

Sustainable entrepreneurship within fashion: *La Gentle Factory* story

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Abstract

The French textile engineer, Christèle Merter, founded *La Gentle Factory* in 2014 as a label for capsule collections from the HappyChic Group, a large, international men's ready-to-wear fashion retailer. Her objective is to promote simple, yet elegant 'Made in France' menswear made from organic materials and recycled products. The case discusses the challenges faced by the entrepreneur as she develops a sustainable clothing brand, first within a large group and then as an independent entrepreneur. The case also describes different forms of sustainable-oriented innovation in fashion and how narrative can aid the building of a new sustainable venture.

Keywords

sustainable entrepreneurship, sustainable fashion, sustainable-oriented innovation, start-up

Introduction

La Gentle Factory (LGF) case study deals with the challenges faced by sustainable entrepreneurs in the fashion industry (Henninger et al., 2016). According to the World Commission on Environment and Development (WCED, 1987), at the heart of 'sustainable development' is the belief that economic prosperity, human development and environmental protection are interrelated. Given the significant role of businesses in society and the impacts of their practices, entrepreneurship is central in transitioning towards a more sustainable future. One way to overcome the potential dichotomy between present and future generations is provided by sustainable entrepreneurship, an approach in which businesses engage to achieve efficiency and competitiveness by balancing the impacts of their environmental and social activities (Schaltegger and Wagner, 2011). By reducing waste, creating more circular business processes or using renewable energy, sustainable entrepreneurship helps to innovate business.

As illustrated in the case, the personal values of the entrepreneur (primarily a sense of moral responsibility, as well as personal gains, contribution to society, employment

choices, prestige, power and status) are vital drivers behind sustainable entrepreneurship (Vuorio et al., 2018). Sustainable entrepreneurs often exploit opportunities arising from neglected ecological and social concerns, which are more complex to address than conventional entrepreneurship (Rosário et al., 2022). They apply a moral lens to their ventures, ethical and moral values often being of more importance to founders of sustainable ventures compared with their traditional counterparts (Muñoz and Dimov, 2017). Sustainable development and the future depend on such entrepreneurs and their influence on other stakeholders and the public to adopt sustainable practices.

LGF case study helps students to better understand the challenges and determinants of sustainable entrepreneurship in the fashion industry, the types of sustainable-orientated innovation required to make a difference and how the founder's narrative is key to making sense of a

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new sustainable venture. The case tells the story of Christèle and her sustainable journey which began as an intrapreneur within Happychic, a large, international men's ready-to-wear fashion retailer, where the *LGF* brand was developed, to her becoming an independent, sustainable entrepreneur.

Key learning outcomes

By tracing the narrative of the start-up, this case aims at exposing students of entrepreneurship and fashion to the challenges faced by sustainable entrepreneurs within the industry. It highlights key topics related to understanding (1) the challenges facing sustainable fashion and innovation within the fashion industry; (2) the determinants of sustainable entrepreneurship within SMEs; (3) the different types of sustainable-oriented innovation (SOI) as well as the importance of alliances and networks within SOIs; and (4) the use of narrative to build a new sustainable venture by focusing on the founder's vision, mission and values.

La Gentle Factory story

Christèle, who had been campaigning for the protection of the planet since her childhood, and was touched by the poverty of Bangladeshi children during a visit to textile suppliers, was contemplating the idea of *LGF* running summer sales, considering how it conflicted somewhat with her idea of sustainable fashion. *LGF*'s turnover, since the brand had become independent in 2019, had increased every year and doubled from €800,000 in 2019 to €1,600,000 in 2021, finally plateauing to the same figure in 2022. As a visionary textile engineer with a passion for her work, Christèle wanted to play her part in revitalising French fashion manufacturing from a circular perspective. She was proud of her venture's success so far. In May 2023, her short-term challenge was to decide how to continue to be a sustainable brand true to her values while remaining economically viable.

Beginnings at Happychic

For 10 years (2004–2014) Christèle ran the quality service of Happychic Group¹, an international, multi-channel French fashion company in men's ready-to-wear, selling Jules, Brice and Bizzbee brands. As of 2009, Happychic highlighted corporate and social responsibility (CSR) issues and reduced their carbon footprint by half. Christèle was called upon to measure the Group's carbon footprint in utilities and the life cycles of the clothing marketed. She discovered that 60% of greenhouse gas emissions were the result of products placed on the market, the balance resulting from the use and end-of-life of these products. She organised a recycling channel, which collected and upgraded used textiles, enabling the recycling

of four tonnes of products bought by customers. Other initiatives followed such as the sale of pullovers from recycled materials in 2012. While this initiative was a technical success, it was an economic flop with only 10 out of 500 pullovers sold. Christèle put this flop down to the aesthetic nature of the product:

'This pullover was virtuous but not beautiful. In fashion, the aesthetics of the product is unavoidable: we must not forget that the customer buys a product because it pleases them and makes them look good.'

Later that year, Happychic continued their quest towards producing more sustainable fashion (see Table 1). They launched a jacket made of 43% cotton and recycled bottle caps. Sales were successful. However, the recycled origin of the garment was hidden from consumers. Christèle explained:

'Consumers don't want to see recycled yarn on their backs. That should not be the first message. Sustainable development is just the icing on the cake.'

Given this success, Happychic gave Christèle a chance to reflect, like many other fashion brands, on how to reconcile economic success, ecological friendly products and ethical practices with eco-manufacturing, eco-design and eco-distribution in a unique business model (see Table 2). In 2013, the first Happychic collection was produced according to an eco-friendly charter.

Table 1. Sustainable fashion matrix (adapted from Henninger et al., 2016).

Characteristics of sustainable fashion	✓
• Forward thinking	
• Innovation	
• Ethical/sustainable design	
• Ethically sourced	
• Meaningful, interesting	
• Local production	
• Production techniques (recycling, upcycling, traditional techniques)	
• Promoting fair trade, fair wages	
• Transparency/traceability	
• Checks for harmful substances	
• Long-term focus	
• Environmental standards	
• Human rights/working conditions	
• Community support/integration	
• Financially viable	
• Environmentally friendly materials	
• Renewable sources	
• Limited transportation	
• Fashion with conscience	
• Heritage	

Table 2. Trends and drivers of sustainability-related business model innovation for fashion businesses (Todeschini et al., 2017: 763).

