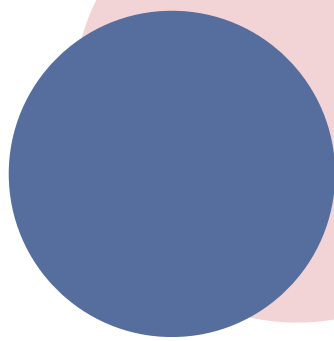




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# create

Women co-create  
sustainable fashion garments

## EDUCATOR'S HANDBOOK



# BUSINESS, ALLIANCES and GO-TO-MARKET



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# Learning Objectives

- Understanding of what is a mission-led business model
- Getting to know the advantages of creating a mission-led business model
- Getting to know the circular business models and tools that can be used in order to create it.
- Tactics that enable the enterprises to enter the market
- What should be taken under consideration while creating the pricing

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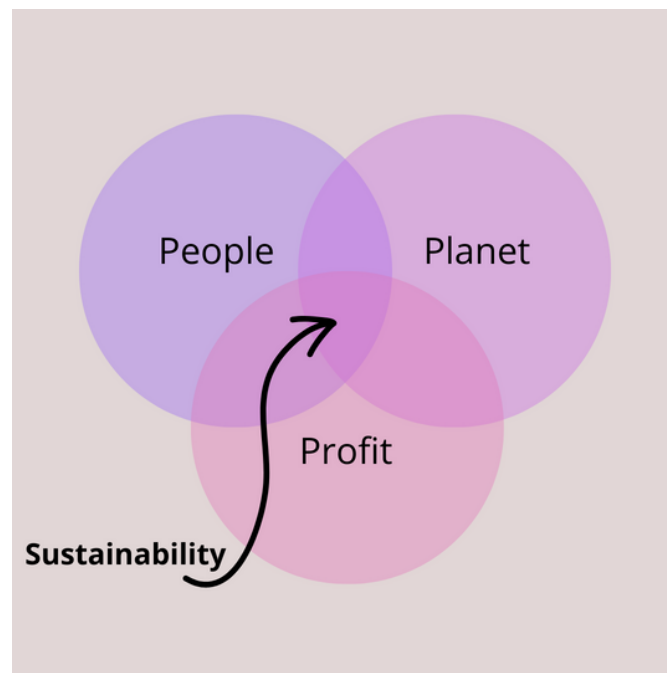
# Introduction

This module of the handbook provides the reader with knowledge on how to incorporate the materials from previous modules into the sustainable business setup. Here you would be able to look through the synthesis of the most important economic and market aspects that should be taken into consideration while setting up a sustainable business.

# Business as a force-4-good

Mission-led businesses are those who do not focus just on profit, but go beyond and take on the mission to address social and environmental issues. While still seeking profit, the priority remains to promote the welfare of workers, farmers and artisans. In order to do that, governance and management models are needed to enable such commitment to the social mission.

The mainly structural characteristics that are common across Fair Trade Enterprises are: the representation of producers on the board, formal policy on profit reinvestment into social and/or environmental objectives and producers' ownership of the enterprise. Five main features that characterise these enterprises:



Triple bottom line,  
Source:own elaboration:

# Business as a force-4-good

## 1. Fighting inequality reinvesting in the enterprise:

A means to fight inequality has been not to pay dividends to shareholders, but instead to reinvest the profit into the business for the purpose of the mission. It must keep prioritising the creation of opportunities for farmers, workers, artisans and communities, the development of new products, new production methods and the targeting of new markets. The freedom to prioritise social impact is at the centre of business management. In this way, the enterprise avoids those methods that usually are used to increase margins, such as squeezing wages, paying lower prices to producers or switching suppliers in order to cut costs.

## 2. Women leading the change:

businesses that fight inequalities and hence support marginalized groups inevitably tackle gender inequality. Thus, these businesses are more likely to be led by women. When compared to conventional businesses, the difference highlighted is big: for instance, while in mainstream businesses only 12 percent of board members are women, in Fair Trade businesses the number grows to 51 per cent.

"When enterprises have an inclusive business culture and inclusive policies, the predicted probability of achieving:

- increased profitability and productivity is 63%
- enhanced ability to attract and retain talent is 60%
- greater creativity innovation and openness is 59%
- enhanced company reputation is 58%
- better ability to gauge consumer interest and demand is 38%
- When boards are gender-balanced, companies are almost 20% more likely to have enhanced business outcomes.

Most businesses will go to great lengths to achieve a 2 or 3% improvement in their profit margins. Among companies surveyed by the ILO that track the impact of gender diversity in management, over two thirds of companies report 5 to 20% profit increases." (Women in Business and Management A global survey of enterprises, n.d.)

# Business as a force-4-good

## 3. Saving our planet:

The flexibility and freedom that mission-led businesses have, also permit businesses to minimise their environmental impact and promote circular economy. In this way, new solutions that can benefit the planet and also producers are generated by mission-led businesses that can choose the environment over profit. The need to tackle this issue is also embraced thanks to the long-term commitment to communities and producers, which push mission-led enterprises to do better for them.

