THE CHANGING CUBAN PARADIGM: CREATING ALLIANCES IN GLOBAL SUPPLY CHAINS

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Although the United States and Cuba are close geographically, ideologically, the distance is great and the "dots" on that line have not been connected in five decades. Nonetheless, many have reason to hope that the changes occurring in Cuba today, under the leadership of Raul Castro, and the more open attitude of the current president of the U.S., President Obama, will result in the decades old embargo between the U.S. and Cuba being lifted. In the meantime, what can U.S. firms do to be ready for that day? This paper explores how creating strategic allegiances in the global supply chain with the hope of generating trust, could be a proactive strategy for firms wishing to enter the Cuban market. Specifically these inroads would be formed through U.S. firms forging relationships with U.S. universities and faculty, foreign firms already operating in Cuba and also with U.S. firms having experience in Cuba, such as agricultural firms

INTRODUCTION

If one draws a line between the United States and Cuba, it becomes evident that the path between the two is characterized by geographic proximity. However, ideologically, the distance is great and the "dots" on that line have not been connected in five decades. Nonetheless, many have reason to hope that with the changes occurring in Cuba today, under the leadership of Raul Castro, that the decades old embargo between the United States and Cuba will be lifted. In the meantime, what can U.S. firms do to be ready for that day? This paper will explore how creating close relationships and strategic alliances in the global supply chain and academic communities could position U.S. based firms to take advantage of future business opportunities in Cuba.

THE CHANGING CUBAN PARADIGM

The relationship between the United States and Cuba has not always been as tense and adversarial as it is today. After Cuba was handed over to the U.S., as a result of the Spanish American War, it became independent in 1903, but ties between Cuba and the U.S. remained strong, including a long-term lease agreement of Guantanamo Bay to the U.S., which is still in effect today. The U.S. reduced tariffs on Cuban exports by 20 percent and U.S. investments in Cuba accounted for 20 percent of all U.S. foreign direct investment in Latin America at the time (Wylie, 2005). When Fidel Castro led an armed uprising against the Cuban dictator Batista, he had the initial support of the U.S. However, after he became prime minster of Cuba in 1959, he immediately began agrarian reform and nationalizing most foreign and local businesses. Russia installed nuclear weapons on the island and in 1963 the Cuban Assets Regulations (the boycott) were issued by the U.S. government, banning all travel to Cuba and making financial and commercial transactions by U.S. citizens illegal. This boycott has remained in effect for almost five decades. The only loosening of the boycott itself was done by President Bill Clinton, when in 2001 he partially lifted the boycott to allow U.S. exports of food and medicine to Cuba. Some firms in the U.S. agricultural sector have been able to take advantage of this opportunity. However, these opportunities have been difficult to exploit due to the Cuban government outlawing the use of the U.S. dollar on the island, in retaliation to President George W. Bush's drastic cuts to travel and money sent to relatives in Cuba (Haney & Vanderbush, 2005).

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In 2006 Fidel Castro ceded power to his brother, Raul, when Fidel became ill. Most thought the leadership change would result in maintaining the status quo. Fortunately, this has not been the case. Raul Castro immediately held town meetings and let the Cuban populous know that they could speak up and tell him what they would like to see changed. In response, Raul Castro allowed regular cell phones for the first time, internet access, although heavily monitored, and allowed ordinary citizens to frequent luxury hotels and restaurants, from which they were previously banned under Fidel in an effort to keep them isolated from outside influences. Cuba experienced additional changes in 2010 with Fidel Castro admitting in a rare news interview that the Cuban model was not working for their country. On August 1, 2010, Raul Castro announced that the government would begin granting more citizens the right to work for themselves and even employ other Cubans. In April of the same year, the Cuban government decided to privatize small-scale hair salons and barbershops and in July of 2010, unexpectedly announced it would free 52 of the country's political prisoners, marking the first large-scale prisoner release since 1968. In August of 2010, Raul Castro announced a five-year liberalization plan to update the Communist country's economic policy, drastically reducing state control over the economy and promoting privatization to boost efficiency and ease the burden on the government. Included in the new economic model is the fact that Cubans will now be able to get loans and rent and buy property (*Economist*, 2010).