Macro-trend	Driver of sustainable innovation	Where does it drive innovation in the business model?	Examples of innovative and sustainable business models in fashion
Circular economy	Recycling	Cost structure, key activities, key partners	Incumbent: Adidas Startup: Orange Fiber
	Vegan	Key partners, key resources, channels, value proposition	Startup: Preza
	Upcycling	Key resources, key activities, value proposition	Startups: Colibrii, Revoada, Preza
	Sweatshop free	Customer relationship, key resources, key activities	Incumbent: American Apparel
	Fair Trade	Customer relationship, key partners	Incumbents: People Tree, Eileen Fisher Startups: Colibrii, Revoada
Sharing economy and collaborative consumption	Locally sourced	Customer relationship, value proposition, key partners	Startups: Contextura, Lanieri, Orange Fiber, Revoada, Colibrii
	Fashion library	Customer relationship, value proposition, revenue streams	Startups: LENA, Rent the Runway
	Second hand	Value proposition, channels, customer relationship, key activities, revenue streams	Startup: Armadio Verde
Technological innovation	Collaboration	Key partners, key activities, key resources, delivery channels, customer relationship	Startups: Armadio Verde, Preza, Revoada
	Sustainable raw materials	Key resources, customer relationship, cost structure	Startups: Orange Fiber, Contextura
	Zero waste	Key resources, key activities, cost structure	Startups: ELSE Corp, Orange Fiber, Zero Waste Daniel, Contextura
	Wearables	Key resources, key activities, key partners, value proposition, cost structure	Startup: Ringly
Consumer awareness	Capsule wardrobe	Customer relationship, value proposition, revenue streams	Drivers generated mainly by consumer behavior: Startups: Armadio Verde, Contextura, Preza, Lanieri
	Lowsumerism	Customer relationship, value proposition, revenue streams	
	Slow fashion	Value proposition, customer relationship	

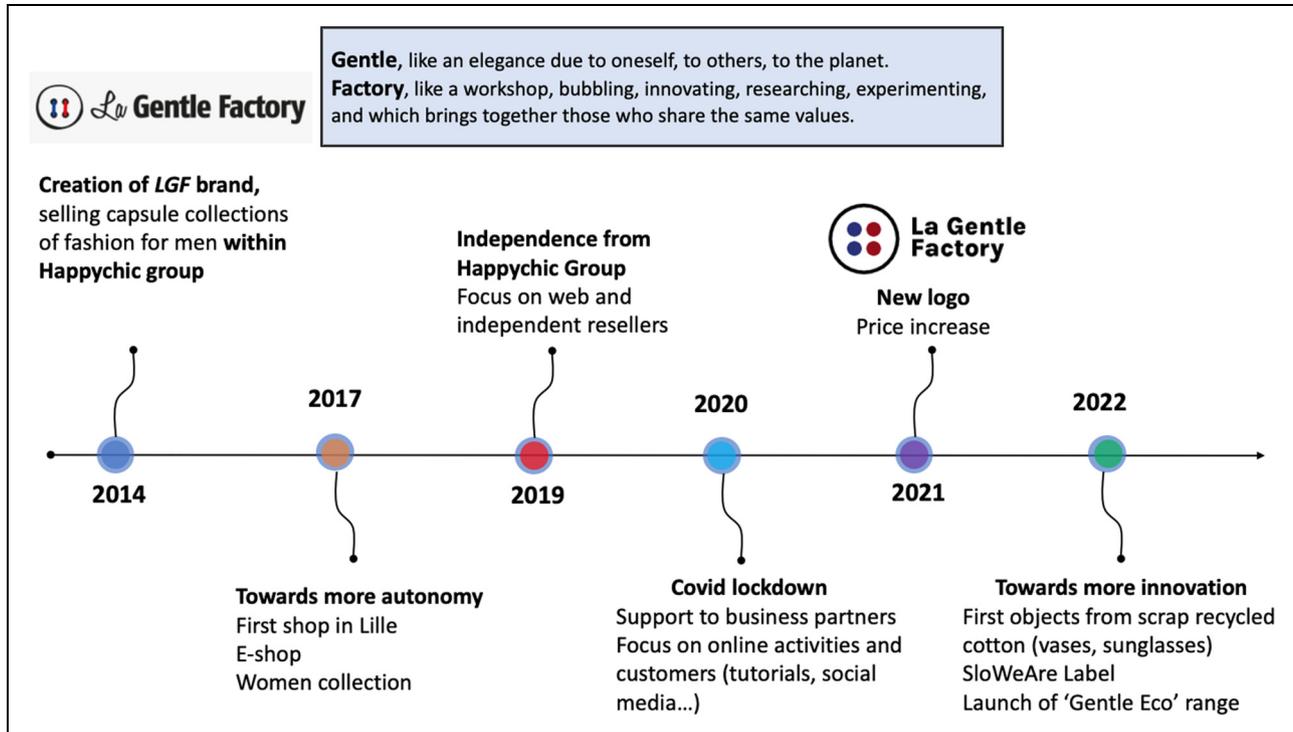


Figure 1. La Gentle Factory timeline.

Birth of La Gentle Factory brand

In April 2014 (see Figure 1), a fashion offer was created to fulfil three main objectives: (1) offer modern and desirable clothing in a capsule collection² format within branded shops; (2) develop eco-responsible products (i.e., collections from recycling, biological materials, local production and/or solidarity work); (3) innovate with a free collaborative platform of services, offering a second life to old clothes via online services such as bartering, reselling or lending clothes. To underline the novelty of the offer, and distinguish it clearly from Happychic brands' main collections, it was sold under *LGF* new brand name. As new brand director of *LGF*, Christèle became an intrapreneur within Happychic:

'The comfort of a salary suited me just fine. I spent five years telling myself that I was an intrapreneur rather than an entrepreneur.'

She presented the incubated brand mission at the time:

'Our slogan: "to be beautiful is good, and to do good, is beautiful!" Our unique approach is to enable the active man to act responsibly via his wardrobe, either by purchasing eco-friendly products or by offering a second life to his old clothes. A 'Gentle Man' is a man who considers how he looks, and thinks about the planet!'

Initially developed as a label and presented in corners via co-branded, capsule collections, the project was being tested by Jules:

'I had no marketing experience, but I had the opportunity to learn the business by benefiting from a lot of in-house expertise in IT and logistics.'

