

## HKSGV 2018 Case Competition – Case Question

### St. James' Settlement: Green Ladies and Green Little

St. James' Settlement has been serving the city with care and love, not only as a social centre for the neighbourhood but also as an integral platform to offer comprehensive social services to address macro issues. Indeed, the charity group has been devoted to achieving environmental and social changes not only by providing social services, but also by diversifying its outreach to the social enterprise sector with the establishment of its eco-friendly social enterprise - Green Ladies, and later on, Green Little.

To tackle the enormous wastage of fashion items, **Green Ladies** has been promoting reuse habits while empowering middle-aged female employment since 2008. Educating the next generation on cutting waste is another key to its work. Hence, a new extension - **Green Little** was later founded to spread the green culture to the youngsters, reinforcing the concept of treasuring clothes and belongings. A consignment model is adopted to ensure the quality of clothing, to reach a high reuse rate, and to create a profound impact in the society.

### 1 Case Question

Green Ladies has stepped into the stage of stabilisation. Yet, several challenges remain unresolved, including insufficient storage and inconsistent consignment service quality. In addition, Green Little has been suffering from financial deficit despite receiving enthusiastic support from parents and children. Promotional efforts and innovative marketing strategies are needed to seize the huge market opportunity. In order to achieve long term sustainability in the business of second hand fashion, you are tasked to formulate a three-year plan with specific solutions for the pinpointed difficulties of Green Ladies and Green Little. Keep in mind that your proposed strategies should align with principles of creating shared value as well as the social mission of Green Ladies and Green Little. Creativity, feasibility, and effectiveness are highly valued.

### 2 Infusing Social Responsibilities into the Business

#### 2.1 Empowering Middle-Aged Women

The key concepts of the Green Ladies are reuse, restyle and empowerment. It aims to maximise value for all stakeholders - consignors, customers and society by fully utilising resources, promoting second hand fashion and the habit to act green, and offering job opportunities and trainings to middle-aged women. On top of promoting a green shopping experience, Green Ladies hopes to influence the general public's perception of second hand fashion and recognise the need for sustainable consumption. By imposing selection criteria on items collected, higher quality clothes are gathered and could be sold at higher prices. This improves income for middle-aged women and boosts reuse rate up to 66%. Ultimately, the business had encouraged expansion of shops and created more job opportunities in Hong Kong.

#### 2.2 Encourage Re-use Culture to Our Next Generation

Green Little was established in 2016 at the CC Wu shop branch. By introducing the new segment, the business aims to educate the younger generation with the concept of

“treasure” and hope they could treat all resources as “treasure” so to better and fully utilise them. Green Little aligns with the concepts and social missions of Green Ladies’. It actively encourages parents and kids to become consignors and to take advantage of this platform to build the habit of cherishing through donating clothes, and giving unworn clothing a second life. Green Little also goes beyond its core social mission and brings benefit to the deprived children by donating leftover kids wear in good condition after a two-month consignment period. Through charity sales and donations, it aims to soothe the financial burden of underprivileged families and encourage the habit of sharing among younger generations.

### **3 Challenges**

Since its establishment in 2008, Green Ladies has faced much challenges, including the public’s reluctance to purchase second hand clothing, unfavourable store locations and inadequate public education on the matter. To ameliorate the situation, Green Ladies revamped and rebranded its business in 2011 to initiate the consignment model, renovate the shop, and change a new logo. The consignment model has a four-step approach. Firstly, consignors have to visit the shops in person. They could opt for fashion consignment or donation. If the individual chooses to consign to Green Ladies, he/she will be able to receive a maximum rebate of 30% upon the selling price of the items within two months. To allow better access of consignors towards the statuses of their items on shelves, an online platform is set up for them to track rebates and sales reports regularly.

#### **3.1 High Rental Cost and Insufficient Spaces for Storage**

Restricted by high rent of warehouses, the limited size of our back offices could hardly accommodate all items. Stacks of boxes have been piled up to occupy even public spaces of office entrances. In light of this urgent matter, pop-up outlets were held to sell stored clothes and hopefully to vacate the office. However, the number of sales was unsatisfactory and hence the problem is yet to be resolved.

#### **3.2 Non-Standardised Service**

Complaints about the consignment service were also received occasionally. Our staff needs specific skills to properly and peacefully reject consignors’ clothes. However not all colleagues are able to handle such tasks without damaging customer relationship or discouraging customers from supporting the business in future. Although standard guidelines and criteria are provided, consignment services are also sometimes not delivered in a standardised manner among different outlets and staff. This causes confusion and inconvenience to customers. In order to unify our services, “Consignment Express” was launched recently where customers can file a consignment application through WhatsApp. The effectiveness is not yet proven and our team believes more practical means are required to refine the principal business model.

#### **3.3 Business Deficit and Sustainability**

Green Little has received great response and positive feedback from parents and kids. This indicates that there is a huge potential in this segment. However, the core business of Green Little - the consignment and selling and selling of second hand kids wear - is not as satisfactory. The business was suffering from a deficit in the 2016/17 financial year and the management team foresaw a continued deficit in 2017/18, implying that the business might not be able to sustain in the long run.