

Assignment No 5



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CSE-406 Engineering Project Management

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“On my honor, as a student of the University of Engineering and Technology, I have neither given nor received unauthorized assistance on this academic work”

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Case Study: Reclaim Textiles (Pvt) Ltd: Stitching a Future with Strategy

Q1: Six Steps of Strategic Management Process with Examples

1. Identify Mission, Goals, and Existing Strategy

- Mission Updated: From cost-focus to sustainability and innovation.
- Goals Set: Entry into global sustainable markets, waste reduction, and digital transformation.

2. External Analysis

- Opportunities: Demand for sustainable textiles, EU trade incentives, solar subsidies.
- Threats: Energy shortages, inflation, and eco-strong rivals like Bangladesh.

3. Internal Analysis

- Strengths: Skilled workforce, local brand ties, and trend forecasting.
- Weaknesses: Outdated equipment, lack of certifications, no digital/B2B export experience.

4. Strategy Formulation

- Corporate: Acquired an organic cotton farm.
- Competitive: Shifted to differentiation via eco-certified, customized products.
- Functional: R&D explored waterless dyeing; marketing rebranded; HR launched training.

5. Strategy Implementation

- Implemented ERP, partnered with GIZ for compliance, launched “RENEW.”
- Faced resistance but overcame it via communication.

6. Strategy Evaluation

- Outcomes: 18% export growth, 27% waste reduction, OEKO-TEX certification.
- Challenges: Increased costs, temporary profitability dip—prompting strategic balance review.

Q2: SWOT Analysis and Evaluation of Differentiation Strategy

Strengths:

- Skilled stitching workforce
- Design/trend capabilities
- Strong local partnerships

Weaknesses:

- Outdated equipment
- No sustainability certifications

- Lack of export/digital experience

Opportunities:

- Rising global demand for eco-products
- EU GSP+ benefits
- Solar energy subsidies

Threats:

- Energy instability
- Cost inflation
- Competitors with better green credentials

Was Differentiation Justified?

Yes. The low-cost model was unsustainable due to rising costs and eco-awareness.

Differentiation through sustainability gave Reclaim access to new markets, higher-value customers, and long-term brand credibility.

Q3: Comparison with International Firm (e.g., H&M)

H&M:

- Competes on fast fashion and cost, but also investing in sustainability (e.g., Conscious Collection).
- Strong global digital presence and supply chain optimization.

Reclaim:

- Smaller scale, focusing on eco-differentiation and customization.
- Still developing digital and B2B export capabilities.

Lessons for Reclaim:

- Invest early in supply chain digitization.
- Use sustainability not just for compliance but for marketing and customer engagement.
- Consider circular economy models (like H&M's recycling initiatives).

Q4: Functional Strategies and Suggestions for Other Areas

Contributions:

- HR: Upskilled workforce for ERP and sustainability.
- Marketing: Created a new ethical brand identity.
- R&D: Adopted waterless dyeing for eco innovation.

Additional Functions to Align:

1. Finance: Integrate sustainability metrics into budgeting and cost-benefit analyses.

2. IT: Strengthen digital exports and e-commerce through AI-based demand forecasting and online customization tools.

Q5: BCG Matrix-Based Resource Allocation Recommendation

Assuming Reclaim's product lines are:

- RENEW line (eco-certified) – Star: High growth, gaining popularity internationally.
- Traditional domestic fabrics – Cash Cow: Stable but low growth.
- Experimental waterless dyed fabrics – Question Mark: Potential but unproven.
- Low-cost legacy fabrics – Dog: Low profitability and relevance.

Recommendations:

- Invest heavily in Stars (RENEW line) to scale.
- Maintain Cash Cows to fund innovation.
- Experiment cautiously with Question Marks, monitor traction.
- Phase out Dogs to free up resources.

This aligns with business growth theory—maximizing returns by focusing on high-potential, sustainable segments while exiting declining ones.