LGF produced jackets, pullovers, shirts, T-shirts, trousers, Bermuda shorts and accessories (tote bags, cheches, etc.). Christèle adopted innovative sourcing using an eco-responsible approach at each stage of the product life cycle, from the creation of thread to the finished product. These practices were set out in a *Manifesto for the Creation of the Collection* to ensure the products used bio-material, were Made in France, from recycled materials and incorporated social initiatives such as professional insertion. The brand gradually recreated a French production chain to build a complete eco-system that is Made in France and eco-responsible. *LGF* renewed its collections four times a season with timeless cuts and a mix of timeless and trendy colours. The brand targeted upper middle-class, adult males aged 25–45, for whom fashion was a means of expression. The brand values were responsibility, action, optimism, modernity, simplicity and discretion.

The brand was distributed mainly internally via the Happychic network of shops and on the Internet. In summer 2015, after four years of 'Test & Learn', the collection became a permanent fixture in all Jules shops, and then

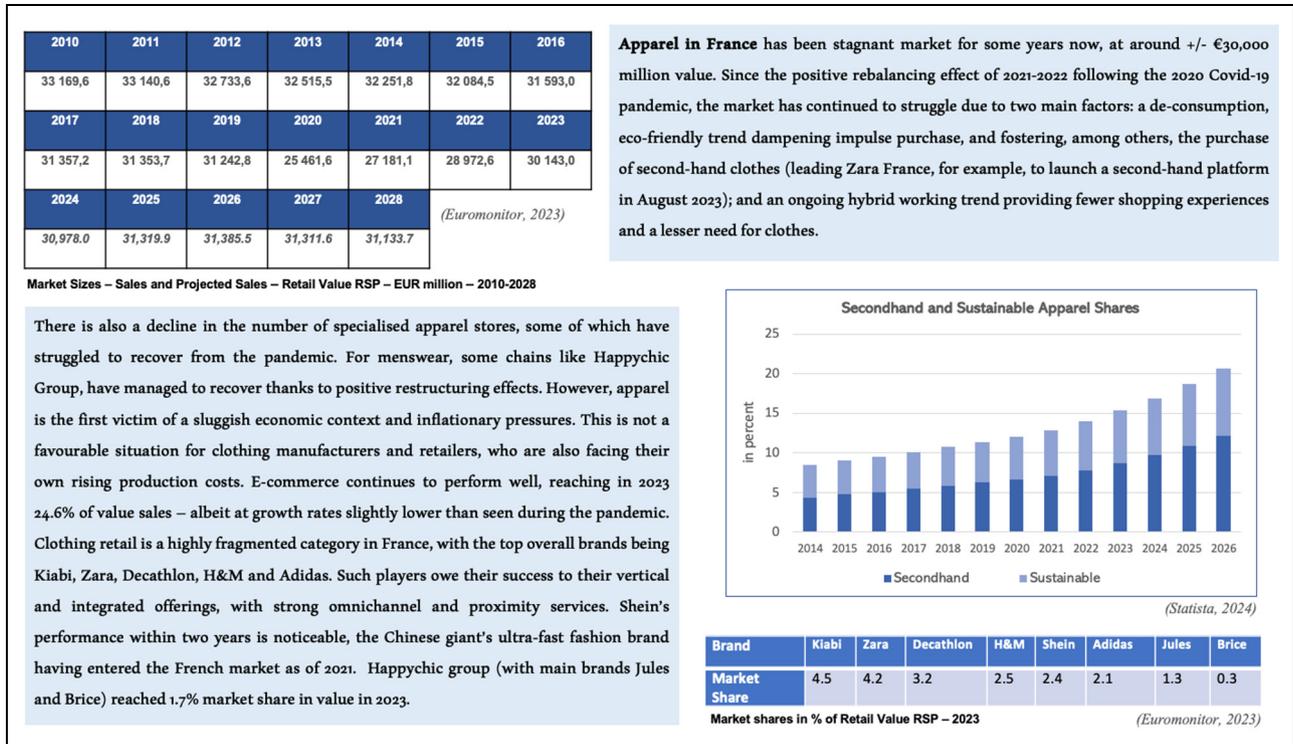


Figure 2. Clothing retail market in France: key trends and figures.



Figure 3. LGF commitments to environmental sustainability.

at Bizzbee. It was also distributed externally via co-development and co-branding of clothing pieces with young eco-friendly, ready-to-wear brands such as Leax³

or 1083⁴, who had the same responsible fashion mission as LGF and their own distribution network. Christèle explained:

‘This collaboration enabled us to test another type of clientele and slightly increase our reputation. It also allowed us to enter the closed world of start-ups and open ourselves up to other opportunities.’

In November 2015, for the first time, *LGF* participated in the Made-in-France Expo⁵. Growth was strong, and in 2016, a market study confirmed the opportunity to create a fully fledged brand with its own points of sale, as *Christèle* underlined:

‘We knew that some of our target customers wouldn’t shop at Jules, but they were sensitive to the issue and had the purchasing power.’

The first exclusive collection as an own-brand was presented in collaboration with DreamAct⁶, an eco-responsible e-shop. *LGF* opened its bricks and mortar shop in Lille in March 2017 and another pop-up store in Rennes from April to June 2017. However, they did not meet their objectives, and the chosen shop location, amongst top luxury brands, affected their margins badly. The project was no longer viable, and the other planned openings did not materialise:

‘The shop in Lille closed two years after it opened, because we didn’t know how to do luxury in the city centre as we’d only been present in shopping centres. I didn’t have the maturity to say no to the location chosen by the board of directors. The rent was indecent for 32 sq. m, so sales were not achievable. Yet the shop was performing well, with sales of €250,000. For us, the boutique was a fantastic laboratory for getting feedback on our clothing, our positioning and materials, as well as the sense of our message.’

Christèle approached independent retailers interested in responsible fashion with fifteen of them agreeing to distribute *LGF*. In 2017, the brand launched their first collection for women as well as their own e-shop website (www.lagentlefactory.com), marking a strategic turn.

