

# Cubreme® and Sustainable Value Creation: A Diagnosis

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**Abstract** Cubreme® is a small textile company created by designer Alejandra Gottelli whose purpose is to promote the use of organic and natural textiles by designing classical contemporary garments that transcend fashion trends. Therefore, the collections are not divided into 6-week “seasons” that change continuously, but rather they are featured in line with cold and warm seasons. The brand was conceived in response to the designer’s need to express creatively the culture of Argentine native communities. The fibers used by Alejandra Gottelli come from the shearing of domestic species, such as animals from the sheep, camel, and goat families from the Andean–Patagonian and Andean–Cuyo regions of Argentina, which are bred in their natural habitat. The fibers obtained from shearing animals from both the camel and sheep families, as well as the harvest of vegetable fibers are treated in premium spinning mills that develop highly refined products on a very small scale. Fabrics are developed using handlooms, and craft tailor shops are in charge of the final tailoring to give garments a *haute couture* finish; this helps keep a small production line, using renewable resources and contributing both actively and voluntarily to social, economic, and environmental improvement. This case study introduces Cubreme and then shows the model of sustainable value creation that integrates four elements: environment, innovation, stakeholder management, economic value and potential of growth (Hart, Harvard Bus Rev 75: 66–76, 1997; Capitalism at the Crossroads, 2005; Capitalism at the crossroads: capitalism at the crossroads—aligning business, earth, and humanity,

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The author would like to thank Mrs. Ana Laura Torres for her contributions to this chapter.

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2007; Hart and Milstein, MIT Sloan Manag Rev 41:23–33, 1999, Acad Manag Exec 17: 56–67, 2003) as a tool to diagnose the brand, ending with an analysis of the company in the light of the above model and a few conclusions.

**Keywords** Fashion · Sustainability · Cubreme® · Argentina

## 1 Introduction

In terms of environmental pollution and social impact, fashion is one of the most harmful systems (Fletcher 2008, 2014; Kozlowsky et al. 2012; Muthu 2014). Over the past years, these negative effects have been heightened by a phenomenon known as “fast fashion,”<sup>1</sup> which is having an impact even at a cultural level. In this regard, this phenomenon is sometimes called “McFashion,”<sup>2</sup> given its total homogenization resulting from the sector’s globalization (Lee 2003).

Factors such as scale expansion and increased time to market, in addition to the division of labor, and consumption patterns, have deeply influenced how fashion is produced (Hawley 2011).

The fashion production system, basically driven by economic factors, is causing an intensive use of resources<sup>3</sup> and large volumes of textile wastes with a great impact on the planet’s capacity to regenerate (McCann 2015). Retailers and multinational brands have embraced practices based on trend-oriented design, and a lower production cost policy that has taken the massive search for supplies to developing countries. Therefore, this significantly reduces both clothes pricing and quality (Cataldi et al. 2010).

From the consumer’s perspective, the continuous cycle of purchase, use, and disposal of clothes also has serious consequences for both society and the environment<sup>4</sup> (Gwilt and Rissanen 2011). Due to their eagerness to follow the latest trends and attracted by affordable prices, consumers’ demand is driving the purchase of clothes beyond their actual needs, which results in overconsumption.

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<sup>1</sup>According to Cataldi et al. (2010), this term refers to the clothing industry focused on low-cost mass production where seasons change every 6 weeks instead of following the two traditional annual seasons. It is sold by retailers at very low prices and based on the latest trends, which encourage consumers to purchase more than they really need, thus resulting in both social and environmental impacts.

<sup>2</sup>The term *McFashion*—the textile equivalent of fast food—was coined making an allusion to the fast food restaurant chain to refer to this fact whereby it is possible to find the same garment in any of the major cities in the world.

<sup>3</sup>An emblematic example is the drought of the Aral Sea due to the indiscriminate and inefficient use of water for cotton crops, among others (Allwood et al. 2006; Fletcher 2008).

<sup>4</sup>As an example, a research study conducted by Cambridge University reveals that, on average, English consumers send 30 kg of garments and textiles per capita to landfills every year (Allwood et al. 2006).

Likewise, consumers have lost their ability to claim their own sense of style, following instead the mandates of brands and trendsetters (Hawley 2011). According to Cataldi et al. (2010), consumers have taken a leading role in the development of the current fast fashion system due to their attitude and behavior in line with production speed.

As described thus far, fashion has become the very antithesis of sustainability (Fletcher and Tham 2015). Fashion needs to escape the fate of being a tool that often encourages excessive economic growth to the detriment of the environmental and social impact. In Fletcher's own words (2008), fashion "should help cultivate new aspirations" (p. 118).

This case analyzes the company under the model of sustainable value creation developed by Professor Stuart L. Hart (Hart 1997; Hart and Milstein 1999, 2003; Hart 2005, 2007) that integrates four aspects: environment, innovation, stakeholder management, and potential for growth.

## 2 Methodology

In order to develop this case, the author first made a bibliographic compilation on this topic and then researched information about Cubreme® on two levels: through trade media and, on the other hand, through semistructured interviews with designers.

