

PIECES – Chắp mảnh and the journey to SBC Competition (Social Business Creation)

As the virtual clock in the corner of our screens ticked closer to midnight, PIECES - a group of six passionate individuals sat huddled together in a virtual meeting room, our faces illuminated by the glow of the computer screens. We were gathered from different corners of Vietnam but united in one common goal of creating a social business that would repurpose discarded leather scraps into beautiful decorative items.

Despite the distance, we still felt a deep connection, bound together by our shared vision and the desire to make a difference in the world. As we have debated and discussed, we could feel our passion and determination growing stronger, fueled by the knowledge that we were not alone in this journey.

The journey of creating a business plan is often filled with highs and lows, moments of inspiration and moments of doubt. But as we sat down to finalize our plan, we knew that we had come a long way since our initial brainstorming session.

Through countless hours of research, analysis, and discussion, we defined our vision, identified our target market, and developed a unique value proposition that would set us apart from the competition. We explored many aspects of the business, from sourcing materials to manufacturing to marketing and sales. We also have created financial projections, identified potential risks and challenges, and developed strategies to mitigate them.

The question was, why did PIECES start?

Social problems

The treatment for post-production leather scraps in Vietnam



Leather-cutting waste is leather scraps left over after cutting away the desired shapes. In Vietnam, the total production of leather materials supplied to the leather industry is

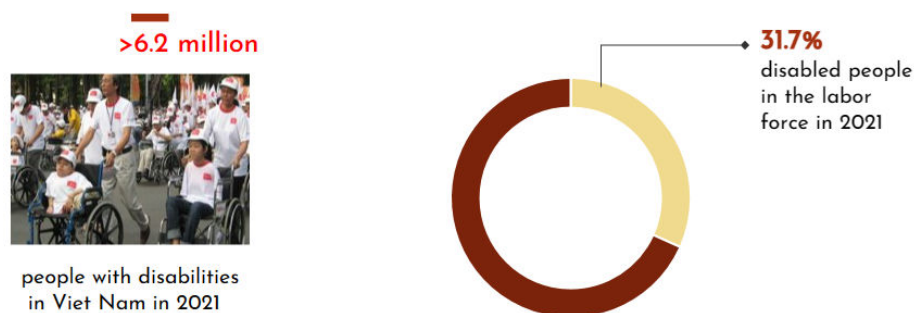
estimated at 220,000-250,000 tons. The annual growth rate doubled between 2012 and 2016 reaching 14%¹. In 2018 leather production amounted to 75.1 million, up to 7.4% year-on-year in 2017. This impressive growth of the leather industry, however, resulted in the amount of waste after skin removal accounting for 15% of total waste, of around 33,000 - 37,500 tons.²

There are many shortcomings in the treatment of shredded leather in Vietnam. One common approach employed by many factories is to grind pieces of leather into a pulp and mix it with adhesive to recreate a larger panel. While this is a profitable and convenient method that allows for the creation of reusable panels for subsequent production, it comes at a significant environmental cost. This method consumes large amounts of fuel and emits harmful chemicals into the environment, contributing to air and water pollution.

An alternative method is to repurpose small pieces of leather to create decorative accessories. It not only helps in reducing harmful chemicals used in the recycling process but also allows us to save some money by using scraps of leather in production.

In Vietnam, the leather manufacturing process generates a significant amount of unused leather scraps, while there have not been enough recycling factories for leather scrap treatments. To illustrate the scope of the problem, consider that the leather industry in Vietnam produces around 50 million square meters of leather annually. However, as much as 25% of this leather is wasted in the form of scraps, which equates to approximately 12.5 million square meters of leather scraps each year. This waste poses a significant environmental and economic challenge for the industry, as it creates additional costs for waste disposal and contributes to pollution. Furthermore, many leather factories pursue unsustainable ways of producing leather goods, as the post-production leather scraps often are thrown away into the environment (or can be a so-called landfill) without proper treatment.

