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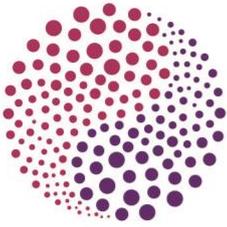
New opportunities during a pandemic: The case of Peter Café Sport

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“Paris has the Harry’s Bar, Singapore has the Raffles and New York has the McSorley’s Saloon, Faial in the middle of the Atlantic has Peter’s Bar, where solo sailors meet.”

In Associated Press, Patrick Reyena, 1986

THE CASE¹

Peter Café Sport could be just another coffee house. Founded in 1918, it became a landmark for yachtsmen who cruise the Atlantic. It serves as a bar, restaurant, information office, currency exchange, meteorological delegation, and sometimes house of mercy, thus becoming a symbol of genuine friendship for all those who drop by.



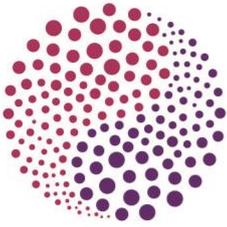
Figure 1. Peter’s Café. Source: *Peter’s Café Courtesy*

In March 2020, the World Health Organization declared the coronavirus outbreak a pandemic. As of January 2021, more than 99.2 million cases have been confirmed, with more than 2.13 million deaths attributed to COVID-19. When the

world closed, the third-generation owner, his two sons, a nephew, and two employees took themselves into the unknown. “Café Sport has always been a welcome symbol for navigators, they were the ones who designed us over the years, and when all the ports in the world closed their doors, we continued to receive them.” Water, food, socks, and

¹ This case is mainly based on the following sources of information:

<https://inteligenciacoletiva.expresso.pt/sociedade/2020-12-07-La-resistance-acoriana-ajudou-centenas-de-navegadores-proibidos-de-desembarcar> ; and <https://www.petercafesport.com/>



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even pregnancy tests were taken to the crew of hundreds of vessels anchored off Horta's port. They naturally started to help and were the only ones in the Azores to provide support. Word-of-mouth did the rest, and soon there were little pieces of paper with the manager's phone number circulating in the Caribbean for the crews to call when they would get to Horta. In five months, they helped the crews of 800 boats. The feat made news in May in "The Guardian". They call themselves "la resistance crew" and their slogan is, "if there's something strange in your neighborhood, who you gonna call?" Before the pandemic, Peter Café Sport sold around 500 servings of gin daily; now they are lucky if they manage to sell 20.

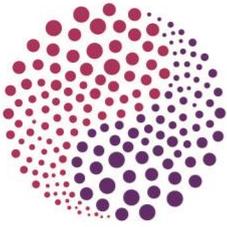
The case of Peter Café Sport raises several questions:

- Is there a business opportunity for Peter Café Sport arising from the pandemic?
- Can Peter Café Sport modify their business model to take full advantage of this opportunity? Can they make it work? What dimension needs to change to meet this challenge?

Additional issues to be noted and incorporated in the discussion:

- Peter Café Sport has historically been a safe haven for sailors, with a reputation of kindness, solidarity, and friendship. With the pandemic, they improvised and adapted the business. Should this be a temporary adaptation or a new business? If it is a new business, will they generate cynicism rather than goodwill? Why?

Useful sources:



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Cunha, M.P., Cunha, J.V., & Kamoche, K. (1999). Organizational improvisation: What, when, how and why. *International Journal of Management Reviews*, 1(3), 299-341.

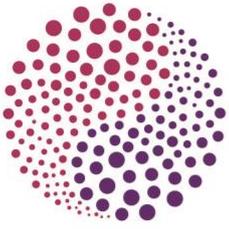
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TEACHING NOTE

The case shows that even well-established businesses face unexpected difficulties. When it happens, managers can keep business as usual, or they can quickly



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adapt. This adaption, unplanned but deliberate, is called improvisation. The case illustrates the benefits of improvisation not as a substitute of planning but its complement, to be activated in moments of urgency.

The case can be used to explore the paradox of planning and improvisation in organizations. Instructors may explore topics such as:

- Why do plans imply improvisations?
- Can improvisations be planned or prepared?
- Can improvised actions be used to refresh a business model?
- What are the risks of improvisation in terms of, for example, an organization's identity?

Areas: COVID-19; improvisation; business opportunities during a crisis.

Keywords: Peter Café Sport, Improvisation, Authenticity