## 3 Understanding "Sustainable Fashion"

The term "sustainable development" dates back to the United Nations Conference on the Human Environment in 1972 where it was first coined. Sustainable development is a problematic expression on the meaning of which few people agree. Each person can take the term and "reinvent" it considering his or her own needs. This is a concept that continuously leads us to change objectives and priorities because it is an open process and as such, it cannot be reached definitely. However, one of the most widely accepted definitions of sustainable development, although diffuse and nonoperating, is the one proposed by the World Commission on Environment and Development (WCED) report, *Our Common Future*, which defines sustainable development as "the development model that allows us to meet the present needs, without compromising the ability of future generations to meet their own needs" (WCED 1987: 43). At its core is the notion that all natural systems have limits and that human well-being requires living within those limits. The essential objective of this development model is to raise the quality of life with the long-term maximization of the productive potential of ecosystems with the appropriate and relevant technologies (Gardetti 2005).

According to this report the three pillars of sustainability would be “people, profit and planet” (Bader 2008). Sustainable development is not only a new concept, but also a new paradigm, and this requires looking at things in a different way. It is a notion of the world deeply different from the one that dominates our current thinking and includes satisfying basic human needs such as justice, freedom, and dignity (Ehrenfeld 1999).

Although the term “fashion” refers to products such as clothing and accessories, according to Fletcher (2008) and (2014) fashion is the way in which our clothes reflect and communicate our individual vision within society, linking us to time and space. Clothing is the material thing that gives fashion a contextual vision in society (Cataldi et al. 2010). According to Hethorn and Ulasewicz (2008), fashion is a process that is expressed and worn by people, and as a material object, has a direct link to the environment. It is embedded in everyday life. Therefore, sustainability within fashion means that the development and use of some thing or process is not harmful to people or the planet, and once put into action, such thing or process can enhance the well-being of those people who interact with it, and the environment within which it is developed and used. But this is not always the case. One of the most worrying social effects in the current fashion system is that to meet the market’s expectations in terms of turnaround and competitive prices the conditions in which clothes are made fail to comply with minimum labor standards: respect for workers, fair salaries, working hours, breaks, and health and safety standards in the work environment (Oxfam GB, Clean Clothes Campaign & ICFTU 2004). Clothing manufacture has moved to countries that pay lower salaries and where there are neither stringent pollution controls nor laws that punish textile companies that cause it (Hethorn and Ulasewicz 2008).

The textile and fashion industries use large quantities of water and energy (two of the resources of major concern worldwide), and also generate waste, effluents, and pollution. Both manufacture and consumption of textile products are significant sources of environmental damage.<sup>5</sup>

Furthermore, another environmental implication of the current fashion system is associated with transport. More than in any other industry, a textile or fashion product is made up of different components that come from every corner of the world. The fiber/yarn is produced in one country, then shipped to be spun in another country, then shipped again to separate production and finishing processes, before finally being made up into garments somewhere else (Earley 2007). This certainly increases CO<sub>2</sub> emission rates, which ultimately have a negative impact on climate change (Muthu 2014; Farrer 2011).

Fashion at its worst promotes materialism, because marketing and advertising techniques have helped it be perceived as a means to achieve both success and happiness. It is also involved in very serious health conditions, such as bulimia and anorexia (Fletcher 2008, 2014). Moreover, the pressure of constantly reshaping

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<sup>5</sup>Other authors and organizations have studied and analyzed the textile and clothing industry environmental impacts too. Some of them are Slater (2000), UK Department for Environment, Food and Rural Affairs (2008), Ross (2009), Dickson et al. (2009) and Tobler-Rohr (2011).

our personal identity, incited by changing trends, creates both personal insecurity and stress. To us, the meaning of fashion may be to purchase things that we do not really need, use them very little, and quickly dispose of them. A vast proportion of clothes are now bought in supermarkets, and new collections arrive in High Street stores every 6–8 weeks. Although purchasing new products other than what we really need supports a production system based on economic growth, it has a negative impact on the resource base and undermines personal satisfaction. The ongoing shaping and reshaping of our identity through fashion consumption is both a distinctive feature of the times we live in and a key cause of the sector's lack of sustainability (Earley 2007).

The strategy implemented in the design of contemporary manufactured goods—*aesthetic obsolescence*<sup>6</sup>—ensures that producers continue producing and consumers continue buying (Fuad-Luke 2004–2005).

Some authors, such as Walker (2006) and Koefoed and Skov (year unknown), have studied the contradictions between fashion and sustainability: sustainability requires a drastic reduction in our ecological footprint, and increasing a product's useful life. Fashion, on the other hand, suggests a passing trend or fad: something transient, superficial, and often rather wasteful. But, beyond these contradictions, fashion should not necessarily come into conflict with sustainable principles. Indeed, fashion plays a role in the promotion and achievement of sustainability, and it may even be a key to more sustainable ways of living. Thus sustainable fashion is an approach to the fashion system intended to minimize negative environmental impacts, and, in turn, maximize positive impacts (benefits) for workers and their families all along the value chain, hence playing a decisive role in poverty reduction. For this reason, Kate Fletcher (2012) in the preface of the book, *Sustainability in Fashion and Textiles: Values, Design, Production and Consumption*, wrote, "For me the fostering of alternatives to the status quo in fashion and textiles is essential if we are to deeply engage with the process of sustainability..." (p. ix).

