Gap Inc.

Fortune 500 Company. Brands include Gap, Banana Republic, Old Navy, Piperlime, Athleta.
Net Sales in 2015 – $15.8B. Employees – 141K

Project Scope

Analyze the feasibility of recycled cotton by focusing on the availability of pre-consumer offcut material from manufacturing facilities in the supply chain. Position Gap for the future integration for recycled cotton into their supply chain.

Methodology

Phase 1
Scoping & Literature Review
- Analyze 3-5 Large Companies in Recycled Cotton
  - Retailers
  - Recyclers
- Analyze Recycled Cotton Processes
  - Mechanical
  - Chemical

Phase 2
Feasibility Study
- Quantify Approximate Supply of Offcuts
- Identify Potential Manufacturing Process Interventions
- Complete Relevant Cost Analysis
- Consumer Potential & Willingness to Pay

Observations

Results
- Competitor Positioning
  - Established
  - Viable Process
- Scalability
  - Insufficient offcut supply
  - Post Consumer Required
- Willingness to Pay
  - No price premium at competitors

Current Supply Chain

Risk | Revenue | Cost
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Lack of visibility into supply chain | Willingness to pay of consumers for recycled products | Cost of collecting offcuts
Variable supply of offcuts | Access to a new customer base | Additional cost of recycling process
Environmental impacts of products | Spillover effects into other product lines of Gap Inc. | Increased labor costs

Recycled Offcut Process

Gap Owns Product

Decision Tree

Recommendations
- Strengthen Vendor Relationships
  - Cut/Sew Mill, & Recyclers
- Consult with NGO Groups
  - Cradle to Cradle
  - Sustainable Apparel Coalition
- Study Feasibility of Post Consumer Collection
  - Reverse Supply Chain Logistics
  - Supply Estimates for post consumer products
- Implementation plan
  - Pilot project on a small scale
  - Start of by working with 1 or 2 long term cut/sew vendors and fabric mill vendors