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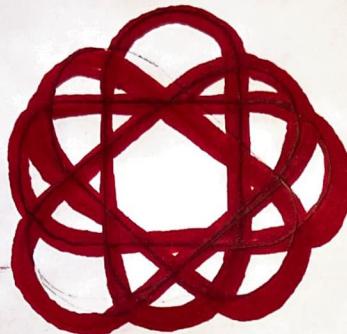
ACRC  
Asia Case Research Centre  
亞洲案例研究中心

# HSBC/HKU Hong Kong Business Case Competition 2022 Online Edition

HKUST

AMINA SIMON MATILDA ISMET





# REDRESS

AMINA ISIMON IMATILDA ! IZMET



## EXECUTIVE SUMMARY

SITUATION	Dependence on unpredictable revenue sources	Many efforts compromise Redress's potential impact	
KEY QUESTION	How can Redress focus its efforts to drive sustainable income and impact?		
STRATEGY	<h1>Streamline + Sponsors</h1>		
IMPACTS	Social Impact Environmental <u>14.33</u> tonnes/yr	<u>1.3 M</u> in sponsor revenue in 2026	<u>2.5 M</u> Sales revenue in 2026

# REDRESS REVENUE SOURCES AND OUTLOOK

## Hong Kong Situation

Current  
Covid-19  
Challenge

Future  
Unknown  
challenge

Redress  
Revenues

Government  
Grants

58%  
Corporate  
Sponsors

Income



+



=

Dependence on 58% of revenue from unpredictable  
Sources that can change in unforeseeable circumstances.

SITUATION

STREAMLINE SPONSORS

IMPACT

# REDRESS IS A NON-PROFIT ENVIRONMENTAL CHARITY

## What is Redress ?

## Hong Kong Fashion

1st

NGO in Asia  
to focus on  
environmental effects  
of fashion industry

196

Tonnes of clothes  
thrown away  
everyday

Mission

Educate community  
&  
Encourage sustainable  
fashion

38%

of Hong Kongers  
only keep clothes  
for one year

Redress is seeking to tackle a large-scale issue in HK

SITUATION

STREAMLINE

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IMPACT

# Redress IS ENGAGING WITH MANY EFFORTS

Redress  
Design  
Award

Clothing  
Takeback

Adds Value?



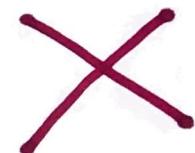
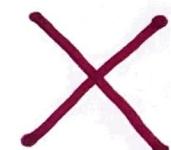
Storage &  
Disposal

of unsuitable items  
(10-15% of items collected)

Shipping  
Clothes to  
Japan

for biofuel creation

Adds Value?



Sham Shui Po store and pop-up stores  
drive 24% of revenue.

Redress should focus its efforts and further engage with its core competencies to drive sustainable income & impact.

SITUATION

STREAMLINE

SPONSORS

IMPACT

# REDRESS HAS EVEN MORE POTENTIAL

The Redress store and pop-up stores drive income.



of clothing  
collected  
goes to  
other charities



of clothing  
collected  
goes to  
Redress stores

\* Challenge: Hong Kong real estate/storage cost per sq/m is the most expensive in Asia.

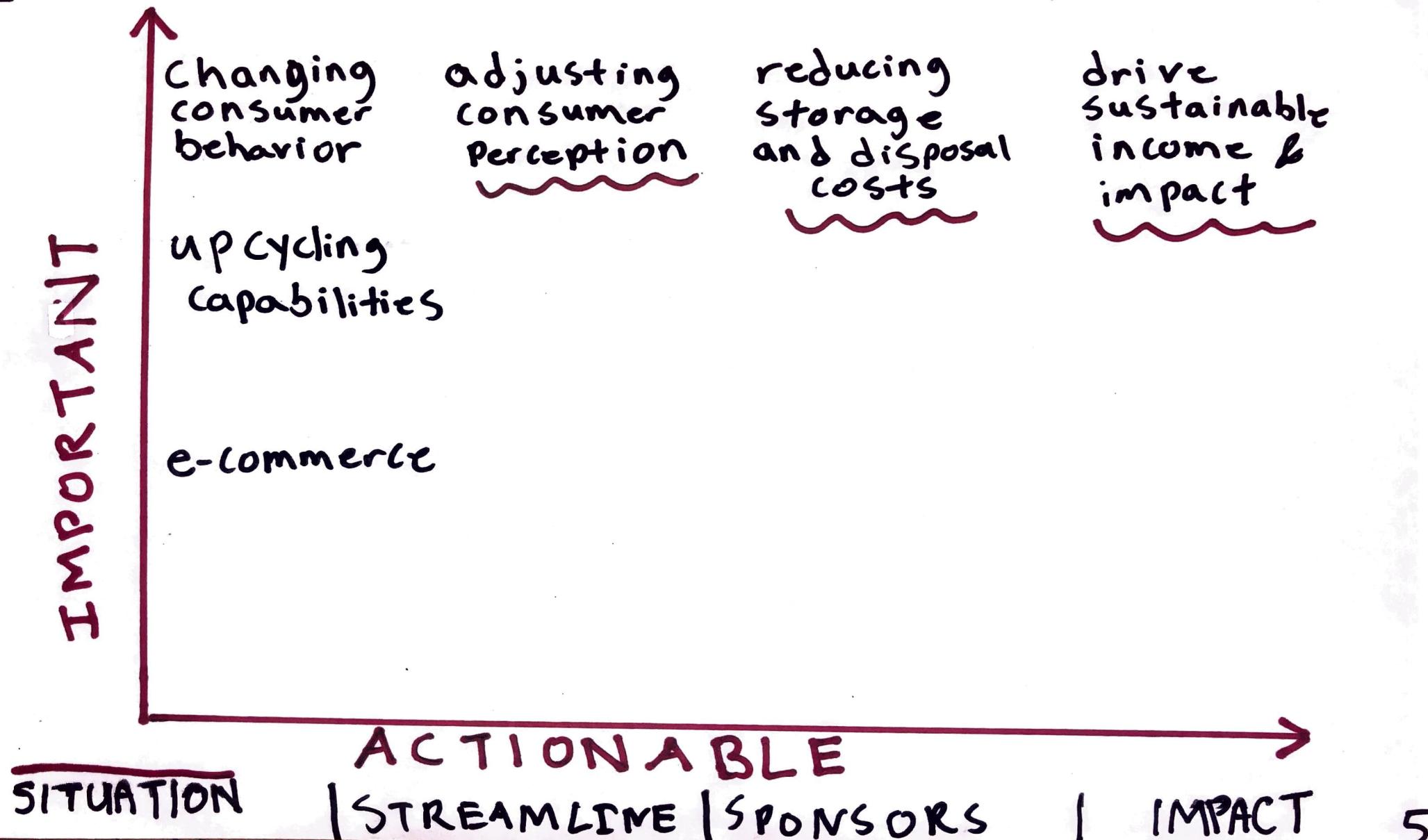
Can Redress increase the amount of clothing for redress stores without furthering the storage burden?