The unemployment of the disadvantaged people



¹ (NGÀNH GIÀY DA VIỆT NAM, 2020)

² (Vietnam Leather, Footwear and Handbag Association, 2020)

According to statistics from the Ministry of Labor, War Invalids and Social Affairs, there are more than 6.2 million people with disabilities in Vietnam, but only 31.7% of them are in the labor force. The employment rate for people with disabilities aged 15 and over is 36%, while the rate for people without disabilities is 60%.³



The opinion of employers about the recruitment of the disabled in particular as well as the disadvantaged in general is surveyed. 55% of employers do not want to hire them. However, nearly a quarter of the results, 24%, desire to have their employees to be disabled people. Instead of the ordinary, only 1 in 100 bosses prefers employing disabled humans.⁴

PIECES's Supporters

The trend of creating a more sustainable environment in the leather industry

Currently, many businesses and establishments are taking advantage of the reuse and recycling of resources to reproduce products, instead of simply throwing them away. In fact, many small businesses and establishments keep pieces of leather, cloth, wood or other materials to create new, unique and creative products. Retaining resources not only helps to reduce the amount of environmental waste but also brings many economic benefits. Instead of having to buy new materials, businesses can save costs by reusing existing resources. Thus, retaining resources to produce other small products is a positive trend pursued by many businesses because it saves costs, creates new creative and unique products, and helps protect the environment and resources. A group of leather businesses ([Làm Đồ Da | Leather Craft](#))⁵ established by Infinity Spirit is a typical example, where individuals share their products, which finally achieves a more circular economy model and makes the leather industry a more sustainable environment.

However, there are still many challenges that need to be solved, such as the amount of excess skin waste generated daily is still very large, while the leather recycling plants are not enough. Moreover, persuading companies to promote sustainable production of goods and reduce waste takes a lot of effort from stakeholders.

³ (Creating decent jobs for people with disabilities, 2021)

⁴ (VietnamNet, 2021)

⁵ Làm Đồ Da | LeatherCraft public group | Facebook

Supporting the disadvantaged people

Many parties have created measures to help the disadvantaged find jobs. The government promulgates Law 51/2010/QH12 - the law on protection of rights of people with disabilities of Vietnam (2010)⁶ to support employees with disabilities to find jobs, and at the same time carry out activities to support vocational education and short-term pieces of training. Moreover, many social organizations have been established such as the Nghi Luc Song Center, the Center for Vocational Training and Job Creation Sponsorship for People with Disabilities in Ho Chi Minh City, serving for all connection and job training activities between businesses and workers. Also, many businesses have increased the recruitment of people with disabilities in many different industries and positions such as crafts, garment, and IT. These firms allow their workers to work from home without moving to the company, and provide a suitable environment that is tailored for the disadvantaged.

Although the aforementioned activities have made many positive contributions, many points still need to be overcome. Some firms, after recruiting workers, failed to maintain the guarantee of benefits for workers with disabilities. In addition, there is still a group of workers with disabilities being exploited for their labor and not receiving a reasonable salary during their work.

PIECES's Finding

In addition to the process of practical observation, having the opportunity to participate in the SBC competition and learning new knowledge through the framework of the competition also greatly helped in building the operating system and developing the PIECES's model.

During our recent course, PIECES has gained valuable insights into the impact of consumerism on both people and the planet. This course provided us with a new perspective on how to view this trend and a clear goal to follow in order to ensure *sustainability*. We discover that with our own only, we can create hardly any change. For this reason, we seek to form relationships with stakeholders such as suppliers, distributors, customers, social centers and so on. The crucial need to invest in the expertise level of the labor force harnessed our intention, so we made a decision to provide training for the disadvantaged as manual labor as well as give information about the whole chain of products which help increase the level of involvement and commitment to the work.

Additionally, we were introduced to the typology and spectrum of social entrepreneurship, and the driving factors necessary for building a successful business. This more academic view of the mechanisms required to build a sustainable business was incredibly informative and provided us with the knowledge needed to understand the ecosystem of impact creation.

⁶ Trung ương (vbpl.vn)

Through mapping this ecosystem and developing a systems thinking approach, we were able to work more effectively as a team toward creating a positive impact.

