Gap Inc. is committed to Preferred Synthetics - synthetic fibers that are ecologically and/or socially progressive because they have more sustainable properties in comparison to other conventional options. Synthetics currently defined by Textile Exchange as preferred include: recycled polyester, recycled nylon, and potentially biosynthetics.

### Background

Recycled polyester currently has a price premium. Recycled polyester is 10-20% (sometimes up to 50%) more expensive than conventional polyester.

How can Gap reduce the cost to allow for more recycled polyester in their products? Gap would like to incorporate recycled polyester into more of their products but cannot afford the price premium. What are some levers in the supply chain that Gap can pull to reduce the cost?

### Problem Statement

#### Root Causes

After conducting stakeholder interviews and reviewing ordering data, we established the following root causes across the value chain:

1. Sourcing Location
2. Pellet Cost
3. Machine Operations
4. Organizational Buy-In

#### Value Chain Analysis

- Raw Materials Sourcing
- Yarn Production
- Fabric Production
- Customization and Distribution

#### Solutions and Guidelines

**Lower supply costs by**
1. Working directly with Yarn suppliers to understand cost drivers better
2. Reducing customization in recycled poly orders
3. Bundling orders to increase processing efficiency

**Improve decision making by**
4. Collecting data to understand price differences associated to Quantity, Factory, Quality, Finish, Material and take advantage of volumes
5. Establish cross brand sustainability strategy

### Next Steps

**Step 1** Consolidate 2 brands’ polyester orders of a simple standard color (example: GAP & Old Navy).

**Step 2** Select one supplier to work with. Aggregate demand from selected two brands.

**Step 3** Check order price and compare with previous orders.

**Pilot Experiment**
Conduct experiment to collect meaningful data to use in future decisions.