## 4 Creating Sustainable Value

The challenges associated with global sustainability, viewed through the appropriate set of business lenses, can help identify strategies and practices that promote the creation of value. Michael Porter and Mark R. Kramer in their work "Creating Share Value" of 2011 say, "[T]he purpose of the corporation must be redefined as creating shared value, not just profit per se...It will also reshape capitalism and its relationship to society." That is, there is a connection between the social dimension and economic growth (Porter and Kramer 2006; Fatemi

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<sup>6</sup>Term that Vance Packard made popular in *The Waste Makers* (1963) to refer to manufacturers' strategy to render products outdated, nonfunctional, or useless after a period of time, estimated in advance during the design phase. The purpose of planned obsolescence is to get quick economic profit.

and Fooladi undated; Gholami 2011), and this is demonstrated in the work, “Sustainability and Competitive Advantage: An Empirical Study of Value Creation,” conducted in 2011 by Gupta and Benson on American companies. Value creation needs to be broadly defined to acknowledge the strategically relevant stakeholders of a corporation, and the definition of value creation is an interactive process that includes stakeholders (Freeman 1984; Freeman et al. 2007; Post et al. 2002; Sachs et al. 2008; Sachs and Maurer 2009). For all this, the *sustainable enterprise* represents the potential for a new approach in bringing the private sector closer to development, including poverty, the respect for cultural diversity, and the preservation of ecological integrity (Hart 2005, 2007).

#### 4.1 The Creation of Value

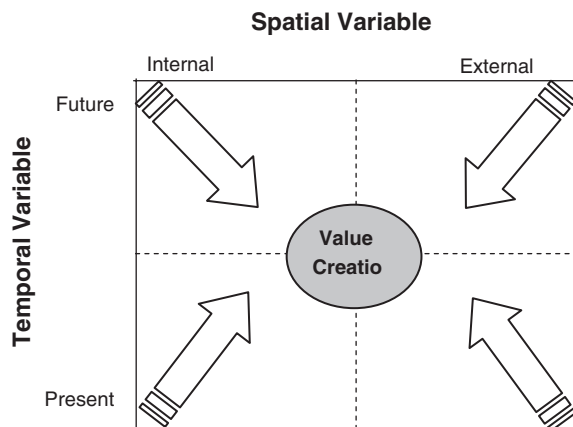
With this model, both short- and long-term value is created using two variables: a spatial variable and a temporal one.

The temporal variable reflects the firm’s need to manage “today’s” business, while simultaneously creating “tomorrow’s” technologies and markets. In contrast, the spatial variable reflects the firm’s need to nurture and protect “internal” organizational skills, technologies, and capabilities, while simultaneously providing the firm with new prospects and knowledge from “outside” stakeholders (Hart 1997, 2005, 2007; Hart and Milstein 2003).

The combination of these two variables (see Fig. 1) results in four different dimensions, crucial to the creation of value (Hart and Milstein 2003):

- *Internal* dimension and *immediate* term, such as cost and risk reduction
- *External* dimension and *immediate* term (building of legitimacy)
- *Future* dimension (or *long* term) and *internal* (innovation and repositioning)
- *Long-term* dimension and *external* (credible expectations of growth)

**Fig. 1** Dimensions for value creation. *Source* Designed by the authors (Adapted from Stuart L. Hart and Mark Milstein, *Creating Sustainable Value* 2003)



To maximize value creation companies must act efficiently and simultaneously in the four dimensions.

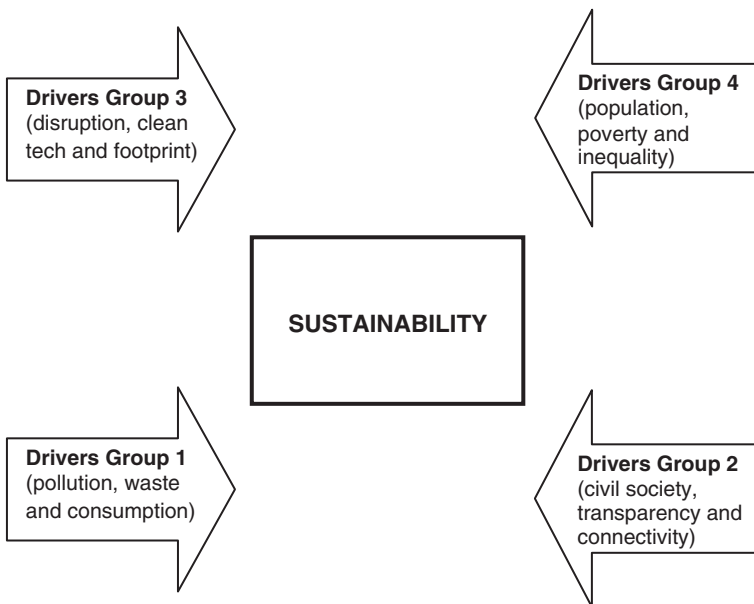
## 4.2 Global Drivers for Sustainability

According to Hart (1997), (2005), (2007) and Hart and Milstein (2003), there are four groups of drivers related to global sustainability shown in Fig. 2 and explained below.

The first group corresponds to the growth of industrialization and its associated impacts, such as consumption of materials, pollution, and waste and effluent generation. Thus, efficiency in the use of resources and pollution prevention are crucial to sustainable development.

A second group of drivers is associated with the proliferation and interconnection of civil society stakeholders, with high expectations placed on business performance beyond their economic action. To achieve sustainable development, companies are challenged to operate in an open, responsible, and informed manner.