In the spring of 2018, following a common agreement, *Christèle* announced that *LGF* would become independent from Happychic and called for a buyer. This followed the decision by Happychic to restructure their business, and to prioritise economic rationalisation in a competitive, slightly declining, French clothing retailing market (see Figure 2). Their decision was due to the interlinking nature of inherent economic, environmental and social aspects in a sustainable venture and the need to compromise between financial and sustainable intentions (Daub and Gerhard, 2022). Happychic decided to concentrate investments in their core brands, and hence, separated from *LGF*, whose sustainable business model differed from

their historic brands that were following a more traditional fashion industry business model:

‘*LGF* wanted to capture a very specific, cutting-edge market niche that required a start-up approach. It was complicated to stay with Happychic, which sold its brands in its own shops and did not have a B-to-B approach’

Happychic announced the closure of 88 outlets, followed by a job-saving plan at the end of July 2018 (466 jobs lost out of 3191 at Jules and Brice), and sold *LGF* to its founder in January 2019.

Christèle became an independent sustainable entrepreneur

In February 2019, *Christèle* started to write the next chapter of the brand as a business owner. She managed to raise €1 million with four business angels (including one of the manufacturers; two digital experts; and the investment fund Finorpa), and to keep her whole team of six employees, who chose to follow her in this new challenging venture:

‘Our first challenge was to continue our B-to-B development, with the extension of our network of independent concept stores selling our products. The second challenge was to enhance the omni-channel nature of our e-commerce site, which promotes the brand by presenting all the capsule collections, but also provides a service to independent networks by indicating the availability of a particular product.’

LGF set up its offices in a former spinning mill in Roubaix, a city that is emblematic of the textile industry in France. The French brand is committed to building a virtuous garment model from head to toe. ‘Responsibility’ and ‘quality’ are the watchwords of *LGF*, who control materials and the supply chain, by using natural fibres processed in France in 29 workshops committed to social integration, and ensuring the shortest possible supply chains combined with ruthless quality control:

‘No garment is delivered to the customer before our specialist has carried out a series of tests, concerning washing, fading, pilling, etc.’

LGF collections (of which 70% were timeless and 30% ephemeral capsule collections) were available from independent retailers and online. With around 100 references, the brand was counting on selling 50,000 items in 2019 and achieved €800,000 sales in the first year (45% B-to-C via their e-commerce site and 55% B-to-B).

As of September 2019, *LGF* put on sale a new capsule designed to raise consumer awareness of the importance

of recycling and fighting against waste. Recycled fibres were at the heart of this collection of T-shirts (e.g., the ‘Pablo’ T-shirt with a micro-striped blend of two separate yarns from leftover recycled dyed yarns) and sweatshirts priced between €35 and €65, including cotton from used clothing and recycled polyester from plastic bottles. The five pieces in this collection featured awareness-raising messages such as ‘Repair, Reduce, Reuse, Recycle’ or ‘Act without harming’. *LGF* tripled their annual sales in volume in three years and reinforced their commitment as a sustainable entrepreneurship (see Figure 3).

COVID-19 hit in 2020. Even if the pandemic raised awareness of local re-industrialisation and protection of the planet in the textile industry, it nevertheless represented a major economic challenge for many companies in the sector, including *LGF*. During lockdown, *LGF* chose to significantly support their manufacturing business partners (giving them 15% of their sales), while focusing more on deliveries and online activities. In April 2020, *LGF* also offered a series of video tutorials posted on YouTube to teach the basics of sewing (sewing buttons, hemming, etc.). These educational tutorials encouraged consumers to reduce waste by adopting upcycling practices.

In 2021, *LGF* raised their prices due to the increase in the price of raw material (especially organic cotton), marking the end of their moderate price policy. They returned to the Made in France Expo (after two years absence). In spring 2021, ‘the living world’ was printed as a beautiful lobster on the men’s capsule T-shirts and an aerial dragonfly for the women’s, while a new logo affirmed the brand’s values of local tailoring and love of detail (see Figure 1). *LGF*, which now had 15 employees, sold around 100,000

items in 135 shops in France and online. The online store accounted for 30% of the €1.6 million turnover (up 50% on 2019). All well and good, but nothing like the clothing giants. They too were aiming for ‘Made in France’ and could compete with *LGF* for niches in the 30 or so industrial supplier partners with which the brand works. However, a lasting relationship had been established:

‘Since our departure from HappyChic, we have divided our volumes by ten. But our partners have all stayed. Our main aim is to forge bonds. We’re not competing on price, and we’re not changing suppliers, even though we were approached by around ten potential partners at the last Made in France trade fair.’

In February 2022, *LGF* made their first advertising campaign (see Figure 4). On 28 March 2022, they were granted the SloWeAre Label⁷ for eco-responsible fashion, based on how eco-responsibility was developed throughout the supply chain, which attested to a balanced approach to the triple bottom line; the implementation of a continuous improvement process; an ethical value chain; reasoned production; positive social and environmental impact; and declared actions that were not green/social washing.

With the war in Ukraine, Christèle reinforced the brand’s political commitment, creating a T-shirt to support Ukrainians. *LGF* had involved its partners in the manufacturing chain in this project: the knitters, the dyers, the garment makers and the printers. The proceeds from the sale, minus the manufacturing costs, were donated in full to a humanitarian association. The T-shirt was sold for

A new campaign bringing together committed regional players

Translation: **Those who wear our clothes also disseminate our ideas**

↙

Ceux qui portent nos vêtements portent aussi nos idées



La Gentle Factory

Our aim?
To become a genuine platform company that connects as many sustainable development players as possible. The Factory therefore welcomes all those who make things happen: entrepreneurs, artists, citizens, associations, events, politicians, schoolchildren... and that's how our new (and first) communication campaign came about.

In this communication campaign
We decided to have the brand embodied by people who share the same values as us: local manufacturing, upcycling, zero waste, natural raw materials and recycling.
No professional models were used!
We asked 12 creators from the North of France, who work in the same ecosystem as we do, to pose for us.

Featuring

- Waël and Florent, creators of the NOBUY object-sharing application
- Vianney, designer at DIZY Design, an eco-responsible furniture brand
- Sarah, founder of the local and ecological products shop BALTE

Figure 4. *LGF*'s first advertising campaign.

€30– €40, and the higher the price, the greater the donation to the charity:

‘Beyond the local and responsible manufacturing of the T-shirt, we demonstrated pacifism and solidarity with the Ukrainian people with our ‘MIP and Love’ T-shirt, which symbolised hope and union.’

