**DEPATMENT OF COMPUTER SYSTEM ENGINEERING**

**ENGINEERING PROJECT MANAGEMENT**

**CSE 406 ASSIGNMENT NO 5**

**CLO’S 3**

**TOTAL MARKS=50**

**DEADLINE 15TH June 25**

**📘 Case Study: “Reclaim Textiles (Pvt) Ltd: Stitching a Future with Strategy”**

**Background:**

**Reclaim Textiles (Pvt) Ltd** is a mid-sized textile manufacturing company based in **Faisalabad, Pakistan**, historically focused on producing affordable fabrics for domestic clothing brands. Over the last decade, the company thrived due to low labor costs, domestic demand, and government export subsidies. However, from 2022 onwards, the company faced increasing challenges: energy shortages, currency devaluation, and declining international orders due to non-compliance with global sustainability standards.

In late 2023, Reclaim’s board appointed a new CEO with a mandate to **revive the company using a strategic management approach**, aligned with global competitiveness. The CEO introduced a **six-step strategic management process** and tasked department heads with conducting both **external and internal analyses**, identifying opportunities and threats, and rethinking the corporate strategy.

**🧭 Step-by-Step Strategic Management Process at Reclaim Textiles:**

**Step 1: Identify Mission, Goals, and Existing Strategy**

Reclaim's mission was outdated, focusing only on low-cost production. The new CEO introduced a modern mission:  
*"To become South Asia’s most responsible textile brand by combining sustainability, innovation, and affordability."*

New goals were set:

* Enter at least two international sustainable textile markets by 2026.
* Reduce production waste by 40% within 2 years.
* Digitize 50% of operations by 2025.

The company had no clear corporate or competitive strategy earlier, relying solely on low-price contracts.

**Step 2: External Analysis**

Key **Opportunities** identified:

* Increasing global demand for sustainable textiles.
* GSP+ trade incentives for Pakistan in the EU.
* Government solar subsidies for energy-deficient industries.

Key **Threats**:

* Frequent power outages.
* High inflation and raw material costs.
* Rising competition from Bangladesh and Vietnam with better environmental credentials.

**Step 3: Internal Analysis**

**Strengths:**

* Strong stitching and tailoring workforce.
* Established relationships with local fashion brands.
* In-house design team with trend forecasting capabilities.

**Weaknesses:**

* Outdated dyeing equipment.
* No certifications like OEKO-TEX or GOTS.
* No experience in B2B exports or digital transformation.

This SWOT analysis led Reclaim to recognize that continuing as a low-cost player would not ensure long-term competitiveness.

**Step 4: Strategy Formulation**

**Corporate Strategy:**  
The company adopted a **growth strategy** through **horizontal integration**, acquiring a small Lahore-based organic cotton farm to secure sustainable raw materials.

**Competitive Strategy:**  
Reclaim shifted from **cost leadership** to **differentiation**, focusing on organic, eco-certified fabrics and customer customization.

**Functional Strategy:**

* The R&D department began exploring waterless dyeing technologies.
* The marketing team was tasked with creating a new brand identity focused on “ethical fashion.”
* HR launched upskilling programs for employees on new tech systems.

**Step 5: Strategy Implementation**

Reclaim installed ERP systems for inventory and supply chain, partnered with GIZ for compliance training, and launched its first eco-product line “RENEW.”

Change was resisted at first, especially among factory workers untrained in digital tools, but strong internal communication helped transition.

**Step 6: Strategy Evaluation**

After 12 months:

* Export orders increased by 18%, especially in Germany and the Netherlands.
* Waste output dropped by 27%.
* Reclaim received OEKO-TEX certification and began applying for GOTS.

However, not all went smoothly. Costs rose due to the shift in raw materials, and profitability dipped temporarily. The board asked the CEO to refine the balance between innovation and cost control.

**🧠 Assignment Questions Based on This Case Study**

**1. Identify and explain the six steps of the strategic management process used by Reclaim Textiles. Provide examples from the case to show how each step contributed to strategic renewal.**

**2. Conduct a SWOT analysis for Reclaim Textiles. Based on your analysis, do you think their shift to a differentiation strategy was justified? Why or why not?**

**3. Compare Reclaim’s new competitive strategy with that of another international textile firm (e.g., Zara, H&M, or a Bangladeshi competitor). What lessons can Reclaim learn in terms of sustaining competitive advantage?**

**4. Examine how functional strategies (in HR, marketing, and R&D) helped Reclaim support its new corporate and competitive strategies. Suggest two more functions where alignment could improve results.**

**5. Using the BCG Matrix from the case, recommend how Reclaim should allocate its resources across different product lines. Justify your answer using business growth theory.**