The third group of drivers regarding global sustainability is related to emerging technologies that would provide radical and “disturbing” solutions and that could render many of today’s energy- and material-intensive industries obsolete.



**Fig. 2** Sustainability drivers. *Source* Designed by the author

Thus, innovation and technological change are the keys to achieving sustainable development.

Finally, the fourth group of drivers is linked to population growth. In addition, economic globalization affects the local autonomy, the culture, and the environment, causing a growing decline in developing countries (Hart 2005, 2007; Hart and Milstein 2003). A long-term vision that incorporates (the traditional economic aspects) social and environmental aspects is essential for the achievement of sustainable development.

### ***4.3 The Sustainable Value Structure: Connecting Drivers with Strategies***

Global sustainability is a complex multidimensional concept that cannot be addressed by any single corporate action. The creation of (sustainable) value implies that firms have to manage the four groups of drivers (Hart 1997, 2005, 2007; Hart and Milstein 2003). Each group of drivers has a strategy and practice, which correspond to a particular dimension of value creation.

#### **4.3.1 Growing Profits and Reducing Risk Through Pollution Prevention**

Problems about consumption of raw materials and the generation of waste and pollution associated with industrialization raise opportunities for firms to lower costs and risks, by developing skills and capabilities in eco-efficiency and pollution prevention (Hart 1995, 1997, 2005, 2007).

#### **4.3.2 Enhancing Reputation and Legitimacy Through Product Stewardship**

Product stewardship integrates the voice of stakeholders into business processes through an intensive interaction with external parties. It therefore offers a way to both lower environmental and social impacts across the value chain, and to enhance the firm's legitimacy by engaging stakeholders in the performance of ongoing operations (Hart 1995, 1997, 2005, 2007).

#### **4.3.3 Market Innovation Through New Technologies**

New technologies and sustainable technologies refer not to the incremental improvement associated with pollution prevention, but to innovations that leap-frog standard routines and knowledge (Hart and Milstein 1999). Thus rather



than simply seeking to reduce the negative impacts of their operations, firms can strive to solve social and environmental problems with the internal development or acquisition of new capabilities that address the sustainability challenge directly (Hart 1997, 2005, 2007; Hart and Milstein 2003).

### 4.3.4 Crystallizing the Growth Path Through the Sustainability Vision

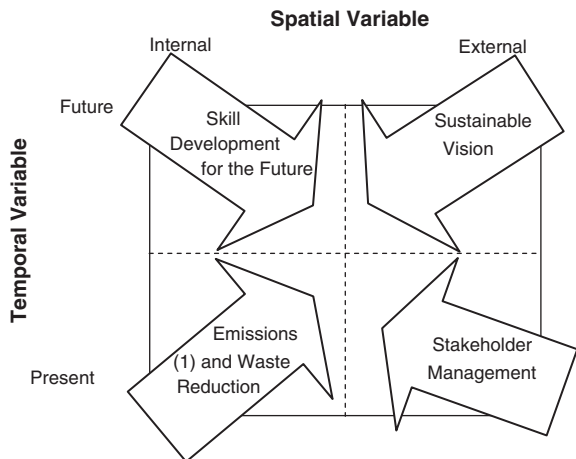
The vision of sustainability, which creates a map for tomorrow’s businesses, provides members of the organization with the necessary guidance in terms of organizational priorities, technological development, resource allocation, and design of business models (Hart and Milstein 2003).

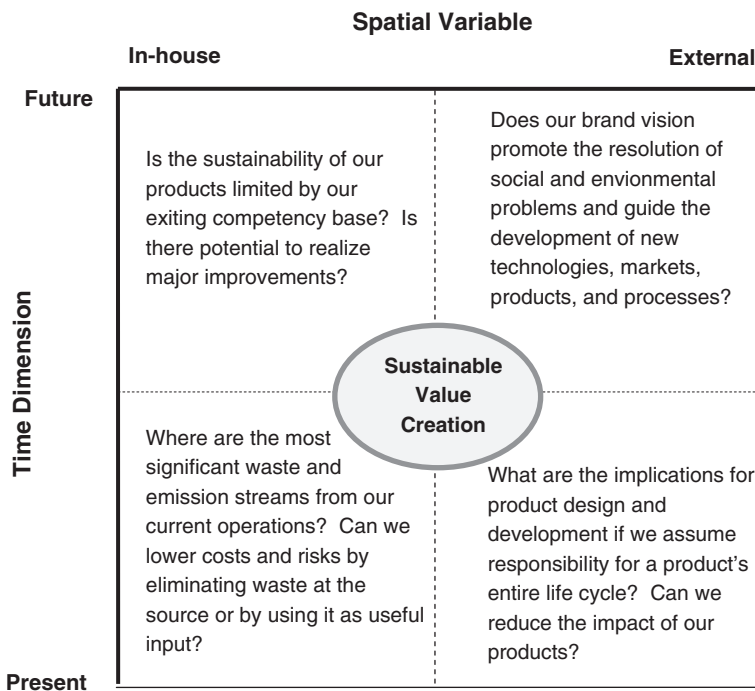
This model highlights the nature and magnitude of those possibilities associated with sustainable development and relates them to the creation of value for the company. This appears in Fig. 3 which shows the strategies and practices associated with the creation of both short- and long-term value.