Also, in 2022, *LGF* extended their Sustainable-Oriented Innovation even further by diversifying into other products with a durable and local vase and sunglasses, made from scrap recycled cotton. The idea came from visits to clothing workshops, where fabric offcuts represented almost 4 tonnes of *LGF*’s production. This waste often ended up in landfills, but this could not continue. After 16 months of R&D, the brand created a new material made from 20% recycled cotton scraps and 80% recycled resins. The cotton off-cuts came from a local workshop in Roubaix, were ground into powder and processed locally. This innovation, far from being anecdotal, revealed *LGF*’s desire not only to ‘make the world of fashion a better place’ but also to ‘repair the planet’, as outlined in the brand’s new mission.

In September 2022, to react to inflation, the slowing down of consumption due to cost-of-living crisis, and rising costs of raw materials and energy, *LGF* launched a more accessible range of clothes named ‘Gentle Eco’, to dress even more customers with 100% Made-in-France clothes for less than €100. Christèle explained how to offer T-shirts, sweatshirts and jeans at a lower price without betraying the brand’s commitments:

‘The cost factor is first and foremost a human factor. So, we had to work on reducing production time. We kept the brand’s markers but adapted them. Sewing a label costs 10 to 15 cents per product. Fewer labels is already a saving. We’ve also simplified assembly operations with our garment-making partners. That half-moon on the back of the sweatshirt or T-shirt? It’s gone, so we keep only the essentials. Thicker yarn is cheaper. And to save even more money, we’ve limited the range of colours - white, grey and black - to increase the quantity on each reference. As for the jeans, made from a stock of 3000 metres of fabric that the supplier didn’t know what to do with, they are not washed out, which means one less step. And while the cost of a zip fastener or buttons is the same, sewing a zip is much simpler and therefore less expensive.’

To market them, *LGF* directed these more accessible products exclusively to its online sales site. With the margins taken by the shops (130 of which now distribute the products in France), this would not have been economically viable. This could have upset the managers of these outlets, but Christèle noted that the range had not cannibalised the rest of the offer, which was a huge success. At the

same time, the brand, which tended to create too many references, reduced its range of timeless items. To avoid tying up cash that would otherwise be sitting in stocks, *LGF* ran a sale in 2022 on items that would not be renewed. The true spirit of promotions.

Conclusion

Christèle wanted to play her part in revitalising French fashion manufacturing from a circular perspective. Her career, initially within a large textile group, where her environmental voice was silenced at the expense of many concessions, reached a turning point in 2019. *LGF* was an adventure in her image, frank and full of values, with the strong ambition of becoming Europe’s first regenerative fashion brand. Today, Christèle felt fully in control of her own business:

‘The intrapreneur has more time to have her head in the clouds and follow her vision. The entrepreneur’s feet are firmly on the ground, and she has to keep things running. But this wind of freedom and autonomy is totally energising. Since taking over, I’ve had the feeling that I’m in the right place.’

The challenge now was how to continue to be a sustainable brand true to her values while remaining economically viable in a very competitive environment. This case study is useful in the sense that it raises awareness of the challenges faced when embracing a sustainability mindset in a business venture. The main question being to what extent Christèle’s story is one of sustainable entrepreneurship.

Questions

1. What are the challenges facing the sustainable fashion industry? How did *LGF* address these challenges? (*Use the sustainable fashion matrix provided in Table 1 to address this question*).
2. Is *LGF* sustainable entrepreneurship? Can Christèle be considered a sustainable entrepreneur?
3. What types of sustainability-oriented innovations were evident in Christèle’s approach to business and the business model in place? What role did networking play in innovation for *LGF*?
4. How did Christèle exploit narrative in building her new sustainable venture? What compromises occurred for Christèle when balancing different social and environmental challenges? What was the importance of defining vision, mission and values within this process?

Authors’ note

Throughout the case study, we refer to the entrepreneur by her first name, Christèle, and to the business venture as *LGF* for ‘La Gentle

Factory' (<https://www.lagentlefactory.com>). The case was written in collaboration with the entrepreneur and based on in-depth interviews. All the quotes in the case study are from those interviews and all other information in the case study was provided by the entrepreneur.

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Notes

1. *Happychic Group*: In 2011, Happychic had 621 points of sale across the world. In September 2018, the group restructured announcing 466 job losses. In 2019, Happychic sold their brand *La Gentle Factory*. In November 2020, the French Competition Authority approved the merger of the Mulliez family association's two main ready-to-wear groups, Oosterdam (Pimkie, Grain de Malice and Rouge Gorge) and Happychic (Jules, Brice and Bizzbee) to create 'Fashion Cube'.
2. The concept of 'capsule collection' refers to a line of clothing or products in the world of clothing and fashion usually composed of a limited number of pieces offered for a short period of time from a few days to a few weeks and placed in a range outside the permanent or seasonal collection. It may also involve the collaboration with a stylist or a large retailer and, by extension, associate with a 'big name' to design a collection with only a few pieces.
3. Leax website: <https://www.leax.fr/>
4. 1083 website: <https://www.1083.fr/>
5. Made in France Expo website: <https://www.mifexpo.fr/>
6. DreamAct website: <https://dreamact.eu/fr/>
7. SlowWeAre Label website: <https://www.sloweare.com/>

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Teaching note

Case overview

The case study provides a detailed account of the challenges faced by Christèle Merter in developing a French, sustainable fashion brand, first as an intrapreneur within the Happychic Group, and then as an independent entrepreneur with her own company, La Gentle Factory (*LGF*). It highlights the difficulties of implementing sustainable practices within a large corporation driven by economic objectives, leading Christèle to eventually start her own venture aligned with her values.

Learning outcomes

This case aims at exposing students of entrepreneurship to the challenges faced by sustainable entrepreneurs within the fashion industry. By tracing the narrative of a new venture in

the fashion industry, students will be able to better understand sustainable entrepreneurship and sustainable-oriented innovation (SOI). The *LGF* case highlights key topics related to understanding (1) the challenges facing sustainable fashion and the new innovations/business models within the fashion industry; (2) the determinants of sustainable entrepreneurship within SMEs; (3) the different types of SOIs and the importance of alliances and networks within SOIs; and (4) the use of narrative to build a new sustainable venture by focusing on the founder’s mission, vision and values.