When President Obama took office in January, 2009, he sent high ranking government officials to Cuba to engage in dialogue with Cuban leaders for the first time since the start of the embargo and immediately lifted the restrictive regulations on visitations and remittances. In January, 2011, President Obama announced that travel restrictions to Cuba are now being eased. The rationale is to facilitate "business interests to lay the groundwork for new trade opportunities. The changes bring some sanity to the U.S.-Cuban policy and mark a new chapter in that relationship" (*St. Petersburg Times*, 2011). President Obama announced three steps to enhance the free flow of information and the cultural understanding between the two countries. First, travel restrictions for U.S. citizens wanting to visit Cuba will be relaxed. Religious organizations, students, and academics will be able to travel under a blanket license instead of needing specific federal approval. Universities will be able to arrange student exchanges and study abroad programs more easily, and faculty will be able to travel to professional conferences. New travel privileges will also be granted to journalists and technical groups who wish to foster one-on-one contacts with the Cuban people and direct flights to Cuba from numerous airports will be allowed (*St. Petersburg Times*, 2011). In Oct., 2012, Cuba announced some easing of travel restrictions for its own citizens, making it easier for them to leave the island, live abroad longer for two years and return to Cuba, representing the first reform of the stringent immigration regulations put in place in 1961. Additionally, Cubans will just have to have a passport and a visa from the country they plan to visit, rather than the expensive exit visa and letter of invitation that have been required in the past (*Wall Street Journal*, 2012).

THEORETICAL UNDERPINNINGS

Forming collaborative relationships and strategic alliances will be essential for U.S. firms to develop ties to the Cuban market in preparation for conducting business. Thus, we look to relationship marketing as the framework for meta-theory and within that context resource advantage theory will provide the theoretical underpinnings for this study. Barney (1991) first set forth the resource-based view of the firm when he characterized organizations as being a unique bundle of accumulated resources. Although the resources relating to this theory have generally been viewed as internal activities that are linked to or controlled by the firm, the resource advantage theory also applies to inter-firm linkages that help firms use their relationships with suppliers and customers as an essential resource, thus yielding a competitive advantage for the firm in the marketplace which in turn results in superior performance (Barney & Hansen, 1994; Hunt & Arnett, 2003). This is very important because in the context of the global supply chain, characterized by cultural differences and complexity of products, relationship learning is difficult to achieve and necessitates collaboration between partners (Jean, Sinkovics, & Kim, 2010).

Galaskiewicz (2011) points out that social networks often exist among individuals who are boundary spanners in an inter-organizational network. Trust is said to be critical in the effectiveness of these social networks, and supply chain networks can be viewed in a similar fashion. The challenges to managers then is to create a social network that encourages the parties to trust one another in their critical supply chains, and yet still consider the length and complexity of many supply networks. Trust becomes the glue that holds supply chain relationships together.

TRUST AS A CONSTRUCT

"Trust tends to be somewhat like a combination of the weather and motherhood; it is widely talked about and it is widely assumed to be good for organizations" (Porter, Lawler & Hackman, 1975, 497). "Trust is an indispensable ingredient in effective business relationships" (Jiang et. al, 2011, 1150). This is especially true in global business to business transactions due to the distances between buyers and suppliers (Koh, Fichman & Kraut, 2012). Trust has been shown to promote greater cooperation and richer information exchange, which leads to greater resource acquisition and value creation (Dyer & Chu, 2000). Jean, Sinkovics and Kim (2010, 67) define trust as" the confidence that exchange partners have for each other's reliability and integrity." Generally, both parties must in some way be vulnerable with an element of uncertainty involved (Moorman, Deshpande & Zaltman, 1993). Therefore, an element of risk is required for trust to influence choice and behavior.