## 4.4 A Tool for Diagnosis

In order to choose which strategy(s) to promote (see Fig. 4) and analyze the best way to manage it or them, the sustainable value structure may be used as a simple but important diagnosis tool. By evaluating a company’s activity in each of the quadrants, the portfolio balance level can be evaluated (Hart 1997, 2005, 2007).

**Fig. 3** Strategies and practices associated with the creation of short- and long-term value, and the essential elements for its development. *Source* Designed by the authors (Adapted from Stuart L. Hart and Mark Milstein, “Creating Sustainable Value” 2003)





**Fig. 4** Evaluation of each of the sustainability portfolio quadrants. *Source* Designed by the author (Adapted from Stuart L. Hart, “Beyond Greening: Strategies for a Sustainable World,” 1997; Stuart L. Hart and Mark Milstein, “Creating Sustainable Value,” 2003 and Stuart L. Hart, “Capitalism at the Crossroads,” 2005 and 2007)

## 5 Cubreme®

“Sustainable fashion is for the long term. It’s a path made by experimentation.”  
 “I’m tenacious when I believe in something, in this case, blending fashion with sustainability.”  
 “I don’t follow the crowd.”  
 “I’ve never liked settling for what’s available.”  
 “I am a believer in a change of paradigm. I do my utmost for it.”

Alejandra Gotelli, Founder and CEO, Cubreme®

This small textile company (adhered to the United Nations Global Compact<sup>7</sup> and, for some years now, certified with B<sup>8</sup> System) was created by designer Alejandra Gottelli whose purpose is to promote the use of organic and natural textiles by designing classical-contemporary garments that transcend fashion trends.

<sup>7</sup>[www.unglobalcompact.org](http://www.unglobalcompact.org).

<sup>8</sup><http://www.sistemab.org/ingles/home>.

Therefore, the collections are not divided into 6-week “seasons” that change continuously, but rather they are featured in line with cold and warm seasons.

The brand was conceived in response to the designer’s need to express the culture of Argentine native communities creatively. Her sister was a biologist who lived for a long time in Ethiopia and who told her stories about aboriginal communities of that country. After listening to the tales and appreciating the fabrics and decorative pieces that her sister used to bring, Alejandra compared the African handicrafts to those from the north of Argentina, and that stirred up her interest in developing a project to create a 100 % Argentine-made textile product, thus revaluating a sector of the economy hit hard mainly during the 1990s due to the then-prevailing economic situation. That idea was the kick-off of a learning process that took her to different places in the country.

The animal fibers used by Alejandra Gottelli come from the shearing of domestic species, such as animals from the sheep and camel families from the Andean–Patagonian and Andean–Cuyo regions of Argentina, which are bred in their natural habitat. Vegetable fibers such as agro-ecological cotton come from the provinces of the northeastern region of Argentina (Chaco and Corrientes), where small producers grow their crops using a biodiversity approach, protecting the environment, and ensuring the livelihood of farming families and communities.<sup>9</sup> Therefore, Cubreme is a proposal based on agro-ecological principles and an inclusive development model, with both autonomy and equity. Currently, a change is in process towards organic cotton from Peru.

Fabrics are developed using hand looms, and craft tailor shops are in charge of the final tailoring to give garments a *haute couture* finish; all this helps keep a small production line, using renewable resources and contributing both actively and voluntarily to social, economic, and environmental improvement.

Her premise was to create from the raw material at hand. Although she decided to use hand looms, which are traditional in Latin America and have the potential to preserve ancient techniques and practices that promote social inclusion, her goal was to avoid developing telluric products but, instead, items imbued with an “urban, light, and versatile” style.

Little by little, all the links in the chain—raw material producers, spinners, and weavers—became bound together. All these players know one another and the rest of the chain, which largely helps them appreciate both other people’s and joint work.

At first, Cubreme was focused on creating coats using loom-woven fabrics, but soon the designer noticed that there was a yarn remainder which could not be woven on the loom due to technical reasons (small volumes). Then, she developed a knit line, employing knitters who were at home and use their semi-industrial knitting machines or who were working part time. In addition, she purchased machines lent for use agreement to some knitters in order to optimize garment

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<sup>9</sup>Worked with Cooperativa Agroecológica del Litoral Ltda., certified with the Fair Trade Label Organisation (FLO), Native dyeable Cotton.

production and quality, and to cut down working hours using more efficient, functional, and modern knitting machines.

Her value chain consists of the following.

### *Raw Materials*

Renewable raw materials are made up of Argentine natural fibers from agricultural producers associated with cooperatives. Alejandra Gottelli believes that cooperativism is an inclusion model and a tool for the social transformation of small producers and workers. She also uses linen from Belgium and Brazil, bamboo from China, and organically certified llama fiber from La Carolina, in the Province of San Luis (Argentina).

Animal fibers, such as wool from Merino sheep, are sourced from OVIS 21. This company is focused on increasing cattle-raising profitability and regenerating grazing lands. It offers training, consulting, and product certification services. As the hub of the Savory Institute, it specializes in holistic management, in addition to having vast experience in sheep and wool.