Case positioning

This case can be used at postgraduate and undergraduate level programs. It is particularly suited for courses such

as entrepreneurship and management of small businesses. The case can be used to help students understand sustainable entrepreneurship within new ventures. It can also help discuss challenges when developing new innovations within the fashion industry, the determinants of sustainability as well as the role of narrative in sustainable new ventures.

Discussion questions and analysis

Students should be reassured that there are no right or wrong answers, but rather the case study provides a springboard for discussion about the challenges of sustainable entrepreneurship in the fashion industry. More specifically, students should consider the following points:

1. What are the challenges facing the sustainable fashion industry? How did LGF address these challenges? (Use the sustainable fashion matrix provided in Table 1 to address this question).

Textile and fashion industries are considered one of the most polluting sectors of society (Sehnen et al., 2023). The instructor will discuss the rise in fast fashion, the rapid renewal of collections (less than 1% of all materials used by the industry are recycled and reused globally) (Abbate et al., 2023). Instructors can refer to literature on sustainable fashion consumption (Dabas and Whang, 2022) and lead a discussion on the different conceptions of fashion sustainability: ethical fashion, eco-fashion, organic fashion and green fashion (Mukendi et al., 2020). *LGF* is an example of an engaged brand committed to eco-responsible fashion via all

five steps of the life cycle of a garment (see Figure 5), each stage with challenges in terms of sustainability (Choudhury, 2014). Based on the case study, students can identify the different steps and their inherent challenges:

Step 1: Raw materials

A decisive step from an environmental, economic and social viewpoint (Jung and Jin, 2014), it implies the strongest impact. Synthetic materials are derived from petroleum, dominate the market and are non-renewable, energy-intensive and release microplastics with each wash. Vegetable (cotton) and animal (leather, wool) materials raise the question of production and breeding conditions, which are not very sustainable either.

Step 2: Manufacturing

If traceability is crucial at all stages of the life cycle of the garment, it is particularly significant when it comes to the suppliers and sub-contractors (Karaosman et al., 2016). The challenges concern social (health and safety risks, decent wages, working hours, etc.) and environmental concerns (handling toxic materials, water and energy consumption, waterway pollution, etc.).

Step 3: Transportation

The main challenge here is to optimise transport flows, modes of transport and packaging. The idea is to be as efficient as possible in the last mile logistics (Olsson et al., 2019).

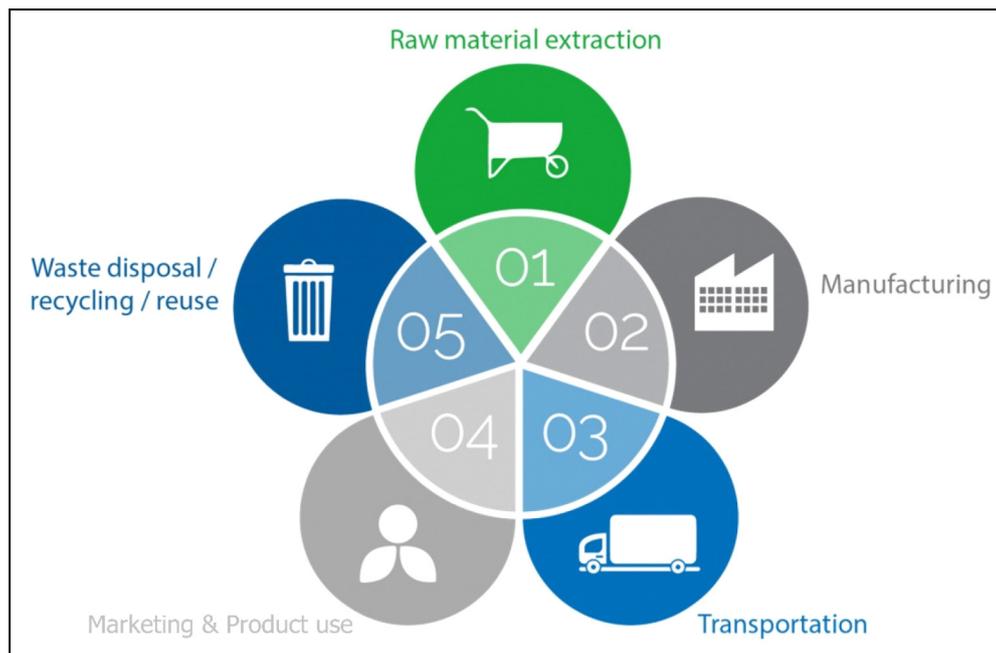


Figure 5. Simplified representation of circular economy and life cycle assessment.

Step 4: Marketing and Product Use

This step concerns sales, slowing down the pace of fashion, the fair forecast of consumer needs, fighting overproduction, etc. Another important issue is transparency and consumer education on product origin to raise awareness of sustainability issues. The environmental impact of stores, warehouses, advertising and events must also be considered. A key challenge is to rethink product use and prolong the product lifespan. The product use phase is more than 38% of the environmental impact of a T-shirt. The garment lifespan is intrinsically linked to quality and repairing the item, which can be facilitated by brands. The literature identifies and discusses several sustainable fashion models from collaborative fashion consumption (Todeschini et al., 2017) to second-hand retailing (Strähle and Klatt, 2017).

Step 5: Waste Disposal

End-of-life clothing should give way to a more virtuous circular model. Waste management (prevention; reuse and recycle) at the pre-consumer stage includes production and manufacturing off-cuts, defective and unsaleable items, resulting in a quarter of the industry waste. Post-consumer waste management includes unsold items and end-of-life clothing. The recycling of textile fibres presents many technical, economic and cultural obstacles, that could be removed via eco-design.

Students will define and contrast the many emerging entrepreneurial approaches addressing planet protection issue, such as ‘circular economy’, ‘fair trade’, ‘lowsumerism’ or ‘sharing economy’. These economic models, highlighting use rather than ownership, exploit resources more sparingly, consume less energy and form part of closed loops where waste no longer has to exist. They make it possible to reconcile today’s economic needs, while reducing the pressure on natural resources and minimising the impact of businesses on the environment, enabling the move beyond circular fashion as encouraged by Zero Waste Europe (2023). The instructor will usefully project ZWE infographics to students for a complete visual presentation of traditional vs. sustainable business model (<https://zerowasteurope.eu/library/beyond-circular-fashion-infographic/>). To deepen the analysis, we invite the instructor to incite students to fill in Table 1 sustainable fashion matrix of the key criteria of sustainable fashion with LGF’s initiatives as described in the case study, to identify potential avenues in any unticked criteria for further development. Students can also critically analyse trade-offs between business models (as per Table 2) and examine LGF’s choices with the intention of suggesting alternative strategies.