SITUATION

STREAMLINE SPONSORS

IMPACT

# REDRESS SHOULD FOCUS ON IMPORTANT & ACTIONABLE ISSUES



# ALTERNATIVES ANALYSIS

Alternative Strategy	Shortcomings of Alternatives	Comparative Advantage of Our Plan
Upcycling	<ul style="list-style-type: none"> <li>Very limited capabilities in Hong Kong</li> </ul>	Leverages available capabilities
C-2-C e-commerce	<ul style="list-style-type: none"> <li>Consumer's space issue</li> <li>less convenient</li> </ul>	Addresses consumer's desires
B-2-C e-commerce	<ul style="list-style-type: none"> <li>Redress space issue</li> <li>costly logistics</li> </ul>	Addresses our needs

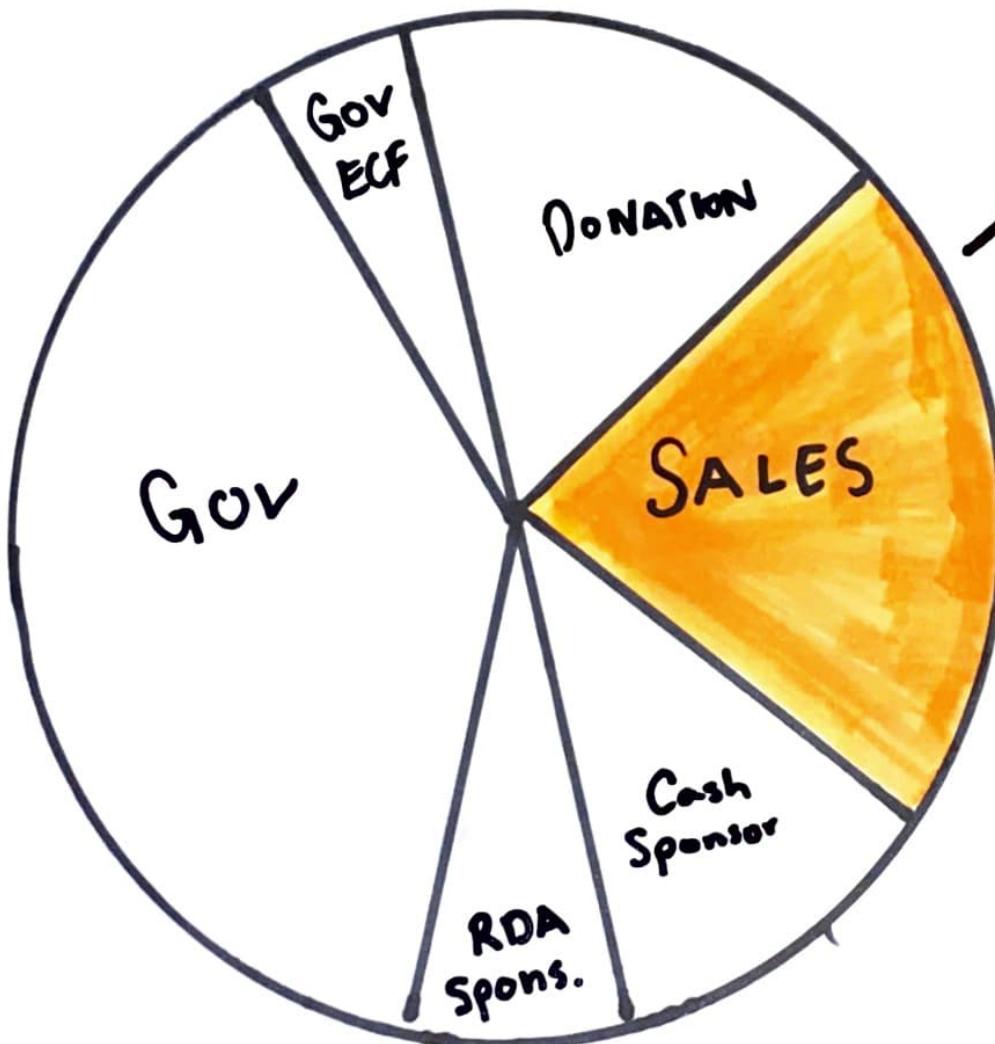
SITUATION | STREAMLINE | SPONSORS | IMPACT

