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East Meets West: Growing a For-Profit Social Venture in Vietnam

Trang Tran, CEO of Fargreen, gazed out the window as her plane prepared for departure to Hanoi. Trang had spent the past week in Vancouver at the annual TED Conference as part of her fellowship with the organization, and she was now returning home to Vietnam. Trang shook her head in disbelief as she thought back on how far she had come in just 18 months. In that short time, Fargreen had transformed from a nebulous opportunity she had begun exploring during her MBA program into a startup with funding from prestigious organizations like Green Challenge and Echoing Green. In business plan competitions, Trang had presented the following purpose for the company: *"Fargreen is a social enterprise working with a purpose of building prosperous and sustainable farming communities in rural Vietnam and around the world where no such environmentally damaging practices like open burning of straw exist, and no farmer is left behind in poverty for choosing to stay with their land."*ⁱ Her vision was becoming a reality: a financially sustainable enterprise that offered threefold benefits of reducing the pollution caused by burning rice straw, offering farmers an additional source of income, and providing gourmet, locally produced mushrooms to the Vietnamese market.

The jolt of the plane as it lifted off the runway brought Trang back to the present and the decision that awaited her in Hanoi. Once home, she would have to deal with perhaps the biggest challenge to date for the fledgling startup, requiring her to apply the skills she had acquired as an MBA student, along with the lessons learned during Fargreen's first six months of operations. The issue had begun just before Trang left for Vancouver, when her friend and partner, Van,ⁱ had informed Trang of her decision to leave Fargreen. Although not unexpected, the news came as a disappointment. In addition to providing important technical expertise in mushroom cultivation, Van had helped establish Fargreen's pilot facilityⁱⁱ in the province of Ninh Binh through her family connections and other contacts in the community. These social ties had been instrumental for Fargreen to gain access to land in the province for its pilot facility, as well as to sign a rental agreement with reasonable terms.

i Some names and identifying details have been changed in this case to protect the privacy of individuals.

ii Fargreen's pilot facility consisted of a small capacity production line and an experimental laboratory where different production techniques and types of mushrooms could be evaluated.

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