2. Is LGF sustainable entrepreneurship (SE)? Can Christèle be considered a sustainable entrepreneur?

To address these questions, students should first develop a clear understanding of how SE has been conceptualised and differs from social or environmental entrepreneurship. This topic has attracted researcher’s interest since 2006 as evidenced in the literature (Daub and Gerhard, 2022; Sarango-Lalangui et al., 2018). Daub and Gerhard (2022) is of particular interest to provide instructors with a list of criteria on what makes an entrepreneur a sustainable entrepreneur.

Venturing into business with a sustainability purpose, sustainable entrepreneurs embed sustainability into their core business operational strategy and model, and proactively embrace innovation and risk-taking to produce goods and services that generate shared value (Atiq and Karatas-Ozkan, 2013). They replace traditional business practices, systems and processes with social and environmental ones to address the triple bottom line (Muñoz and Cohen, 2018). Society benefits from business activities, companies maximise financial gains, and ecological problems are reduced. This aspect differentiates SE from social and environmental entrepreneurship, social is concerned with creating social and economic value only, while environmental is concerned with creating economic value only while solving environmental problems (Rosário et al., 2022).

Students should recognise *LGF* as a SE since it contributes to solving societal and environmental problems through the realisation of a successful business and integrates sustainable development into goal setting and organisational processes (Schaltegger and Wagner, 2011). They will identify this by looking at *LGF*’s triple bottom line.

From an ecological viewpoint, Made-in France; use of organic materials and recycling; water preservation; capsule collections; ‘zero waste’ policy; use of recycled cotton; are examples of *LGF*’s commitment to sustainability, recognised by the SloWeAre label they obtained.

Working with 29 workshops committed to the integration of disabled people; maintaining local employment; use of local suppliers and consumer education are examples of *LGF*’s social commitment.

Economically, by reducing the range of timeless items, to avoid tying up cash otherwise sitting in stocks, and by increasing turnover and number of employees, Christèle understands that the venture’s long-term viability is indispensable to reach her ambition of *LGF* becoming Europe’s first regenerative fashion brand.

LGF’s entire business model is based on combining ecological and social issues with economic success meaning that social and/or environmental goals can have the same, sometimes even higher priority, than economic goals.

Students will certainly recognise Christèle as a sustainable entrepreneur. She has always demonstrated a commitment to grow the business in the most ecologically and socially responsible way possible. Believing in her managerial practice, she created an organisational culture that prioritises sustainability (Lüdeke-Freund, 2020). From the

beginning of the venture, she aspired to act as a change agent in the fashion industry (Farny and Binder, 2021). Christèle's knowledge, gained from her studies and her mission as quality manager for a fashion group, her motivation derived from her altruism and empathy towards others and the planet, as well as her capabilities such as agility, persistence and resilience, all contributed to the continuation of this SE business (Sarma et al., 2022). By considering that social and environmental objectives are as important as economic objectives, Christèle has transformed *LGF* into an 'Emerging David', a sustainability start-up prone to try out innovative approaches (Hockerts and Wüstenhagen, 2010).

3. What types of SOIs were evident in Christèle's approach to business and the business model in place? What role did networking play in innovation for *LGF*?

Thanks to Table 2, instructors will be able to lead a discussion around competing business models within sustainable fashion, before embarking on further analysis of the types

of SOI. From an SME perspective, SE deals with entrepreneurial companies that develop and successfully spread SOIs primarily in niche markets. Sustainable-oriented innovation 'involves making intentional changes to organisational mind-sets and values, as well as the products, processes or practices that produce environmental and/or social benefits in addition to economic value' (Adams et al., 2016: 182). Three forms of SOI are distinguished: product (including services), process and organisational innovation (Klewitz and Hansen, 2014). Product innovation is related to development of innovative product/service and product/service design improvement. Process innovation concerns producing in an eco-efficient manner. Organisational innovation includes the reorganisation of company routines and processes and new ways of management. As per the Oslo Manual (OECD and Eurostat, 2005), marketing can also be considered within innovation types, including SOI (e.g., maintenance, after-sales, consultancy or basic services to improve social/environmental performance). Environmental, economic and social dimensions of sustainability have proven to be