## Key Question

How can Redress  
focus its efforts  
to drive sustainable  
income & impact?

STREAMLINE  
&  
SPONSOR

# REDRESS CAN DRIVE REVENUE THROUGH SALES



## Takeaway

- Redress makes little sales
- All sales come from 8% of Clothing

Situation

Streamline

Sponsor

Impact

# REDRESS IS WASTING UNNECESSARY SPACE

NO  
ACCEPTANCE  
POLICY



25%

WASTED  
STORAGE

Redress Can Cut waste thru  
an acceptance policy that  
drives revenue and maximizes impact

Situation

Streamline

Sponsor

Impacts

# TERMS OF ACCEPTANCE POLICY

15 Item Limit Cap



No RIPS, TEARS, STAINS



No UNIFORMS OR WORK LOGOS

Situation	Streamline	Sponsor	Impact	10
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# OPTIMIZING THE SOURCING PROCESS

## SOURCING

### OLD



WASTE time  
Sorting bed



### NEW



PREVENT bad  
Clothes donations



BURN cash  
paying excess storage



SAVE resources  
and space

? CONFUSE company  
mission



INSURE high quality  
goods go to sales

Streamline

Streamline

Sponsor

Impact

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Redress can reduce costs without compromising  
mission

# REDRESS SHOULD SELL NEW VOLUME IN MALL Pop-UPS

## Limiting Factors

- 1) Cleanliness
- 2) Trendiness
- 3) Accessibility



Affluent  
Malls

## Advantages

- 1) Prestige
- 2) Tastemaker
- 3) Central

Redress can appeal to HK customers by  
selling at pop-ups in strategic malls

# SERVICE-BASED SPONSORSHIP

Companies are  
reluctant to become  
long-term cash donors



service-based donations  
are 4.6x more  
effective



Redress should create a service-based sponsorship  
to capture a larger & long-term  
revenue stream

source: TPC

SITUATION

STREAM LINE

SPONSOR

IMPACT

# CREATING A LONG-TERM SPONSORSHIP SCHEME

## THE SERVICE SPONSORSHIP

requirements:



commitment

&



in service equivalent

## TARGETING DISTRIBUTION PARTNERS

<u>CRITERIA</u>	<u>TARGET PARTNERS</u>
<input type="checkbox"/> Sufficient network	① CARGO
<input type="checkbox"/> Local to Hong Kong	② SF EXPRESS
<input type="checkbox"/> Established	③ REDBOX

### OFFERING

Storage, distribution & Collection Services

# TARGETING CLOTHING BRANDS

## CRITERIA

- Luxury/High-End
- Seasonal collections
- Large Stores

## TARGET PARTNERS

| ① THE FACE™

| ② STELLA McCARTNEY

| ③ PANGRIA

## OFFERING

Off-season stock & in-house styling

# TARGETING PLACEMENT BRANDS

## CRITERIA

- Luxury Malls
- Exhibition Space
- Active CSR

## TARGET PARTNERS

①  MUSEA

②  PACIFIC PLACE

③  IFC mall

## OFFERING

POP-UP STORES & exhibition Space

# CASE STUDY: CROSSROADS



CROSSROADS, a goods distribution charity, uses a **service sponsorship** model.

For example, **Volkswagen** donated old vans for their distribution needs. This model was very successfull

# THE INCENTIVE FOR SPONSOR



CSR

72% of firms want to become more sustainable



CHEAP

Tax-deductible and less costly to firms



MARKETING

Premium location on Redress Website.