The construct of trust has rich conceptual connotations and social psychologists suggest there are different types of trust. Xie and Peng (2011) mention three: competence-based trust, benevolence-based trust and identity-based trust and find that relationships can be strengthened by all three types of trust. Choi, Souiden and Skandrani (2012) investigate two forms of trust, rational and relational, in the business context of Japanese firms and find that the generation paths of trust forms are different, and that relational trust has stronger explanatory power in cooperation and performance than rational trust. Min and Mentzer (2004) noted these two types of trust as partners' mutual respect and unique knowledge and skills. Jambulingam, Kathuria and Nevin (2011) also argue that trust has two dimensions: credibility and benevolence.

Abosag and Lee (2013) stress that trust develops over time and that the accumulative development stems from various sources that drive the process. The two types of trust studied by Abosag and Lee (2013) are competence trust and affective trust. Competence trust refers to "the expectation that partners have the ability to fulfill their roles" (Lui & Ngo, 2004, 474). Affective trust is the confidence a party places in another party based on feelings and emotions generated by the caring, empathy and concern for the other party demonstrated in their interaction. Ha, Park and Chor (2011) also define the two types of trust as trust in competency and affective trust, which is what will be used in this study. Items which are included in affective trust include openness, honesty, respect and positive mutual understanding. Trust in competency is made up of business capability, satisfaction with know/how specialties. These are supported by McAllister's (1995) differentiation of types of trust as cognition-based and affect-based.

TRUST IN SUPPLY CHAINS

Companies in today's world treat a company's network of relationships as assets (Yang, 2009). Building collaborative relationships with business partners is essential for increasing organizational performance in the supply chain (Sinkovics & Roath, 2004) and trust building is essential to developing competitive advantages (Jap, 2001). Supply chain management has been defined as "the integration of business processes from end user through original suppliers that provides products, services and information that add value for customers" (Cooper, Lambert & Pagh, 1997, 2). For a supply chain to be successful, trust must be present. Trust is an intangible attribute that is widely recognized as a prerequisite to supply chain success (Fawcett, Magnan & Williams, 2004). It has been shown to increase knowledge sharing in collaborative supply chains, enabling technical exchange and technology transfer (Cai et. al, 2013). Trust is also noted to be one of the most important antecedents of joint action in relationships, with trust increasing both the frequency and bidirectionality of communication (Johnston et. al, 2012). Successful supply chain relationships have been found to reduce costs, increase service and improve financial performance, but to truly leverage the power of collaborative supply chain initiatives, partners must trust each other (Thomas & Skinner, 2010). Trust has been shown to offset the harm traditionally done to relationships when supply chain control systems are put in place (Sanchez, Velez & Araujo, 2012). Laeequddin et al, (2012) suggest that trust is a sum of risk-worthy characteristics, risk-worthy rationale and risk-worthy institutional systems of supply chain members, and that supply chain members should strive to reduce the risk levels to build trust, rather than striving to build trust to reduce risk. Griffith, Harvey and Lusch (2006) suggest that trust is the ingredient in relationships which makes partners quit "keeping score." The exchange partners are willing to accept short-term imbalances in outcomes, trusting that over the length of the relationship outcomes will accurately reflect inputs. Thus, trust gives supply chins more agility and flexibility to arrive at optimal solutions, maximizing profits in the long-term. In fact, research (Mohr & Puck, 2013) shows that the trust-performance link is a two-way relationship with trust enhancing performance and successful performance increasing trust.

Trust also includes emotional aspects, such as beliefs and sentiment between persons (Ha, Park & Cho, 2011), and its importance may differ systematically across cultures, creating significant challenges for cross-border alliances. "Not only do the levels and degrees of trust differ across international borders, but also the very nature of trust can vary in different national contexts" (Zaheer & Zaheer, 2006, p. 21). National differences in value systems, culture, and institutions influence the initial trust between partners and also the importance the partners place on trust. For example, in a study done by Ueltschy, Ueltschy and Fachinelli (2007), distributors from Brazil, a high-context culture, indicated in a survey that trust was much more important in a supply chain relationship than the manufacturers from the U.S., a low- context culture, did. High-context cultures (Hall, 1976) believe that relationships and trust must come before business; whereas, low-context cultures believe that as one does business, and over time, relationships and trust will develop, which leads to our first proposition:

