

Disruptive Innovation through Social Entrepreneurship

USING FASHION TO CREATE SOCIAL CHANGE

PITT BUSINESS HONORS CAPSTONE PROJECT

RACHAEL WHITE, CLASS OF 2018



University of Pittsburgh
PittBusiness

College of
Business Administration

From the classroom. To the city. To the world.

**DISRUPTIVE
INNOVATION
THROUGH SOCIAL
ENTREPRENEURSHIP**

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A Message from Rachael White



Rachael White
CLASS OF 2018

HOMETOWN:

Cranford, N.J.

MAJOR:

Marketing with Accounting Concentration

CERTIFICATES:

Leadership and Ethics, Innovation and Entrepreneurship, Business Analytics, and International Business

STUDENT ORGANIZATIONS:

Phi Beta Lambda, Women in Business, Pitt Pantry, and Mu Chapter of Delta Sigma Theta Sorority, Inc.

STUDY ABROAD EXPERIENCE:

Costa Rica, South Africa, Ecuador, Amsterdam, Germany, and Vietnam

EMPLOYMENT:

Business Technology Analyst at Deloitte Consulting, Pittsburgh, PA

My international exploration of my entrepreneurial venture Beautiful Me™ has been the perfect culmination of my interests and how they have developed over my time at Pitt Business. From a young age, I was interested in fashion, and at the beginning of my high school career, I was guided toward an exploratory path to business, specifically entrepreneurship. I was captivated by the concept of opening my own company, and I was even more enticed by the fact that everything in life is business. That meant I could pursue business in any realm of my choice, including fashion. From that point on, I started working on developing an idea for a fashion company that focused on increasing the level of consumer customization. When I came to Pitt Business and expressed interest in entrepreneurship, I was encouraged to continue my research into my business idea through the Innovation and Entrepreneurship Certificate Program and other resources at Pitt.

The support accorded me from that first semester on has been extraordinary. As senior year approached, I found myself speaking with the director of international programs at Pitt Business, Bryan Schultz, and expressed a desire to continue my international experiences beyond the four programs in which I had already taken part. Bryan implored me to consider an independent research project, and, from there, Bryan, Associate Dean Audrey Murrell, and I developed an independent senior capstone research project for me that combined my passion for international exposure, my long-standing idea for a fashion venture, and my recent interest in the economic concept of the Bottom of the Pyramid.

The independent nature of this project allowed me to grow professionally, academically, and personally as I planned and traveled on my own to two countries to conduct my research. Never in my life did I expect I would be able to engage in so many study abroad programs, let alone be able to work with the associate dean and the director of international programs to plan my own program designed around my specific career interests and passions. This project extended beyond

anything I had ever done in my academic career, and I am thankful for how well it expanded my growth and development as a professional, an academic, and a global leader.

Study abroad has been so much more than a fun college experience. It has been critical to my growth into independence and the pursuit of my interests. My first program after freshman year was very guided, from an administrative perspective, and the perfect introduction to the study abroad experience. Then, slowly but surely, with each additional study abroad program I participated in, I inhabited the independence I sought and came to live by my motto of “be comfortable being uncomfortable.” In doing so, I created and took advantage of this independent senior capstone research project.

Study abroad is a way to broaden one’s horizons and understand and appreciate the multitude of cultures in this world. It’s an opportunity to push oneself to break free from one’s comfort zone and think outside the box to experience what the world truly has to offer. Every time I have traveled, I have been able to break down another wall of ignorance of a new culture and bring a more worldly perspective to my everyday life.

Pitt Business has given me the experience of a lifetime. I was encouraged to indulge in every one of my interests, whether I came with them from high school or developed them during my time at Pitt. I am beyond thankful for the way Pitt Business as a whole embraces growth and development in their programs and opportunities to the point where when I asked about a new program or opportunity I was only ever told “not now” and never a hard “no.” This support allowed me to take advantage of an incredible number of opportunities, which further allowed me to grow into the woman I am today. I have developed an incredible community of faculty, staff, and peers who have supported me through thick and thin. For that reason, Pitt Business and the entire Pittsburgh community will always be my second home.

BEAUTIFUL ME™

Back in high school, Rachael had the bold idea to start a fashion business. It would be different than anything else on the market. She would create an online fashion experience for professional women that offers an enhanced consumer customization experience in tailoring and design. Since no two female body types are alike, her company would have no standard sizes. Women would instead create a profile with their unique measurements. Rachael’s goal isn’t simply to turn a profit. It is to support and encourage female empowerment. Like the old saying dress for success goes, businesswomen who feel confident and have greater self-esteem will perform at a higher level in the workplace. Her company is a business, and it is also a vehicle for social change.

Pitt Business Honors Program Overview

Rachael completed her unique social entrepreneurship project as part of her capstone experience in the Pitt Business Honors program. She envisioned the project as a way to combine her entrepreneurial pursuits with her passion for global business and advancing female empowerment.