Of all three types of social entrepreneurship, we define ourselves as Social Bricoleur, as we possess resources and expertise to tackle social problems and satisfy social needs on a small scale in a local scope.

Thanks to the SBC course, we are acknowledged about the 17 UN goals, with which, we are able to clarify our contributions at a greater level in a more specific way. And for the first time, we have known about how to present a mission and a vision statement separately. That is also the moment that we visualized our intended image in the future.

In terms of cognitive development, the way we approach and solve the problem was changed substantially. The cause is unearthed to the root one, not the instant and social problem is specified, correspondingly to each of the causes. We can analyze one social issue from different angles. This multi-faceted perspective influences our way of brainstorming and designing the solution significantly. Our solution is not just short-term, since our goal is the creation and innovation of a circular and automatic social business model, where the reinvestment and continuous operation are conducted with little involvement of the core team. Furthermore, a formula reveals that change is made with the combination of ideas, humans and actions, which plays an instrumental role in our way of defining social intended impacts and the way to achieve them.

Overall, we found the SBC course to be a wonderful opportunity to learn and grow both personally and professionally, then adapt all the knowledge to PIECES’s business model.

Solution Design



Practicality

Compared to the traditional method of grinding leather scraps into pulp, the idea of repurposing leather scraps into pieces for creating more personalized and eco-friendly products has several advantages.

First and foremost, the PIECES approach minimizes environmental pollution by reducing the amount of waste generated from the leather production process. By repurposing leather scraps into usable items, the amount of leather waste that would typically end up in landfills or incinerators is significantly reduced.

Moreover, repurposing leather scraps into pieces allows for the creation of unique and personalized products that are eco-friendly and sustainable. The resulting products have a higher perceived value among consumers, as they are seen as being more exclusive and environmentally responsible. PIECES also offer a greater degree of flexibility in design, allowing for customization and personalization that would be difficult to achieve with ground leather pulp.

Community Significance

It means that we do not only stop at encouraging vulnerable labor sources but also include building suitable and consensus-driven production processes and terms. PIECES offers workers flexible work schedules or work-from-home options by transforming machines into their facilitators to support them with the operations. We hold training courses about necessary advanced skills for creating products and declare clearly in the contract about mutual-approved working time and KPI (product/week), together with the sanction of commitment in benefits insurance and breakage fees.

Similar but better

- **Recycling**

The scraps of leather collected from large factories will be classified into two categories: reusable and non-reusable. PIECES will collect the remaining usable leather and put it into a specific and designed process to design, manufacture and distribute to consumers.

The process involves carefully selecting and cleaning the usable leather scraps, which are then cut into specific shapes and sizes according to the product design. The cut pieces are then treated with natural dyes and finishes to create a range of colors and textures, which are then assembled to create a variety of products, such as wallets, small bags, and other accessories.

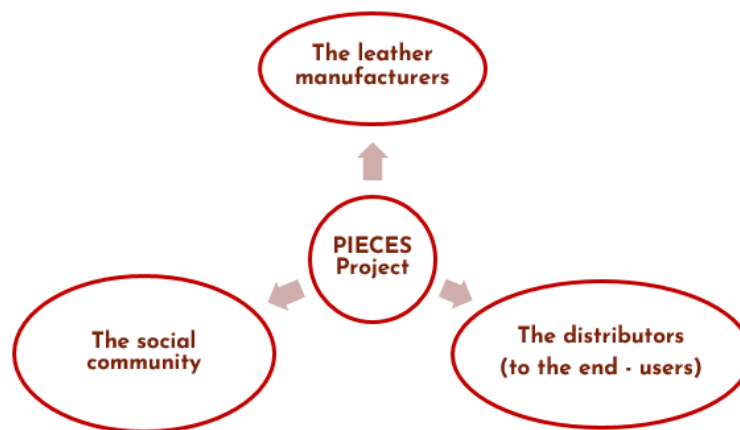
PIECES process ensures that every piece of usable leather is repurposed into a unique and personalized product, minimizing waste and reducing the environmental impact of the leather industry. By collecting and utilizing the reusable leather scraps that would otherwise be discarded, the process creates a sustainable solution that benefits both the environment and consumers.