Cubreme obtained a permit from the national agency in charge of wild fauna in order to use vicuña and guanaco fibers to develop a luxury clothing line. For such purpose, the company began working with Cooperativa Payun Matrú, which is engaged in the protection and preservation of guanaco populations, as well as in improving the lives of the inhabitants of the Reservation La Payunia, in the province of Mendoza.

Figure 5 shows the shearing of sheep, on the left, and the (Fig. 6) shearing of guanacos, on the right.

### *Spinning Process*

The fibers obtained from shearing animals from both the camel and sheep families, as well as the harvest of vegetable fibers are treated in premium spinning mills, Almafuerte, which develop highly refined products at very small scale, in compliance with the controls and standards of organic certifications (Organización Internacional Agropecuaria, OIA [International Agricultural and Cattle Organisation], and Global Organic Textile Standards, GOTS).

### *Handcraft Tailoring*

In line with the designer's guidelines, fabric creation is in charge of weavers with vast experience thanks to a long track record in hand loom weaving, training, and even loom make. Figure 7 shows a hand loom.

This process is intended to have a new appreciation of local handicrafts, giving each fabric a unique and impeccable finish. For instance, garments are cut one at a time. Before cutting, fabrics are bonded<sup>10</sup> and decatized<sup>11</sup> in order to provide them with structure and softness. Cubreme works with two workshops that combined allocate five people to this task.

<sup>10</sup>Finishing process which consists in "bonding" the fabrics to improve their structure.

<sup>11</sup>Process which results in a smooth, wrinkle-free, and soft finish for worsted or woolen yarn fabrics.



Fig. 5 Shearing of sheep (*left*)



Fig. 6 Shearing of guanacos (*right*). *Source* Cubreme®. Published with the designer's authorization

**Fig. 7** Hand Loom. *Source* Cubreme. Published with the designer's authorization



### *Final Product*

Garment design and tailoring take place at local craft tailor shops (both for men and women) and spinning mills. Each model is carefully developed relying on an approach to caution and responsible consumption. The designer is actively involved in the entire process. Figure 8 shows a tailor at work, and final products are shown in Figs. 9 and 10.

Over the past few years, Cubreme has developed a home decor line consisting of llama hair rugs, throws (for bed and couch), aprons, and beach mats, the last two made of “native” cotton.

### *Customers*

Most customers are tourists with a strong sustainable awareness, both Americans and Europeans who jointly account for 70 % of revenues. Thirty percent are local customers, defined as captive by the designer, as they “feel the spirit of the brand.” As to the age group, Alejandra Gotelli explains that it is highly diverse: from young people to 60-year-olds.



**Fig. 8** At the tailor's. *Source* Cubreme. Published with the designer's authorization



**Fig. 9** Finished product (woman's coat). *Source* Cubreme. Published with the designer's authorization



**Fig. 10** CS overcoat and ghorvat coat. *Source* Cubreme. Published with the designer's authorization

Alejandra Gottelli believes that “[I]t takes too much time and dedication to develop natural fibers, and they are so difficult to get that garments must have durability: clothes are conceived to be worn for 10–20 years.” These concepts reflect the values intended to be conveyed through the clothes: the distinction and loyalty of durable items. Thus, at her store, the designer and entrepreneur explains to her customers that “Sustainable fashion shouldn’t be a fad: it should



be a transformation path. This involves creating a network, trying to find solutions co-created by organizations, cooperatives, companies and designers who share the same philosophy.” In her opinion, sharing information is the only way to help sustainable fashion to grow.

From an economic perspective Cubreme has been over its break-even point since 2010, less than a year from when this undertaking was kicked off. Three per cent of sales income is donated to Nutri Red, an organization that acts as a meeting point, an information node for organizations working around the malnutrition issue in Argentina.

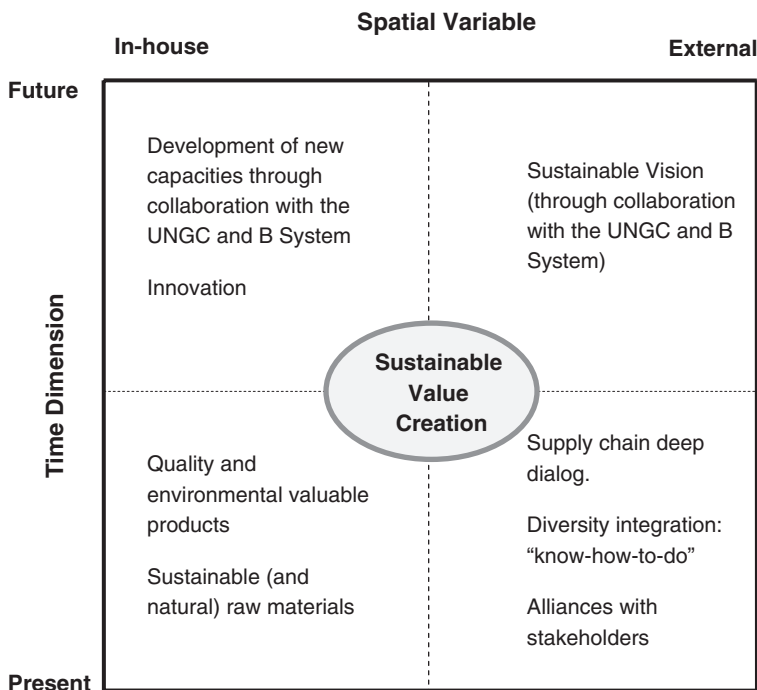
## **6 Creating Sustainable Value in Cubreme: Diagnosis and Conclusions**

It is not easy truly to apply the concept of sustainability to the fashion system. Many companies in the fashion industry regard this concept as one more trend and resort to it as a marketing strategy to get quick economic benefits.