## 4. Going places other business won't:

Led by social objectives, mission-led businesses choose to go where conventional businesses don't because of lack of infrastructure, weak institutions, war, climate change and disasters. Indeed, in order to help marginalised communities and regions, business needs to be the engine for social progress.

## 5. Commercial resilience:

The resilience of mission-led businesses has shown that it is possible to pursue social and environmental goals and, at the same time, innovate and remain viable. They demonstrated the possibility to operate in a competitive market while being mission-led. Indeed, only 2.4 per cent of Fair Trade Enterprises a year have gone bankrupt, showing more to be four times more resilient than conventional businesses. Moreover, many of them invest in innovation, in the development of new products, in sourcing new producers and in e-commerce.

There are other types of mission-led businesses, for example the BCorps which do not require the prioritisation of social goals but challenge the mainstream approach that prioritises the shareholders.

Another alternative are cooperatives, in which each member has a vote independently from its size or economic power. Moreover, cooperatives' members can be of different nature: producers, workers, community members or even consumers. (Doherty, R., Haugh, H., Sahan, E., Wills, T., and Croft, S, 2020)



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# Circular business models types

One of the most important aspects of creating a sustainable business model is to deeply think through the design stage of production as 80% of waste can be avoided by designing out the waste (European Parliament, 2009). Other aspects from circular business models that are worth considering for creating and marketing the capsule are:

- **Product as a service**

In order to ensure that resources and products are used as efficiently as possible we should start thinking about charging customers for usage and not for the purchase. In terms of clothing it would be especially suitable with occasional clothing (e.g. party dresses, men's suits/tuxedos). Further, offering repairs for the capsule items is another way to ensure continuous income from customers without constantly selling new garments.

- **Product life extension**

To avoid producing waste and using new resources products should be created in the way to be worn and used as long as possible. The materials used should be durable and able to maintain.

- **Closed loop/take back**

This business model leans on taking materials from used up products and up-cycling them for something new. It is beneficial for the producer, since they receive the materials for low or no costs but also for the customer who could receive for example a discount for the new purchases.

- **Modularity**

In the fast-fashion world when the trends are changing up every two weeks it is hard to keep up with the changes and be competitive at the same time. Modularity allows not only to avoid the constant purchasing of new products, as the core product remains the same but can be customized for the users needs, but also extends the product life cycle as it makes it easier to repair.

- **Smart material choices**

See point 3.

(Circular design guide - ALL - Circular Strategies | Shared by Digital, 2022)

# Getting to market

The initial option with most short-term scale-ability is to collaborate with larger buyers/retailers for buying from the capsule wholesale. Care must be taken here to seek out those with a stronger ethical/Fair Trade commitment or to social businesses, who will rather aim to work out a mutually beneficial deal than to pressure down price to increase their own profits. It is advised to map and reach out to such companies already early on as they will be keen to collaborate closely, especially on co-design (to improve sales) and may be able to offer capacity-building on the governance and management side of creating/running the capsule collection. Fair/sustainable Fashion is gaining traction and focusing on sustainable practices, inclusivity in the creation and production process and the stories of the involved designers and workers and how fair conditions are ensured are Unique Selling Points of high value. They would certainly be mandatory in some form or fashion when seeking business relationships or partnering with Fair Trade Enterprises or similar ethical businesses.

## **How to find business partners**

Ethical and Fair Trade Enterprises can be strong partners for ensuring initial sales for the capsule collection and for further developing the collection. Especially they work by doing capacity building with the team of the capsule collection, often on production techniques, as well as design to eliminate waste and reduce space for packaging and transport, just as a few examples. Generally, they can help a lot with facilitating sales, but also partner on providing trainings to attain the right skill level or to institutionalise good practices on eliminating waste and increasing efficiency.

# Getting to market

Especially in the initial phase, meeting your commercial partner should be the first step in the creation of the capsule. First, working out what is marketable is key to gaining the sales necessary for economic sustainability of the enterprise. While state-sponsored training projects and capacity building may help with useful funding in the initial phase of the enterprise, these are only temporary solutions. Maintaining the enterprise to keep working with the marginalised workers involved is only possible through sufficient sales and turnover. There is also the possibility of partnering with luxury fashion brands, which are increasingly looking at lines/collections with focus on sustainability (mostly environmental, but increasingly also social). The most essential component for getting a fair agreement with such companies is a sufficiently high quality standard.

This is, however, also key in ensuring sales through other channels, as consumers are generally seen to respond to quality primarily and fair/ethical and environmentally friendly conditions secondarily. Capacity-building to achieve high and consistent quality standards are key in the initial phases, and maintaining the high quality is very important over the long-term.

It could be useful to look for impact investors who are especially interested in supporting sustainable practices.