> *Proposition 1: The high-context party will place more importance on trust than will the low-context party.*

In high-context cultures, communication is for interaction, and interaction is for building relationships; whereas, in low-context cultures, communication is for information exchange, which leads to the second proposition:

> *Proposition 2: The high-context party will desire more frequent and personal types of contacts (phone calls and visits) to build relationships, while the low context party will favor less personal types of contact (emails and FAXES) which facilitate information exchange.*

LEVERAGING BUSINESS EDUCATION

Trust needs time to develop. As each party makes trust-building gestures to the other, engendering a sense of equity and fairness, these repeated successful interactions, enable each party to start trusting and respecting the other. Buyer-supplier relationships can be viewed as an investment in each other, and in the course of building such relationships, useful resources for the future are acquired (Easton & Araujo, 1994), one of which is trust. Ha, Park and Cho (2011) contend that trust in competency is the most important type of trust in the earlier stages of the supply chain relationship. As the parties work together, they build trust in each other by appreciating the other's capabilities and contributions. At the same time, empathy and respect develop in order for the supply chain to gradually move to the next stage. This mutual understanding and respect are necessary to develop long-term relationships; thus, according to Ha, Park and Cho (2011), the trust of competency begins a relationship and affective trust develops over time. This affective trust is what Madhok (2006) labels as social trust, which he refers to as "the social glue" which keeps the parties together over time, allowing the value-creating potential of their collaboration or relationship to be realized. Because businessmen from the U.S. and Cuba have not been able to interact with each other for over 50 years due to the boycott, the two nations should utilize the opening created by President Obama in January, 2011 to foster culture understanding to forge relationships between universities, faculty and students in the U.S. with their counterparts in Cuba. In this way, the academic community can lay the building blocks to be used by the business community when the boycott is lifted, either partly or in totality. This leads to our next three propositions:

> *Proposition 3: In the beginning, the U.S. business educators will be welcomed into Cuba due to trust of competency.*

Support for this proposition comes from the work of Swift and Hwang (2013) who found that affective trust is more important than cognitive trust in sharing interpersonal knowledge, but cognitive trust is more important in creating a learning environment.

> *Proposition 4: As the U.S. business educators offer valuable advice to the Cuban educators and the business community, creating trust of competency, affective trust will develop over time.*

Support for this proposition comes from Walther and Bunz (2005) who note that as a person or party proves to be both knowledgeable and dependable over time, it increases the partner's feelings that the person has integrity and is reliable, leading to an increasing liking in the relationship and the beginnings of affective-based trust. Webber (2008) also lends credence to this idea and states that affective trust emerges over time after early competency-based trust has been established for a while. Even though affective trust takes time to develop, researchers such as Webber believe that it has a stronger positive relationship with team performance than does cognitive trust.

> *Proposition 5: Because Cuba is a high-context country, affective trust will be more important to Cuban businessmen than it will be to their U.S. counterparts (low-context country).*

The support for this proposition comes primarily from Hall's (1976) cultural paradigm. High-context cultures, such as Cuba's, value relationships and trust before business and believe that interaction is primarily for developing these relationships. Low-context cultures like the U.S. believe communication is for information exchange rather than for building relationships. Further support for this proposition comes from the research of Choi, Souiden and Skandrani (2012) whose survey of 68 Japanese eyeglass manufacturers found that in Japan, a high-context country, that affective trust is more important and that it has a stronger explanatory power in terms of cooperation and performance.

CUBA AS A MARKET

The original goal of the U.S. embargo was to cripple the Cuban economy so that Fidel Castro would be forced to relinquish power and the government would turn to democracy. After almost five decades, that desired effect has not been realized. Although most would agree that the U.S. embargo has certainly hurt the Cuban economy and the Cuban people themselves, since 2004, the Cuban economy has shown a resurgence, with the GDP growing 5.8% in that year, 11.2% in 2005, 12.1% in 2006 and 7.3% in 2007. Growth in the GDP slowed in 2008 to 4.1% and 1.4% in 2009 due to the global recession, but started to rebound in 2010, achieving a 4.0% increase (World Bank, 2012). Inflation has remained relatively low, at 5.5 percent in 2012. Exports have grown from $ U.S 2.33 billion in 2004 to $U.S. 6.35 billion in 2012.