Far from this distorted and reductionist approach, the design of truly sustainable fashion means changing this goal and striking a balance between economic profitability and the promotion of environmental and social quality. In the fashion system, these are complex issues and improvements result from a mix of creativity, good judgment, and information about the processes dealt with and the ability to take a life cycle approach to bring about change. Working with environmentally friendly materials is not enough. Designers should acquaint themselves with not only their processes, but also with those of their value chain, developing a holistic and comprehensive approach that identifies interdependences and synergies, and helps find opportunities for whole-system improvement (Fletcher 2008, 2014). Cubreme is taking this path by combining sustainable sourced natural raw materials and promoting cooperativism and fair trade as a way further to improve the quality of life of local communities. Each link in the value chain offers an opportunity to implement environmental and social considerations: from the use of natural fibers as raw materials, through the spinning process in certified spinning mills, and the fabric creation stage that rescues the craft of loom weaving, to the final garment tailoring phase that revalues the tailor’s trade. Therefore, the designer manages to achieve a perfect blend of her sensitivity and her social and environmental commitment in the fashion creative process.

It should be noted that, because the brand adheres to both the UNGC and B System, it gains—through joint network-coordinated work within the framework of these two initiatives—new capabilities that help it innovate and have a sustainable vision of the future. Figure 11 shows a brief summary of the strategies and practices currently developed by the brand in order to create sustainable value.

To maximize sustainable value creation Cubreme must act efficiently and simultaneously in the four dimensions so it is worth seeing to what extent this is a



**Fig. 11** Strategies and practices for creating sustainable value in Cubreme. *Source* Designed by the author

balanced model. Based on Fig. 4 and the questions on that figure,<sup>12</sup> this evaluation is made by assigning a score to each quadrant and their questions. For example, (1) nonexistent, (2) emerging, (3) set, and (4) institutionalized.<sup>13</sup>

In connection with the lower left-hand quadrant (internal-today), although Cubreme uses natural (“sustainable”) raw materials, it should review the use of organic cotton due to the huge water consumption and land use required by this kind of fiber.<sup>13</sup> The brand has no water consumption, power, or process-generated

<sup>12</sup>This analysis has a limitation as it only uses the questions contained in Fig. 4 and some degree of bias from the author when each quadrant is evaluated.

<sup>13</sup>If we focus, with a holistic vision (as required by sustainability), on the food crisis that has afflicted humanity for many decades now, which is only looming larger, we should take into account that organic cotton production requires significantly more land (and more water?) than conventional cotton, as well as more work. This obviously results in higher costs, thus becoming a quasi-exclusive product, and restricting its access to a small population segment. This may seem morally questionable if we think that the areas where both types of (conventional and organic) cotton are grown are, generally, regions with high poverty rates and, sometimes abject poverty. *Source*: Reflexiones sobre el Algodón Orgánico, unpublished document, Gardetti MA and Torres AL, 2012.

emission assessment, mainly in terms of those raw materials sourced from other counties (organic cotton from Peru, linen from Belgium and Brazil, and bamboo from China), or from Argentina though from places far away from Cubreme operations (e.g., wool from Merino sheep from OVIS 21). Based on the above, it may be qualified as an “emerging” (2) quadrant.

As to the lower right-hand quadrant (external-today), the brand has the capacities required to innovate, and thus, to reduce the impact of its products. However, there is an evident flaw when it comes to the entire product life cycle. Cubreme is closely related to both the B System and the UNGC, however, it would be advisable eventually to build relationships with other stakeholders so as to help the brand include greater “diversity” missing today. The stage of this quadrant would be somewhere between “nonexistent and emerging” (1.5).

In terms of the upper left-hand quadrant (internal-tomorrow), the firm has the potential to implement creative improvements, but if we take the life cycle of the product it develops, to a certain extent product sustainability may be limited by the current competence base. It is an “emerging” (2) quadrant.

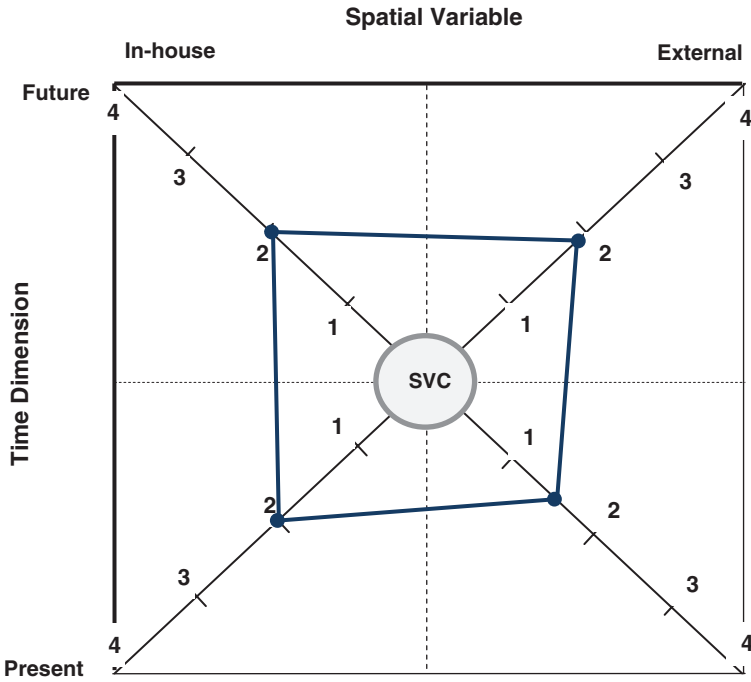
As to the upper right-hand quadrant (external-tomorrow), the designer is on the right track to make her vision promote social and environmental solutions. As a designer, Alejandra Gotelli is more focused on design, product, and processes. Her ideas could be shared with other designers in order to take her vision to the next level. Moreover, she fails to develop new markets more in line with her products’ quality, characteristics, and prices, which would include “sustainable luxury.” This quadrant might be located very close to the “emerging” status (approximately 2).