source: TPC

SITUATION

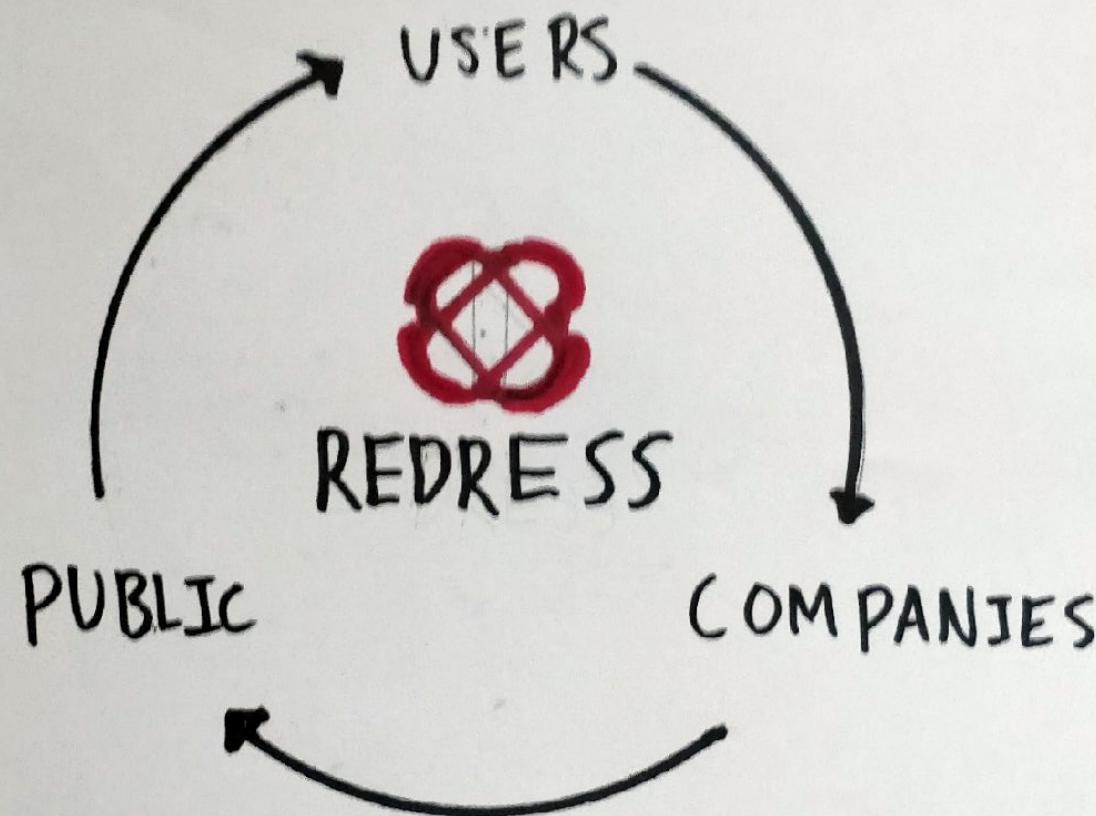
| STREAMLINE

| SPONSOR

| IMPACT

IMPACT

STREAMLINE AND SPONSOR WILL BENEFIT ALL STAKEHOLDERS



SITUATION

| STREAMLINE |