The Cuban people are well educated with a literacy rate of 99.8 percent, so as they are given more entrepreneurial opportunities, their personal financial circumstances have improved, increasing from an average income of $3,378 in 2004 to $9,900 in 2012 on a purchasing power basis. However, the average monthly salary in a state-owned manufacturing facility is only $16, so the increasing disparity in income between those working for the government and those working in jobs giving them access to foreign currency, such as in tourism or jobs in the informal economy, is a growing problem facing the Cuban government.

For the United States and its firms, Cuba has a very strategic location only 90 miles off the coast of Florida, with a population of 11.1 million in 2011, continually declining due to residents leaving illegally. These consumers are easy to reach, since 75 percent live in urban areas, with the largest being the capital of Havana at 2.2 million, followed by Santiago de Cuba at 350,000 inhabitants. However, with a higher number of working women and an increased level of development in the country, birth rates in Cuba have declined by 0.3%. However, life expectancy in Cuba is 77.7 years, which is comparable to that in the U.S., since Cuba's socialized healthcare system is one of the most sophisticated in the Caribbean, and Cuba has proportionally more qualified physicians than the U.S. Its maternal mortality rate is outstanding, with only 25 percent as many mothers dying in childbirth as in the U.S. Thus, living conditions and income are increasing under Raul Castro (*Cuba: CIA World Factbook*, 2013).

SECTORS WITH PROMISE

With pristine beaches, beautiful blue waters, and a tropical climate, Cuba has become the second most popular tourist destination in the Caribbean, experiencing over the last decade one of the highest growth rates in tourism, which continues to be its largest source of employment and foreign exchange earnings. In an attempt to lure wealthier tourists to the island, in 2010, the Cuban government started permitting foreigners long-term leases to build more marinas and golf courses (*Emerging Markets Monitor*, 2010). Although Spain's Sol Melia has two dozen hotels in Cuba, plans are underway to build 40-50 four-and-five-star hotels in the next couple years.

Described as a "priceless ecological resource" (Dean, 2007), Cuba is the magnet for increasing amounts of ecotourism. In fact, one of the worries is that when the U.S. embargo finally does end, tourism is projected to double in one year, which could put at peril the ecosystem in Cuba. Another niche in the tourism sector where Cuba holds a competitive edge is the "hospital vacation." With twice as many qualified physicians per 100,000 people as the U.S., Cuba is quickly becoming a popular destination for cosmetic surgery and rehabilitation for drug addiction. Patients can get a tummy tuck at one-half the cost, stay at a five-start hotel and enjoy great weather and white sands (Smith, 2008). Thus, much potential exists in the Cuban tourism industry. However, if and when U.S. firms are permitted to enter, they will not enjoy a first-mover advantage and face political and cultural differences; thus, strategic alliances will be extremely important.

The most promising sector for foreign investors is oil. Since oil reserves were discovered off Cuba's coast in 2004, Canadian, Spanish, Chinese, Indian and Norwegian companies have lined up to explore the new find. Spain's Repsol actually started deep-water drilling in the fall of 2010 with a platform built in China, but the platform had to be rebuilt because it had more than 10% American content. U.S. oil companies are salivating to become involved and are hoping the potential hazards of an oil spill in the Gulf might allow more U.S. technology transfers relating to the oil industry, which President Obama has repeatedly suggested to Congress (Pinõn & Muse, 2010).

Another sector which holds potential for foreign direct investment (FDI) is Cuba's aging infrastructure and transportation system. Internet has been made available to the citizens, but the connections are painfully slow. Antiquated power plants and inefficient electricity grids need updating, with power outages commonplace. However, U.S. opportunities might be limited even if the embargo were lifted, because Russia has extended $355 million in credit for Cuba to buy Russian cars and trucks, and Venezuela installed a new fiber-optic undersea cable between the two countries in late 2011 (Tamayo, 2013).