Figure 12 depicts the balance degree of the sustainable value creation model. This balance can be defined as “reasonably balanced,” which means that Cubreme is simultaneously performing in the four quadrants<sup>14</sup> in a balanced way. Figure 13 shows the practices and strategies that the brand should integrate into a process, setting priorities to improve its sustainable performance.

As pointed out by Farrer (2011), it might be utopian to think that sustainability is possible in terms of mass market in the current fashion industry, which is highly

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<sup>14</sup>An unbalanced portfolio (model) is a sign of problems. A model tilted to the lower part suggests the brand is well positioned, but it may be vulnerable in the future. A portfolio tilted to the upper part indicates there is a sustainability vision, but it lacks the operating or analytical abilities for implementation. A model tilted to the left quadrant indicates a concern about social and environmental challenge management with improved internal processes and technology development initiatives. Finally, a portfolio tilted to the right runs the risk of being considered socially and environmentally shallow, because the main operations still cause serious environmental damages (Hart 1997, 2005, 2007). An unbalanced portfolio also suggests missed opportunities and vulnerability. There are still few fashion labels that recognize sustainability strategic opportunities. These companies focus on and allocate their time to the lower half of the portfolio, which implies short-term solutions considering the existing products and the different stakeholder groups (Hart 1997, 2005, 2007).



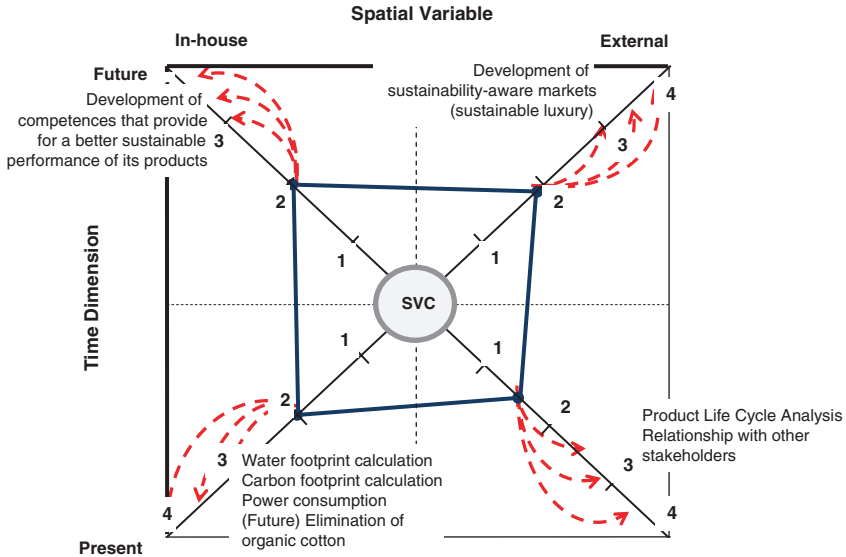
**Fig. 12** Diagnosis (model balance) in Cubreme. *Source* Designed by the author. *Note* SVC (Sustainable Value Creation)

globalized and features extremely fragmented production processes. Nevertheless, the stage is set for the onset of a new fashion system in which the message that it is possible, and necessary, to develop both new business models and lifestyles is brewing among producers and users. In such a scheme, designers play a major role in promoting a different production system whereby the industry is made up of small volumes as in the case of Cubreme.

Even today, many companies do not recognize the strategic opportunities that result from sustainability. They are normally focused on, and allocate their time to, short-term solutions, looking at the existing products and the different groups of stakeholders. However, Cubreme is developing sustainable ideas that need to be supplemented by other practices and strategies to create more sustainable value.

**Author’s Note**

Once the development and presentation of this case was completed, People for the Ethical Treatment of Animals (PETA) filed a complaint for animal cruelty against the firm OVIS21 which provides “sustainable” wool to Cubreme. Due to



**Fig. 13** Practices and strategies missing in Cubreme for improved sustainable performance. SVC (sustainable value creation); red dotted lines Cubreme’s potential improvement in each quadrant by implementing the strategies and practices shown in the figure. Source Designed by the author (color on online)

such complaint, some brands, such as Stella McCartney and Patagonia, made their own assessments and decided to stop buying wool from OVIS21 as they found animal cruelty in 1 of 26 factories. This issue involving Cubreme will be included in future reviews of this case.

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