

# Case 03: Small Niches, Big Promise

## Teaching Note

### Framing the Case

#### Investor Profile

##### Role Play

- Imagine that you are an **impact investor** seeking to fund mission-driven companies.
- Goals:
  - Generate **financial returns**.
  - Support ventures with strong **social & environmental impact**.
- You have a strongly held belief in the value of social entrepreneurship to align purpose with profit.

**Key question:** Which niche sustainability venture deserves your capital?

### Case Overview

#### Three Entrepreneurial Niches

- **Insect Protein** → sustainable food systems
- **Chitin/Chitosan** → biomaterial innovation
- **Green Tattooing** → eco-conscious cultural industry

#### Decision Question:

Which emerging market would you invest in as an impact investor?

- **Smaller, overlooked problems** can become big opportunities.
- Green entrepreneurship doesn't rely on a single "silver bullet".
- No one company can fix climate change — we need lots of smaller solutions working together.
- Case is designed to inspire you to **see niches as entry points** for larger transformations.

# Insect Protein

## Company Profiles

- **Mighty Cricket** – cricket-based protein powders & recipes.
- **Aspire Food Group** – large-scale cricket farming using robotics & AI.
- **Ynsect** – vertical mealworm farming, scaling globally.

## Social Mission

- Provide **sustainable protein** for a growing global population.
- Reduce greenhouse gas emissions from beef & pork.
- Support **circular economy** by using agricultural byproducts as feed.
- **Problem focus:** food insecurity + climate change.
- **Shared value:** healthy diets + sustainable production.
- **Challenge:** Western cultural resistance & regulatory barriers (e.g., FDA labeling insects as “filth”).

# Chitin & Chitosan

## Company Profiles

- **Chitonous (Singapore)** – 3D printing with natural chitin composites.
- **Canepa (Italy)** – Kitotex process cutting water/chemical use in textiles.
- **Medical innovators** – biodegradable wound dressings & scaffolds.

## Social Mission

- **Replace plastics** with biodegradable alternatives.
- Reduce fashion industry **wastewater by 95%**.
- Advance sustainable healthcare through **biocompatible materials**.
- Tackles **systemic issues** in fashion, plastics, healthcare.
- **Stakeholder orientation:** communities, consumers, ecosystems.
- Aligns with Christensen’s idea of **disruption from niche to mainstream**.

# Green Tattooing

## Company Profiles

- **Forte Tattoo Tech** – biodegradable, plant-based tattoo supplies.
- **Green House Tattoo Supplies** – vegan inks with reduced packaging footprint.
- **Artist-entrepreneurs** (Bang Bang, Ashley Thomas, Dillon Forte) leading adoption.

## Social Mission

- Reduce **single-use waste** in the tattoo industry.
- Provide **vegan, cruelty-free inks**.
- Serve as a **symbolic niche** showing that even small industries can go green.
- **Values-driven entrepreneurship**: ethics before profit.
- A **cultural wedge**: tattoos as a way to normalize eco-conscious practices.
- Even **humble market niches** can spark systemic change.

## Compare Options

### Investment Decision Criteria

**Environmental impact** – Does this venture measurably reduce waste or emissions?

**Market feasibility** – Is there strong potential for consumer adoption?

**Cultural acceptance** – Can social or regulatory barriers be overcome?

**Scalability** – Can this niche expand or influence larger markets?

**Mission alignment** – Does the profit model reinforce the social/environmental mission?

# Compare Options

## Investment Decision Criteria

Criteria (as Questions)	Insect Protein	Chitin/Chitosan	Green Tattooing
Does this venture measurably reduce waste or emissions?			
Is there strong potential for consumer adoption?			
Can social or regulatory barriers be overcome?			
Can this niche expand or influence larger markets?			
Does the profit model reinforce the social/environment mission?			

### Instructions

- Check the boxes as you evaluate each emerging market across these five criteria.
- Add up your “Yes” marks to see which one you’d invest in.

## Make a Recommendation

### Which Would You Fund?

- **Insect Protein**
  - High climate impact, systemic food solution.
  - Barriers: cultural resistance, regulation.
- **Chitin/Chitosan**
  - Cross-industry applications (fashion, plastics, medicine).
  - Strong scalability → could transform multiple sectors.
- **Green Tattooing**
  - Small market, but powerful example of values-first entrepreneurship.
  - Symbolic industry change → may inspire others.

## Wrap-Up

### Scorecard Totals

- **Insect Protein** → \_\_\_\_ / 5
- **Chitin/Chitosan** → \_\_\_\_ / 5
- **Green Tattooing** → \_\_\_\_ / 5

## Discussion Points

- Compare results across the class.
- Discuss how different “investors” weighed impact vs. feasibility.
- Remember: you are evaluating markets, not single companies.

## Key Takeaways

- **Niches matter:** big solutions often start small.
- **No silver bullet:** sustainability requires diverse innovations.
- **Social entrepreneurship:** mission + market together.
- **Impact investing lens:** weigh both returns & mission.
- This case helps you **practice opportunity identification**.
- The goal isn't to find *the one right answer* but to explore how **niches can evolve**.
- Consider niches as **stepping stones** to systemic change.
- Entrepreneurial success can come from **unexpected industries**.