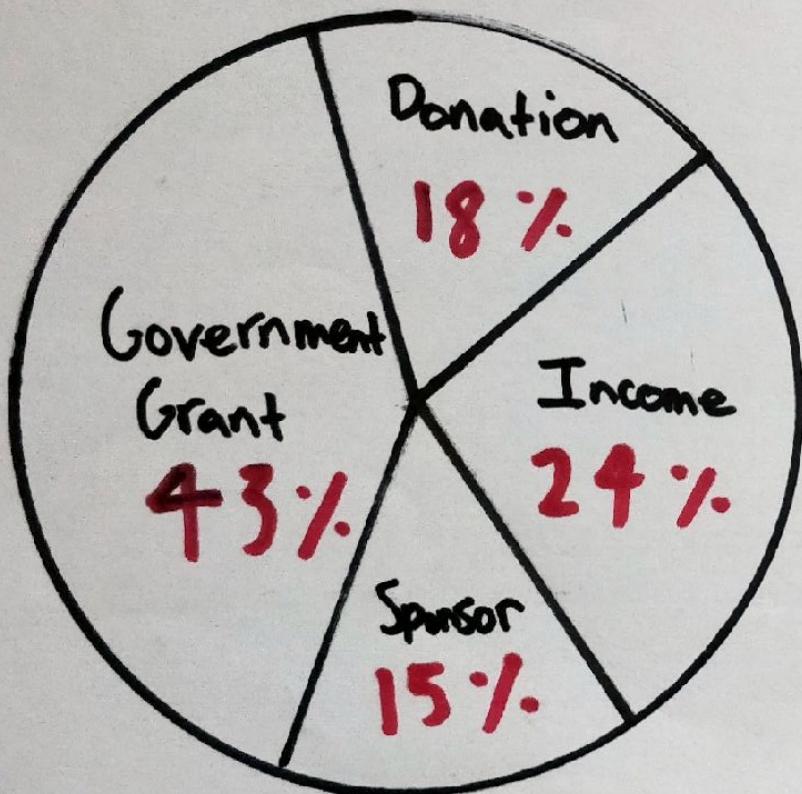
SPONSOR

IMPACT

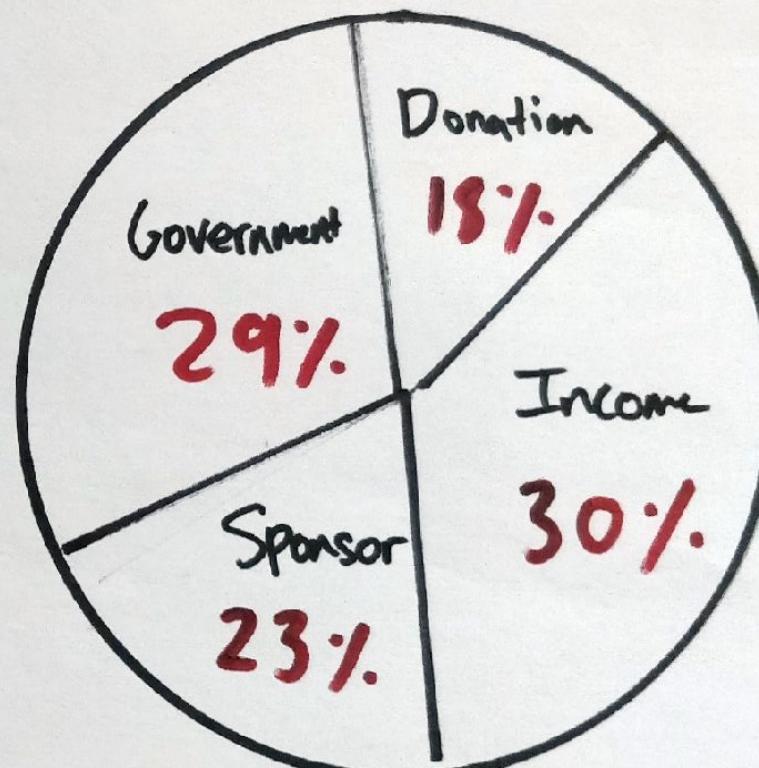
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STREAMLINE AND SPONSOR WILL DIVERSIFY REVENUE.

