

VIDEO CASE INCIDENTS



Video Case Incident

Greenlite

With growing concern over climate change, governments around the world are looking for ways to reduce greenhouse gases and consumption of fossil fuels. One simple solution that has garnered government support is phasing out energy-inefficient light bulbs and replacing them with energy-efficient ones. The most popular commercially available and affordable bulbs are compact fluorescent light bulbs (CFLs). CFLs use approximately 75 percent less energy than regular incandescent light bulbs. CFLs also have a long lifespan, typically 6000 to 15 000 hours, as compared to the 750- to 1000-hour lifespan of a normal incandescent bulb.

Beginning in 2006, the Government of Canada began replacing light bulbs in all federal government buildings with CFLs. In April 2007, the Government of Canada announced it would legislate a complete ban on the sale of inefficient light bulbs by 2012. According to the Minister of Natural Resources, Gary Lunn, the ban will reduce greenhouse gas emissions by over 6 million tonnes a year.

Canada was not the only country to phase out energy-inefficient light bulbs. In 2007, the United States government signed the Clean Energy Act into law. This legislation effectively phases out the sale of incandescent bulbs in the United States by January 2014.

Canadian Nina Gupta viewed these developments as a business opportunity. Her father owned a factory in India that made halogen bulbs for cars. She founded Greenlite Lighting Corporation, managed the transition in her father's factory to the production of CFLs, and began selling CFLs in India, Canada, and the United States. "We recognized that the green movement was the wave of the future," she says, "so we found a product that was ecologically and environmentally friendly and focused on that."

Greenlite is now one of the leading producers of CFLs in the world, selling over 30 million CFLs a year.

QUESTIONS

1. *For analysis:* How did the general environment influence Nina Gupta's decision to sell energy-efficient light bulbs in North America?
2. *For application:* Greenlite plans to expand its business by building a factory in India, at a cost of \$250 million, that will produce solar energy. Greenlite also intends to manage the employees in this factory. The company speculates it will be able to sell energy to consumers in the United States, China, and India. What challenges do you anticipate the corporation could face in carrying out these plans for globalization?
3. *For application:* Explain how the specific environment will change for Greenlite if it decides to sell solar energy to customers in the United States, China, and India.
4. *For debate:* Some university researchers have noted a number of health risks associated with CFL bulbs. These bulbs often contain a large amount of mercury, which can be dangerous for children if the bulbs are broken and the mercury is released into the air. Furthermore, some research has shown that emission of UV radiation from CFLs may be related to skin rashes, headaches, and depression in adults who are sensitive to UV radiation exposure. These problems should not be of concern to the management of Greenlite, as their only responsibility is to maximize the profits of the business. Do you agree? Why or why not?

Sources: "Greenlite," *Fortune Hunters, My First Million*, February 28, 2009; Greenlite Lighting Corporation website, www.greenlite.ca (accessed August 13, 2009); Petition filed with the Office of the Auditor General of Canada, www.oag-bvg.gc.ca/internet/English/pet_254_e_31427.html (accessed August 24, 2009); "Lights Go Out On Inefficient Bulbs by 2012," *CBC News*, April 25, 2007, www.cbc.ca/canada/story/2007/04/25/lunn-bulbs.html (accessed August 27, 2009); "Health Canada Testing Compact Fluorescent Bulbs For Harmful Radiation," *CBC News*, January 21, 2009, www.cbc.ca/health/story/2009/01/21/bulbs.html (accessed August 24, 2009).