Mining is another sector with FDI potential, particularly because Cuba is the third largest producer of nickel in the world. The nickel industry has been operating close to capacity and the Cuban government is making attempts to increase extraction capacity by partnering with foreign firms. However, firms from other countries are already involved, such as Sherritt International of Canada which has already reaped huge profits from its FDI in nickel in Cuba, and the Chinese firm Minmetals, which will have a 49 percent equity stake in a joint venture with the Cuban government in a new nickel operation in the eastern province of Holguin (Smith, 2008). Thus, huge potential exists, but the Cuban government will, of course, determine the players.

The agriculture sector holds promise, but has been in decline in the last two decades. Sugar production has been down since the 1990s, and cattle production dropped to fewer than 2 million cattle in 2012 (*Cuba: World Factbook*, 2013), even though Cuba was once one of the richest cattle countries in the world. These massive declines have created opportunities for foreign exporters, and even U.S. firms can compete in this sector since 2000, when President Clinton spearheaded legislation which allows U.S. firms to sell food and medicine to Cuba.

U.S. agricultural exports to Cuba skyrocketed and peaked in 2008, but declined 31 percent in 2012 to $366 million, as reported by the Trade and Economic Council of the United States. This drop was due to a lack of foreign currency by Cuba, and the importance of Cuba's relations with countries like Venezuela and China (*Cuba: World Factbook*, 2013). Additionally, Cuba's inability to generate more political support in the U.S. to increase bilateral trade has discouraged the purchase of U.S. agricultural products. Other countries such as Brazil, Mexico, Canada, Argentina and Vietnam are using credit to increase trade with Cuba. All sales by U.S. agriculture to Cuba must be for cash, which puts U.S. agriculture at a disadvantage. Already, states such as Alabama, Arkansas, California, Texas, Louisiana and Ohio have enjoyed exporting corn, poultry, rice, pork and soybeans. Certainly lifting the embargo could lead to a more symbiotic relationship between the two neighbors.

Lastly, the beverage industry in Cuba is a promising sector for FDI, but it will be hard for U.S. to make inroads when the time comes, because numerous foreign firms have negotiated joint ventures with the Cuban government. Labatt of Canada negotiated a joint venture with the Cuban government for a 50 percent equity stake in Cervercería Bucanero, a premium beer for hard-currency customers and tourists. France's Pernod Ricard Group has formed a joint venture with Cuba's Ron & Licores, to distribute its famous rum worldwide.

DISCUSSION AND MANAGERIAL IMPLICATIONS

With the Cuban paradigm shifting to more privatization and less government control, U.S. firms are more eager than ever to become involved in the Cuban economy. However, for most firms, all but those in agriculture and pharmaceuticals, direct participation is not allowed due to the boycott. So how then can U.S. firms position themselves as to be ready to jump into the Cuban market once it becomes available?

As mentioned earlier, Cuba, similar to most Latin American countries, is a high-context culture (Hall, 1976), which means that personal contact and frequent interactions are very important. In high-context cultures, relationships and trust come before business. U.S. firms have the challenges of cultural differences, since the U.S. is a low-context culture where communication is for information exchange rather than interaction and individual achievement is valued in society. In low-context cultures, business transactions often occur first, and then, over time, relationships and trust may develop. However, in high-context countries, relationships and trust are prerequisites to conducting business. U.S. firms are prohibited from dealing directly with Cuban firms or the Cuban government, so how can firms begin to develop these relationships and trust?

One approach would be to develop strategic alliances with foreign firms, such as Canadian or European firms, who are already operating in Cuba. For example, firms such as Bose Sound Systems may want to consider embedding their sound systems into luxury cars such as Mercedes and BMW so that consumers would associate the Bose brand with those cars globally. Then, if legislation changes that allow U.S. firms to directly enter Cuban markets, their high-end consumers would already have familiarity with BMW and Mercedes. Therefore, through the established supply chain linkages with automotive manufacturers outside the U.S., Bose may benefit from first developing competency trust with Cuban consumers, and then over time and personal contact developing their own relationships with Cuban business and consumers to build affective trust (Ha, Park & Cho, 2011).