BEFORE



AFTER



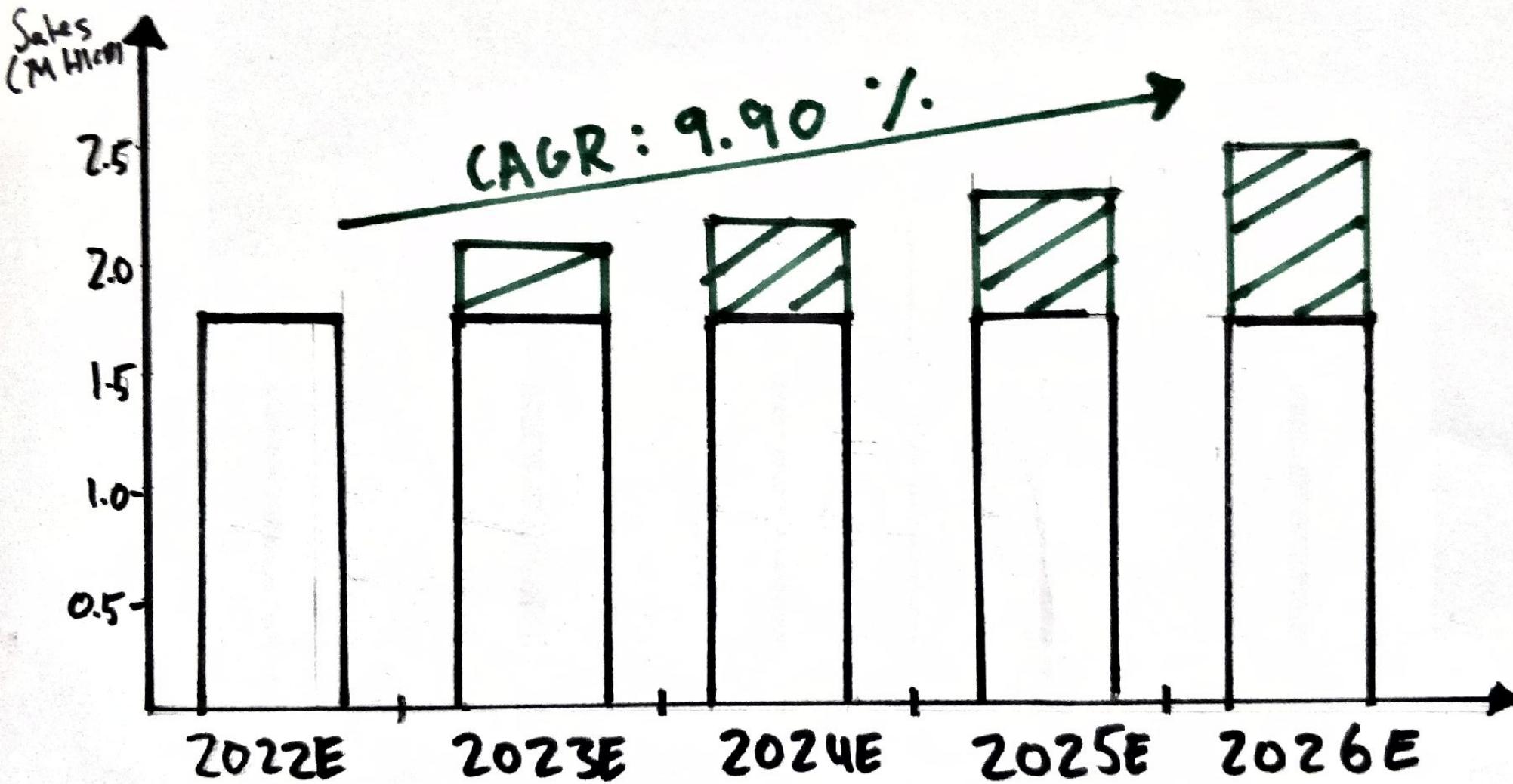
SITUATION

STREAMLINE | SPONSOR

IMPACT

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STREAMLINE WILL INCREASE SALES SIGNIFICANTLY



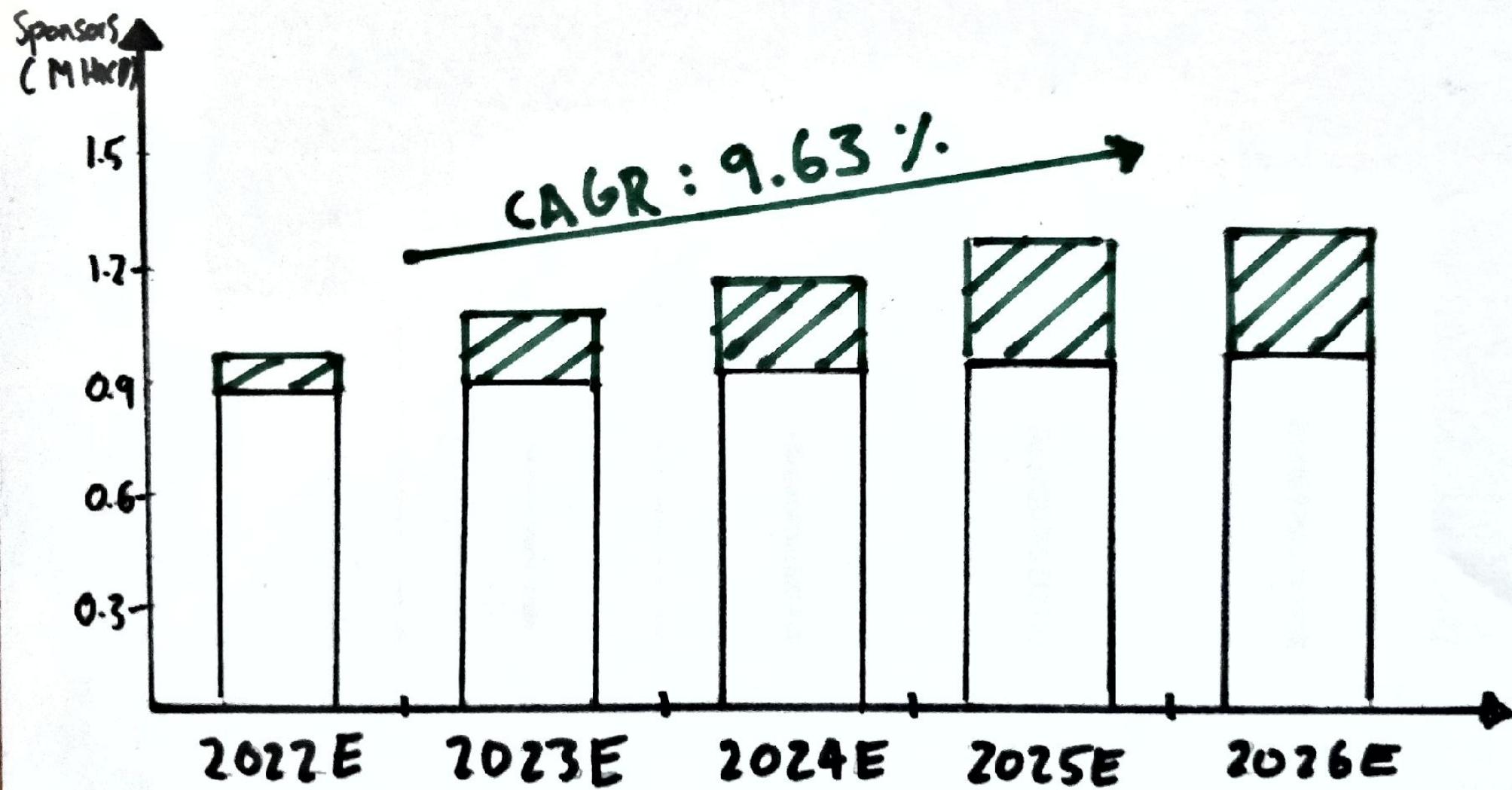
SITUATION

| STREAMLINEI SPONSOR

| IMPACT