Those can be found on websites like

- <https://thegiin.org/impact-investing/need-to-know/>
- <https://www.imfino.com/en/>
- <https://www.nnip.com/en-INT/professional/>, <https://www.imfino.com/en/>.

# Pricing

In order to strike a balance between the company and customer needs, It is important to take into account the production costs and income, as well as customer willingness to pay (WTP).

- How much are your customers willing to pay for the sustainability aspect?

It is obvious that sustainable production of clothing is more expensive than creating similar garments by fast-fashion brands. Customers are aware of that, however it is still important not to overprice the products.

- What is the price flexibility of your customers?

If you have to increase the prices, are they willing to stay with your business or look somewhere else?

- What are the costs that the price has to cover?

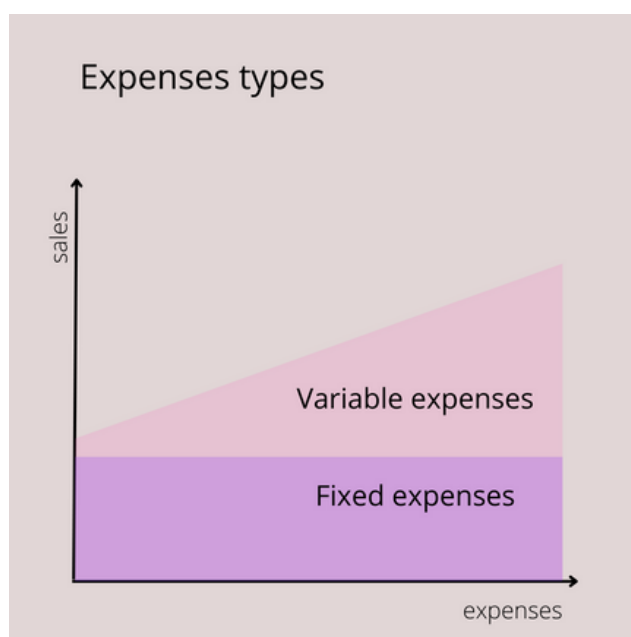
There are two main types of costs that are important to take into consideration:

## Fixed expenses

Expenses that do not change when the volume of sales change, f.e. example: space rental, salaries, insurances,

## Variable expenses

Expenses that depend on the volume of sales, f.e. electricity, supply, office



Graph illustrating the the relation between the sales and types of expenses  
Source:own elaboration

# Case Study: Mayamiko

**Name of the Project:** Mayamiko by Tatenda Clothing

Lilongwe, Malawi

Founded in 2019

Contact: [www](http://www) | [Facebook](https://www.facebook.com) | [Instagram](https://www.instagram.com) | [Twitter](https://twitter.com)

Type of Organization: Social enterprise

Field: Fashion entrepreneurship/ Female entrepreneurship / Fashion education

Education Program targeting

## Project Description

Mayamiko by Tatenda clothing is a part of Mayamiko enterprise, and is a fashion production house operating in Malawi. The purpose of the business is to provide marginalized women with practical and professional training concerning the production of sustainable garments. The business revenue is then donated to the Mayamiko Trust-the foundation based in the UK, which is again funding woman-empowering projects. Besides tackling the social part of sustainability it also refers to the ecological part of it as their garments are created out of natural, plant-based materials such as organic or locally sourced -cotton, linen and botanical dyed fabric, as well as salvaged silk and deadstock cotton jersey. When asked for advice for people willing to create similar enterprises they respond:

1. Be aware you are in for the long haul. It is definitely a marathon and not a sprint.
2. Build partnerships of equal, forever be listening to spoken and unspoken feedback. If none is forthcoming, find culturally appropriate and sensitive ways to facilitate it.
3. Start small - test out one or two key products/processes and keep iterating.
4. It is also useful to remember that everyone has different values. Some people value stability, other flexibility, some people want to lead, others to be led. So it's important to not take for granted what your partners value and what matters to them, as it may surprise you.
5. Finally, all of it is a journey, and it can be tough as well as rewarding. It is a good idea to have someone to share it with. This might mean friends and family, but also community in the broader online sense. "

# Case Study: Mayamiko

## **Who are the beneficiaries?**

Woman living in Malawi, which is highly impacted by climate change and gender inequalities.

## **Who are the project stakeholders?**

Mayamiko Ltd.,  
Mayamiko Trust,  
Mayamiko by Tatenda Clothing  
Marginalised women in the periurban area of Lilongwe

## **What positive impact has been generated?**

Thanks to Mayamiko fashion lab, the workshop training women in tailoring and sewing either for employment by Tatenda or for self-employment, now 200 graduates have a sustainable source of income. The scraps created while preparing the garments are used to create sanitary kits, which are then redistributed by partner organizations.

## **Insights**

It is a great case study to analyze some good practices, regarding the employed workers, but also sustainability in means of minimizing waste, integrating the idea of circular economy within the business model. Mayamiko presents great solutions by up-cycling waste, making smart material choices and ensuring that their practices support the local economies.



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