- **About Training**

In designing a production process suitable for disadvantaged groups, PIECES believes that it's important to put the people first. It's not just about the end product, but the journey towards it.

A training program is developed that is accessible and easy to understand. The program includes both theoretical and practical components, giving the disadvantaged a thorough understanding of the production process. They will be directly taught how to use the tools and equipment safely and efficiently, and how to troubleshoot any problems that may arise.

- **Combining and utilizing three relationships between project**



The project leverages the excessive raw materials from the leather manufacturers and utilizes the underexplored vulnerable labor resources from the social community to create high-quality leather products. The labor process is suitable for vulnerable workers, with support from equipment and the production chain of Infinity Spirit's stakeholders. At the end of the circular process, PIECES will try to connect with end-users, making sure that the products reach the people who will appreciate and benefit from them.

The relationship between the three groups is not just about the project, but it's also about creating a sustainable and inclusive community. By combining and utilizing the relationships between the leather manufacturers, the social community, and the end-users, PIECES believes to create a positive impact that goes beyond just the products themselves.

PIECES's Challenges

Obstacles when it comes to approaching facilities of the disadvantaged for employment recommendations.

We understood that it would be unfair to expect the same level of productivity from disadvantaged workers as we would from normal laborers; therefore, it will be essential for us to take notice of creating a supportive and nurturing environment that allows them to learn at their own pace and get the necessary training and resources to succeed.

Moreover, we also have planned to put in more effort and preparation to train these workers, considering their unique needs and challenges. We may send experienced trainers to the facilities to provide hands-on training and support. We also decided to establish a system for regular check-ins and support to ensure that the workers were getting the necessary guidance and resources.

Through these efforts, we were confident that we could create a working environment that would be supportive and empowering for the disadvantaged workers, while also ensuring the success of our business.

Post-production leather scraps suppliers may not be willing to give their scraps to a social business like PIECES

One possible reason could be that some leather manufacturers already have a system in place for disposing of their scraps, and it may not be economically feasible for them to change their process to supply a social business.

Another reason could be that they may not be convinced of the business model or the quality of products produced by PIECES as we are just the on-paper social business that lacks practical implementation. Besides, they may see the social business as a less established or less credible player in the market, which could deter them from collaborating.

Finally, the suppliers may simply not be aware of the benefits of working with a social business, so it may require some education and outreach efforts to convince them of the advantages of collaborating.

As can be seen, it is crucial for PIECES to understand the concerns and perspectives of the suppliers and develop a strategy to address them effectively. This may involve building relationships and partnerships, offering incentives or guarantees, and educating suppliers about the benefits of working with a social business.

End-users hesitate to believe in PIECES's products

Several reasons can lead to this hesitation, including lack of understanding, bad reviews, pricing and a competitive market. To address these concerns, PIECES can take several actions to build trust with its audience, improve communication, address negative reviews, and adjust appropriate pricing. By implementing these strategies, PIECES can increase end-users' confidence in products and build a loyal customer base. By building trust and providing value to customers, PIECES can establish itself as a reputable brand and increase its chances of success in the market.

Let's take action _____

As we logged off from the meeting and returned to our daily lives, we knew that we had taken a small step towards making social dreams a reality. We appreciate that we had come

together as a team, shared ideas and passions, and worked together to create something that could truly make a difference in the world.

To summarize, our social business, PIECES, is focused on repurposing post-production leather scraps into beautiful and sustainable decorative items. We believe that by doing this, we together can reduce waste and provide opportunities for disadvantaged communities, while also offering unique and personalized products to consumers.

But we can't do it alone. We need your help to spread the word about the importance of social businesses and sustainable practices. Together, we can make a difference, complete PIECES at a time.

Join us on this journey toward a more sustainable and equitable future. Let's create a world where businesses not only prioritize profits but also social impact. Are you ready to make a positive impact?



**The creation of gorgeous pieces from post-production leather scraps.
It's where sustainability meets equality.**