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■ SPONSOR WILL INCREASE SPONSORSHIPS SIGNIFICANTLY



SITUATION

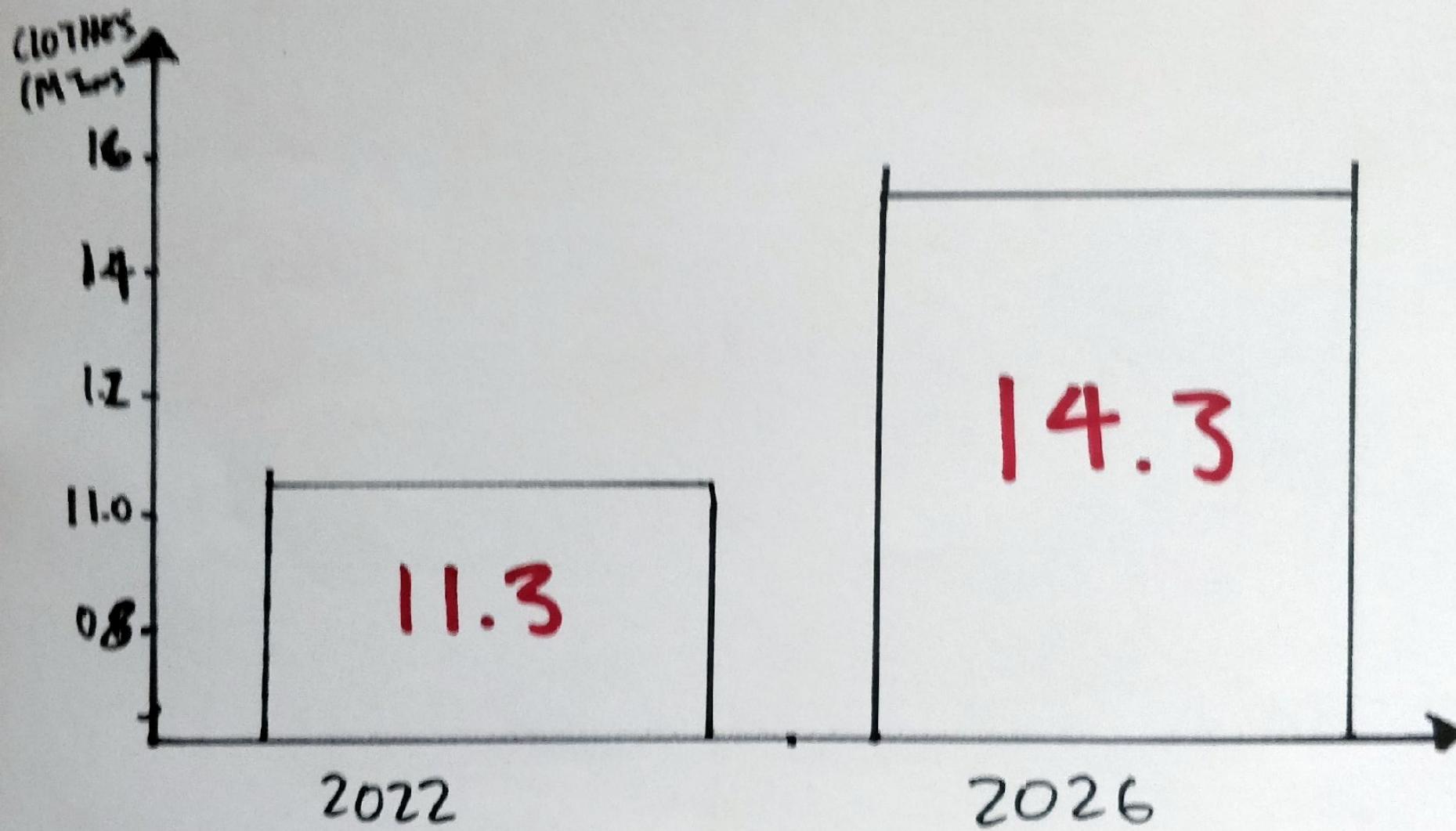
STREAMLINE

SPONSOR

IMPACT

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STREAMLINE WILL INCREASE RE-USABLE CLOTHES.



