

Executive Cultivates Agriculture, Tech Skills

Former Internet Entrepreneur Tackles Pineapple Farming

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David C. Cole made his millions in technology, first at his own start-ups, then at America Online as it grew into a behemoth.

Then he walked away from it all and bought a fruitless and tired Virginia farm, eventually turning it into a bountiful, viable organic business.

Now, elements of both worlds -- his AOL past and his penchant for eco-friendly farming -- have converged into an unlikely future for Cole. AOL founder Steve Case has asked Cole to turn Case's floundering Maui Land & Pineapple Co. into a profitable business, without destroying the thousands of acres of pristine, lush Hawaiian land.

Cole, 50, owner of Sunnyside Farms in Washington, Va., was named chief executive of Maui Land & Pineapple last month, a struggling pineapple production company that owns 29,000 acres of land on Maui -- the second largest landowner on the island. Maui Land & Pineapple is more than 40 percent-owned by Case, who in addition to being Cole's former employer is a fellow Hawaii native. They both grew up in Honolulu.

Both Cole's business associates and those in the environmental community -- he remains deeply steeped in both -- describe Cole as a man with a mission: to turn undeveloped land into a profitable business by using the land's own assets. And with Maui Land, he has been given one of the most ideal places in the world to give it a go.

"I'm interested more broadly in how you conduct sensitive development so you provide jobs, socially useful services and also provide environmentally sustainable practices," Cole said in an interview from Maui. "It's about natural, social and economic capital, and how can you make them work in harmony."

Cole's idealism could be tested, because Maui Land & Pineapple needs old-fashioned profits. Despite its vast land holdings, Maui Land's core pineapple production business has been deteriorating in recent years. The company has lost clients to lower-cost producers in places like the Philippines. In its second quarter this year, Maui Land & Pineapple reported a \$4 million loss, double what it was for the same period the year before. It was the fifth consecutive quarterly net loss

for the company, which has been laying off workers and revamping its product line to compete in the fresh-cut, instead of canned, pineapple market.

The goal, Cole said, will be to turn Maui Land & Pineapple into a profitable enterprise without resorting to land sales or massive development.

Cole and Case will work closely together on the job, Cole said. Case asked Cole last year to come to Hawaii to take a look at Maui Land & Pineapple, which was bleeding millions. The two men have a long history that dates back to AOL's fledgling days, when AOL swallowed Cole's company, NaviSoft. But even before that, Cole knew Case's parents and would often bump into the Case family at various functions. Cole earned his bachelor's degree in liberal studies from the University of Hawaii and said he is happy to be going back home with his wife, Maggie, who also lived in Hawaii for some time.

"Maui Land & Pineapple has great assets but has struggled in recent years," Case said in a statement. "David Cole's love for Hawaii and his diverse background made him the ideal person to lead the turnaround effort."

Cole hopes to do the same thing with Maui Land that he did with Sunnyside: turn lush land and products into a business, without killing the land. "I think it's a false dichotomy that you have to sacrifice [environmentally sound practices] in order to have a vibrant economic development," Cole said. "Maui Land & Pineapple represents a microcosm posed by adapting Maui's agricultural past with the economic demands of present-day Hawaii -- one that must compete in a global market. One of the challenges is to find a way to move our pineapples into economic markets."

With so much undeveloped land at stake, environmentalists will be watching Cole closely, but so far seem to have a positive attitude about the company and its new owner. Cole spent years on the board of the Nature Conservancy of Hawaii, and then later was on the national Nature Conservancy board. He was also on the board of the World Wildlife Fund.

The history of the company itself breeds confidence in environmentalists. "From the standpoint of history, the company has been a pioneer and leader in cultural and biological preservation," said Kelvin H. Taketa, president and chief executive of the Hawaii Community Foundation. He is a former director of the Nature Conservancy in Hawaii, and worked with Cole. "David as the new CEO is really keeping in that tradition."

Maui Land & Pineapple sits on what is called ahupua'a, a term for a major ecosystem, roughly in the shape of a triangle, that usually extends from its apex at a high point to a wide base at the seashore and encompasses various types of climate and terrain. When taken as a whole, that triangle of land can provide sustenance for all of the people that live within its boundaries. In other words, it is

a large piece of land that is highly productive. Cole's goal is to find out how to make the ahupua'a profitable for its owners. (One of the parts of this land includes a "very healthy watershed," he said, that Cole himself was involved in protecting years ago, when he was on the board of governors with the Nature Conservancy.)

The company employs 1,800, a far cry from Cole's 30-person farm. But the move from such a small venture to such a large one didn't trouble Maui Land's board.

"Dave to me really has a great combination of head and heart," said David Heenan, Maui Land's chairman. "He is an extremely bright guy who has tremendous versatility intellectually, from software to organic farming. We felt this was much-needed capacity at this stage in the game."

Cole hit the Washington business scene in 1994, when he sold his company, NaviSoft Inc., an online software publisher, to America Online. He became an officer of AOL as part of the deal, first as president of AOL's Internet services company, and later, as president of its new enterprises group, where he created companies inside AOL. Then in 1997, he left the computer farm for the organic farm. Thanks to a non-compete clause, he had a lot of time to study the organic food market. Since leaving AOL, he's also been active in philanthropic causes and has invested in a number of young technology ventures.

Doug Wallace, the new Sunnyside chief executive, is no farmer either. His background spans a 20-year business career, where he learned sales and marketing at International Business Machines Corp., then went to a graduate school for finance, headed into corporate banking, and then led a startup in Seattle. He met Cole through mutual friends. "David said what was important to him was a value system, skills and an ability to learn," and not a farming background, Wallace said.

When it was announced he was leaving, Cole told employees that he will continue to work closely with them and share what he learns in Hawaii, so it may be used at Sunnyside, while taking what he learned in Virginia back to Hawaii. Wallace said employees jokingly refer to Maui Land as "Sunnyside West."

"I see David going to MLP as an extension of what we're doing at Sunnyside," Wallace said. "MLP will get what they invested in -- a leader with a vision, crafting a strategy. I see MLP being a beneficiary not only of his skills but what he's done at Sunnyside."