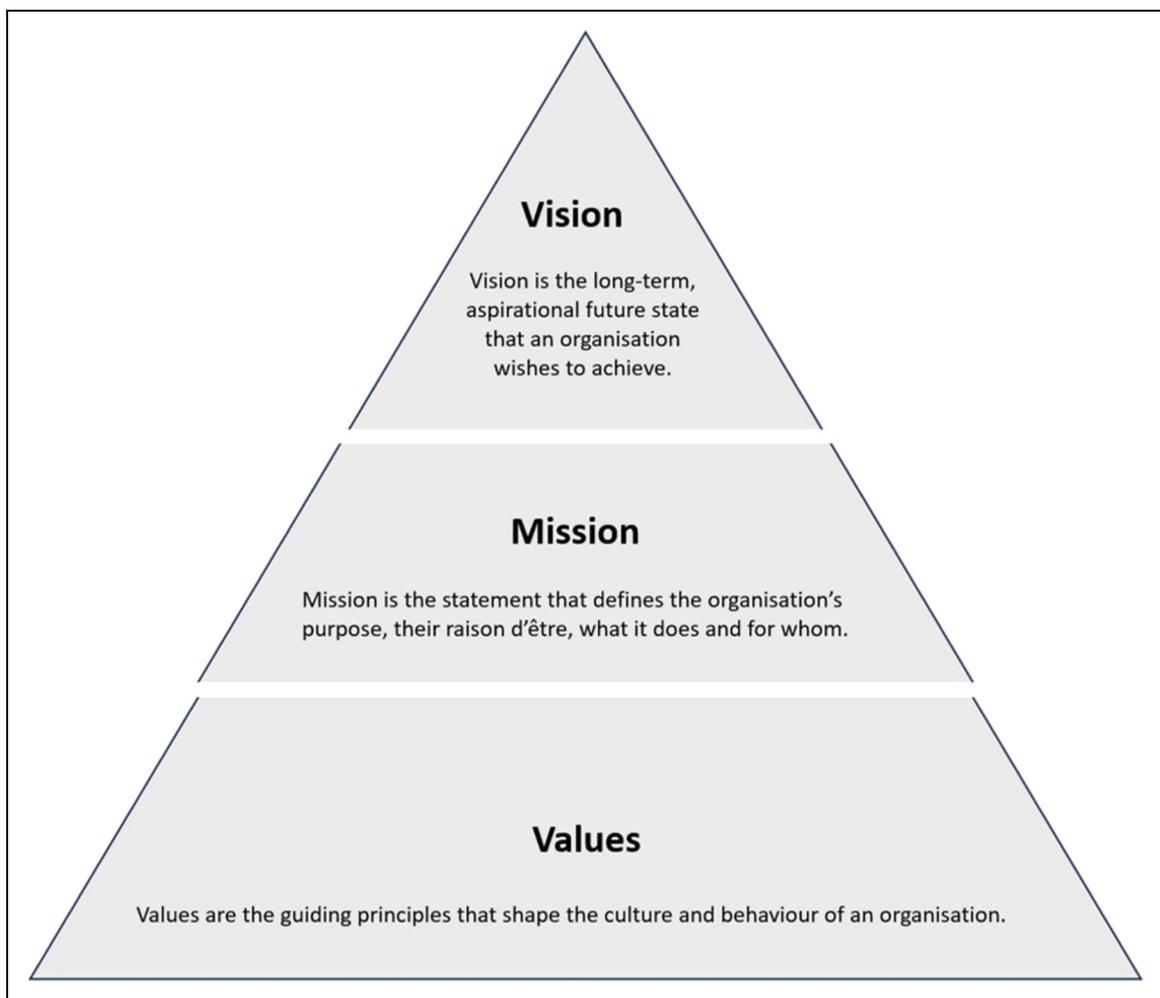


Figure 6. Vision, mission and values framework.

significantly influenced by SOI (Dey et al., 2020). Students will benefit from identifying which types of SOIs *LGF* carried out, like for example product innovation with the creation of vases and sunglasses out of scrap recycled cotton and organisational innovation with obtaining the SloWeAre label.

Instructors will also discuss how *LGF* is an example that SOI is a dynamic, unfolding process, that is achieved over time, includes a strong collaboration and can be achieved through drawing on complementary resources that alliances offer to manage the added complexity entailed by this form of innovation. The broader alliance and network literature find that incremental developments benefit from a careful collaboration with familiar partners (and coordination among them), while a new and distant search (i.e., a proactive and entrepreneurial approach) is required for radical innovations (Inigo et al., 2020). Students will see that Christèle combined complementary resources and existing alliance networks to innovate incrementally (co-branding with Leax or 1083), as well as new disruptive partners to innovate radically (vases and sunglasses creation by partnering with local workshops).

How did Christèle exploit narrative in building her new sustainable venture? What compromises occurred for Christèle when balancing different social and environmental challenges? What was the importance of defining vision, mission and values within this process? Instructors should explain, thanks to Figure 6 how to draft vision, mission and value statements to students (Mirvis et al., 2010).

As founders leave a lasting imprint on their organisations (Marquis and Tilcsik, 2013), scholars have analysed the complexity of the founder's own entrepreneurial narrative that underpin sustainable entrepreneurship, and how they make sense of themselves, their organisations and their success (Reynolds and Holt, 2021). Entrepreneurial narratives are 'the generation of hypotheses about how the world might be: how the future might look and act' (Gartner, 2007: 614). Students should analyse the compromises Christèle had to make to balance economic, social and environmental challenges. Students can identify the emphasis placed on creating a positive link between proactive eco-fashion business behaviour and financial performance (Martínez-Ferrero and Frias-Aceituno, 2015) as well as changing the attitude-behaviour gap between eco- and fast fashion (Ryding et al., 2022). Christèle acts in ways consistent with her own identity and self-concept, which is transferred to key areas of her business (Fauchart and Gruber, 2011) and driven by a path grounded in her values (Spence et al., 2011). She identifies herself as an eco-responsible, environmentally friendly and ethically responsible entrepreneur and espouses the values of simplicity, responsibility and quality.

She articulates an approach that combines liberalism (in the market economy charging high prices for quality products) with building a sustainable society (using local suppliers and recycled, organic materials and educating and influencing consumers). This radical change envisages sustainability as contrary to the values of modernity and is substituted with 'deep green' lifestyles (Haanpää, 2007) and



Figure 7. LGF's mission, vision and values.

localism (Fletcher, 2018) as engendered by *LGF*'s narrative of being a collaborative company that partners with like-minded individuals and setting up their headquarters in Roubaix.

Christèle embodies various sustainability ideals (Kuckertz and Wagner, 2010) such as respect for nature (by offering recycled and organic textiles), solidarity (via the professional insertion of disabled workers) and shared responsibility (using local suppliers and a Made-in-France policy). She also considers sustainability as an ideologically charged concept such as democracy, freedom and human rights, hence focusing on the more social dimensions of sustainability framed within the company's narrative and practice (Leiserowitz et al., 2006). In March 2022, this ideology was further evidenced as *LGF* created T-shirts in support of Ukraine, with all profits going to a Franco-Ukrainian humanitarian organisation.

Christèle has strong CSR convictions and for her, it is about starting the right kind of business for the right reasons. Students should be made aware of this as

demonstrated by her actions to leave the comfort of a large group to launch her own brand that corresponded to her values. She reassesses the business–nature relationship (Vlasov, 2021) in a plight to seek win-win outcomes amongst economic, environmental and social objectives. Her sustainable clothes are part of a larger trend of 'slow fashion' (Domingos et al., 2022) for which she received the SloWeAre label.

The instructor can ask the students to ascertain the mission, vision and values statement of *LGF* (see Figure 7).

Final thoughts

The instructor may wish to use this case study to also explore and debate on the differences between intrapreneurship and entrepreneurship as Christèle's journey depicts this transition particularly well. Lecturers can also use the short video by Christèle that is available here: <https://streaming.edhec.edu/Mediasite/Play/9200124f41b64daebe7ab6d29a3519761d>