SITUATION

| STREAMLINE |

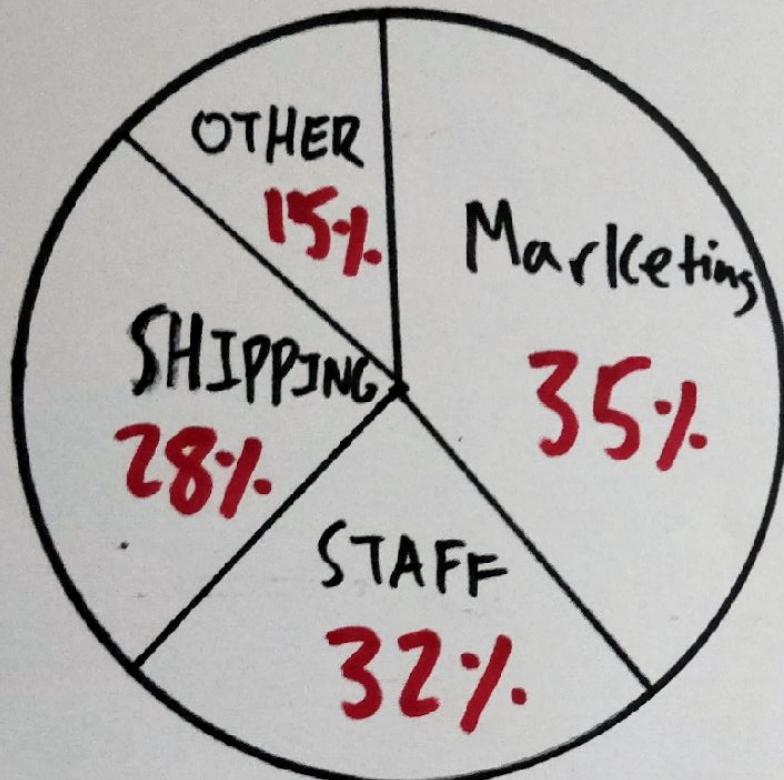
SPONSOR

IMPACT

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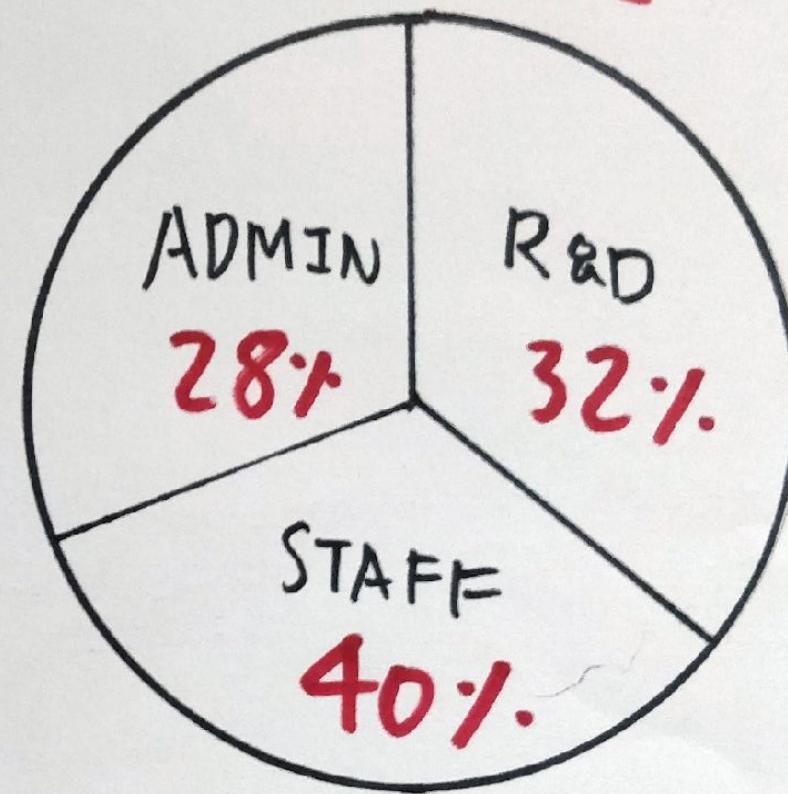
STREAMLINE AND SPONSOR WILL COST 244 K HKD.

### STREAMLINE



187 K HKD

### SPONSOR



57 K HKD

SITUATION

STREAMLINE

SPONSOR

IMPACT

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# STREAMLINE AND SPONSOR CAN BE IMPLEMENTED

	2022	2023	2024	2025	2026
Acceptance Policies	/	/	/	/	/
Negotiations		/	/		
Review		/	/	/	/
	2022	2023	2024	2025	2026
Find Sponsors	/	/	/	/	/
Receive Services		/	/	/	/
Review			/	/	/

SITUATION

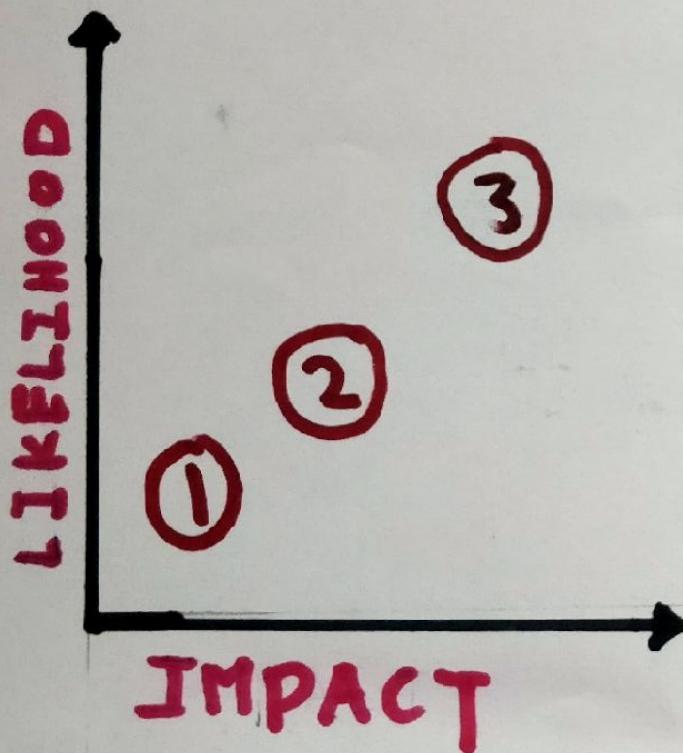
| STREAMLINE | SPONSOR

|

IMPACT

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# RISKS CAN BE AVOIDED



## RISKS

- ① Malls may not be motivated
- ② Companies can not offer service
- ③ Customers give Old clothes

## MITIGATIONS

Target malls with high ESG Record.

Yearly review to evaluate

Upfront awareness of acceptance policies.

SITUATION

| STREAMLINE |

SPONSOR

| IMPACT

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# KPIs

## KPI

## 2026 GOAL NOTES

SOCIAL  
IMPACT

14.3  
Tonnes

14.3 Tonnes  
being reused

SALES  
REVENUE

2.5M  
HKD

35% increase in  
Sales

SPONSOR  
REVENUE

1.3M  
HKD

21% of total  
Sponsor from New  
Sponsors

SITUATION

STREAMLINE

SPONSOR

IMPACT

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