we recycle?" Trying to be environmentally conscious in my home raised my awareness. Later in business, I asked "What are we doing here to preserve the environment?" I realized very soon that it was something we needed to do as a company and so we began recycling before it was fashionable. Now, we have three garbage cans in every room. We have one for compostables, one for recyclables and little baby garbage cans. The people on our Greening Teams care so much about this that they literally go through the recyclables to make sure everything's in the right place. They are truly committed to this cause.

In addition, we have 880 solar panels, the maximum number of solar panels we could put on the roof of our headquarters, to provide about 15 percent of our energy. We're also installing solar panels at our Louisville plant that we hope will get the percentage of energy saved up to 35 percent.

I'll never forget when our Fairfield plant manager said to me, "We want to start doing composting."

"What do you want to do?!" I responded. "You want to do composting, isn't that going to smell, aren't you going to get rodents? Isn't it going to be a problem?"

He assured me it wouldn't, so I said, "Okay, as long as there are no rodents, you can do this."

It's expensive because everything in our cafeteria is now compostable – the utensils, the cups, the plates, but you know what? It's the right thing to do. Yes, it's more money, but we're very proud of this.

## **Responsibility to employees**

If you remember our statement on the WWW, who we are, what we do and why it matters, the employees are very much part of that. We have 350 families who work for us, and we take our responsibility to them very seriously. For any of you who are going to someday be an employer, this is an important consideration.

As an employer you must recognize the importance of your role in providing jobs and that your employees should be cared for and treated fairly. The responsibilities of being an employer are very important to me and often keep me awake at night. It is the reason I get out of bed in the morning.

One of our primary roles is helping our people take care of themselves. I'm always saying, "Guys, you know, you're so good about taking care of our \$2 million tea bag machine, what

about your own body?” So we decided to provide wellness programs. We believe employers have an ethical obligation to do things like this.

I always say that we’re never going to be the highest paying company. We just don’t have the money because there’s just not enough margin in a little teabag. But we can create an environment that’s very special for our people. That’s the ethical thing to do. You want to treat employees the way you want to be treated.

## Consumers

Consumers, it goes without saying, are what every company thinks about. We try to take it that extra mile.

It fortunately doesn’t happen often, but when we get consumers who are very angry or upset about an issue, I will actually talk to them personally. Here’s an example. We changed our packaging a while ago. We didn’t change any recipes, mind you, just our packaging. When we changed it, especially the Constant Comment package, which is the original product that consumers have been drinking for the longest period of time, some of them were convinced the recipe had changed and there was almost nothing that we could write that would convince them otherwise. To be honest, they were implying that we were lying and that was quite painful. To deal with the situation, I literally got the phone number of every single consumer who contacted us on Facebook or Twitter, and I called them, one at a time, and *listened* to what they had to say.

Now, you can’t get contentious and say “You’re wrong and I’m right,” but it really was important to take the time to talk to them individually. It showed our consumers *and* our employees how much each consumer means to us. If you’re committed to your product, you’re committed to your customers and will take the time to contact them when the occasion requires.

## Community

An important part of our community work is our annual Bigelow Tea Community Challenge, and because of it, we have been able to put \$1.2 million back into the community. We’re very proud of the fact that as a small company we are able to give back to the community.

What I love about this, and I’ll just share a little story, is that when we first started having the Bigelow Tea race years ago, I would write thank-you letters all night long to employee volunteers. I would thank them for helping with the race in the hopes that maybe they’d help me with the race again the following year. Then, one day I was in the finance department and overheard a woman who had been helping me with the race for five years, talking to a vendor and saying that one of her favorite things about working at Bigelow was that she loved being able to do community work like it was part of her job. The bottom line is that it meant so much to her to be able to give back to the community. I was so excited to hear that. It helped me recognize how very important it is to give people the opportunity to do this kind of wonderful work.

Another major commitment at Bigelow is our love for the USO and our service men and women. We spend a lot of time on this cause. We, as a group, ride in the USO’s Ride 2 Recovery. Ride 2 Recovery, if you’re not familiar with it, is about helping veterans who have gone through tremendous trauma. Some, who are missing one, two and three limbs, ride bikes for an entire week. They sometimes ride up to 500 miles! It is the most amazing, beautiful program that I have ever been exposed to and no, I do not ride all 500 miles, but I will ride 40 to 80 miles a day to show support, and do it every year.

I'm going to Virginia with a team of people for a sales meeting and while we're there, we'll be riding with the veterans again this year. Those of us who can't ride with the veterans will be serving them lunch. One individual, Jason Redmond, a former Navy Seal, is going to be our motivational speaker. I'm not even able to share with you all he's gone through without welling up. It's our way of showing support while building awareness in our employees and bringing out the best in them as well.

We also have a Tea for the Troops program that produces a specially made package of tea just for service men and women. It's not for sale, just our way of saying thanks.

In addition, from the community perspective, employees came to me about putting in a community garden. Now, we have a community garden and raise about 400 pounds of vegetables a year that goes to area food pantries.

So ethical leadership isn't just about what you do every day, it's about the environment you create for the people you work with that makes them feel good about who they are and about becoming the best they can possibly be. Individuals and teams from all departments are encouraged to participate in at least one event each year.

## **In closing**

I'd like to close by talking about a new initiative we're going to be launching at Bigelow. It's called the Bigelow Home. We already talked about WWW, who we are, what we do, why it matters. Now it's time to create what I call a foundation – another level of how I bring us all together.

Its goal is to align everyone with ethical leadership and why we are doing what we're doing. And so if you look at the purpose, which I think very much fits in with who we are today, it's to bring about an environment of pride, desire and ability to make a difference *every day*.

It doesn't make a difference if you're a tea company or Iona College; whatever we're doing, we need to have a higher purpose and make sure everyone is married to the mission and understands expectations.

The expectation is to make people understand, whether it's about producing the best teabag or getting out into the community, I want 100 percent and I want them to make a difference every single day.

I'm very excited about launching this because I don't think a company can just have four or five values. I think it takes a lot of personality and a lot of important qualities to create the culture. It's really important for Bigelow, so we will talk about being innovative, energetic, visionary, fun, honest, hard-working, inquisitive, challenging, genuine, socially responsible, transparent, respectful, loyal, healthy, approachable, humble, caring, fair, appreciative – very important – collaborative and agile, honoring family, leadership and stewardship.

That's a little bit about who we are at Bigelow Tea and a little bit about why I believe that ethics and leadership go hand-in-hand. Thank you very much for giving me an opportunity to talk with you today.

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Cindi Bigelow is the third-generation President & CEO of family-owned Bigelow Tea, the makers of “Constant Comment”<sup>®</sup> that employs 330 people across three manufacturing facilities and produces over 1.7 billion tea bags annually. She holds a BS degree from Boston College, an MBA from Northwestern University, Kellogg School of Management and Honorary Doctorates from Fairfield University and the University of New Haven. Under her leadership, Bigelow Tea has become the U.S. market leader of specialty teas and has built a reputation for its greening efforts and corporate social responsibility.

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