A similar example would be with U.S. firms in the tourist agency industry. The companies can work towards developing collaborative relationships with hotel chains already operating in Cuba, such as five-star Sol Melia Hotels from Spain. The U.S. tourist agency firms could promote Sol Melia as the hotel of choice for customers traveling to the many countries where Sol Melia operates. When U.S. firms are permitted to conduct business directly with Cuban firms, Sol Melia would serve as a facilitator for entry into Cuban markets.

Another approach for a U.S. firm to take in order to develop a bridge into Cuba, before they can actually cross it, is to develop close relationships with a university and its business faculty which has expertise and strong ties with Latin America, such as Florida International University, for example, or with a university in the firm's region willing to develop ties to Cuba. Under the new 2011 easing of travel regulations, students and faculty will be able to travel to Cuba without special permission. The U.S. firms could hire U.S. business faculty as consultants, who would then travel to Cuba, research Cuba as a market for that firm and start developing relationships with Cuban university faculty, particularly those universities with strong local business community contacts. The U.S. business faculty would be accepted by the Cuban faculty and business community due to the trust of competency. To further validate their expertise and capabilities, the U.S. faculty could train Cuban faculty and business practitioners in the use of technology, such as a new data analysis method, or could provide seminars on market strategies for the global arena. Because Cuba has been almost completely shut off from the world for decades, such training would most likely be welcomed in Cuba and help the U.S. faculty to develop a relationship with the university and business community based on trust of competency, as well as affective trust over time. Because students will be allowed to visit and study in Cuba, U.S. firms could offer internships and have the students work in their firms at their respective locations. These firms could then pay for the students' travel and tuition to participate in study abroad programs in Cuba, returning to their firm to complete the internship. Both the firms and the students would learn from this relationship.

Lastly, U.S. firms hoping to enter Cuba one day might develop strong ties with U.S. firms who have already done business with Cuba. These would be U.S. firms who have supplied agricultural products, food and medicine to Cuba since 2001. There are many firms in numerous locations who have found a way to become suppliers to the Cuban government. For example, the poultry farmers of Alabama have been successful in exporting chicken legs to Cuba, after they learned the preferences of Cuba consumers. This complements the tastes of their domestic market, where the majority of Americans prefer white meat. So, a packaging firm, for example, could create a strategic alliance with those poultry farmers and be the one to package the poultry exports to Cuba. Similarly, a firm who makes noodles could create a strategic alliance to export chicken noodle soup there. However, any U.S. firm could work with the poultry farmers to learn the correct strategies to get into the Cuban market and how to deal with the Cuban government. In this example, the U.S. poultry producers would be the consultants to other U.S. firms, sharing their experiences and expertise with other U.S. firms, so they can be poised to take advantage of opportunities in the Cuban market when they are permitted.

CONCLUSION

Supply chain relationships between firms have the potential to be an important driver of firm performance and sustainable competitive advantage (Thomas & Skinner, 2010). Nonetheless, in order to truly leverage the power of collaborative supply chain initiatives, trust is essential. This paper has provided insights, grounded in the Resource Base View of the firm, in how U.S.-based firms can take proactive steps for entering a potentially new marketplace in Cuba through their supply chains. Specifically, these inroads would be formed through the relationships that U.S. based firms can develop with non-U.S. companies currently conducting business in Cuba, with the limited U.S. firms currently selling agriculture products in Cuba, and the academic community. These relationships need to consider and align the cultural underpinnings and orientation of a high context country, Cuba, with a low context culture, the United States, to develop both competency based and affective trust among the firms in these two countries. It is through this trust, initially formed through U.S. firms' supply chain relationships, that companies may attain a rare and difficult to attain inter-organizational resource that can facilitate market entry to a potentially new market in Cuba.

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