HONORS PROGRAM OVERVIEW

Designed for the most driven and academically talented students, the Pitt Business Honors Program builds a more challenging and rigorous experience into the Bachelor of Science in Business Administration degree. The honors program allows students to develop closer relationships with faculty and forge friendships with a network of like-minded peers.

The Honors Program consists of a nine-credit specialized track in which students complete an honors seminar, an honors elective course in their major, and a real-world capstone experience of their choosing. At its core, the honors program allows students to pursue enhanced scholarship while developing key skills and knowledge within the field of business.

ELIGIBILITY GUIDELINES

- Combined SAT math and critical reading score of at least 1450 or a 32 ACT composite score
- "A" average in a challenging high school curriculum
- Top 5 percent of class rank (if applicable)

REQUIRED COURSEWORK

- Enhanced Core Requirements (3 credits)
- Honors Elective Course (3 credits)
- Experience-Based Learning Capstone (3 credits)
- Research Track*
- Practice Track
- Global Experience Track

* Rachael completed the Research Track. Learn More: www.cba.pitt.edu/honors
Watch the Honors Overview Video: www.cba.pitt.edu/honors-video

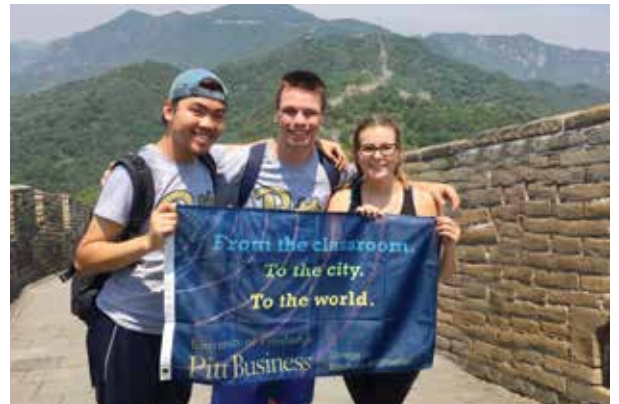


Student Resources and Scholarships

Rachael was able to take advantage of numerous scholarships and resources at Pitt Business to support her Pitt Business Honors Program capstone project.

HENRY E. HALLER, JR. SCHOLARSHIP

Rachael received the Haller Family Scholarship to support her entrepreneurship education. Working under Pitt Business Entrepreneur in Residence Andy Hannah, she received training on small business development processes, including business plan development, funding, and market research.



SHEKAR NARASIMHAN SCHOLARSHIP

Rachael received the Shekar Narasimhan Scholarship to fund her international travel expenses for her honors research project. This generous scholarship covered her expenses for the intensive field research conducted in Germany and Vietnam.

STUDY ABROAD SCHOLARSHIP

Separate from her honors research project, Rachael received support to complete her study abroad experiences at Pitt Business. Every eligible student receives scholarships for study abroad at Pitt Business.



CERTIFICATE PROGRAM IN INNOVATION AND ENTREPRENEURSHIP

In this certificate program, Rachael took several courses that helped her further refine her business plan for Beautiful Me™.

CERTIFICATE PROGRAM IN LEADERSHIP AND ETHICS

In this certificate program, Rachael was introduced to the framework for social entrepreneurship and ethical leadership. These concepts became the guiding force for her honors project.



From The Classroom, To the City, To the World — And Back Again.

The purpose of Rachael's project was to explore how to create social change within the bottom of the economic pyramid. She used her own fledgling startup business, the socially conscious fashion company Beautiful Me™, as a real-world case study for how to create this change globally. Through the course of her project, it was revealed to her that social entrepreneurship is, by its very nature, a disruptive business activity.

Rachael began her project by collecting secondary research on social entrepreneurship, the fashion industry, and emerging economies in Pittsburgh. She then traveled to Europe and Asia to collect qualitative field research through site visits and in-person interviews with local business leaders and faculty. The data was then synthesized for use in her honors thesis paper, "Understanding the Creation of Social Change Within the Bottom of the Pyramid on a Global Scale."

THREE CITIES. THREE CONTINENTS. ONE GLOBAL PROJECT.

Pittsburgh, USA – Rachael conducted extensive literature review and study of scholarly sources on the topic of social entrepreneurship and the economic concept of the Bottom of the Pyramid.

Berlin, Germany – Rachael investigated the viability of German professional women as target consumers for the Beautiful Me™ line.

Ho Chi Minh City, Vietnam – Rachael studied the textile and manufacturing industry as it relates to the bottom of the economic pyramid and the supply chain of Beautiful Me™.

THE POWER OF SOCIAL ENTREPRENEURSHIP

"Innovation is not about a product. It is about developing an appropriate ecosystem that enables a new business system to function."

C. K. Prahalad "Bottom of the Pyramid as a Source of Breakthrough Innovations," *Journal of Product Innovation Management*, 2011

WHAT IS SOCIAL ENTREPRENEURSHIP?

In her project, Rachael explored how social entrepreneurship is inherently different from traditional entrepreneurship in terms of the mission and vision of the venture. Socially oriented startups can take on the form of for-profit, non-profit, and hybrid enterprises.

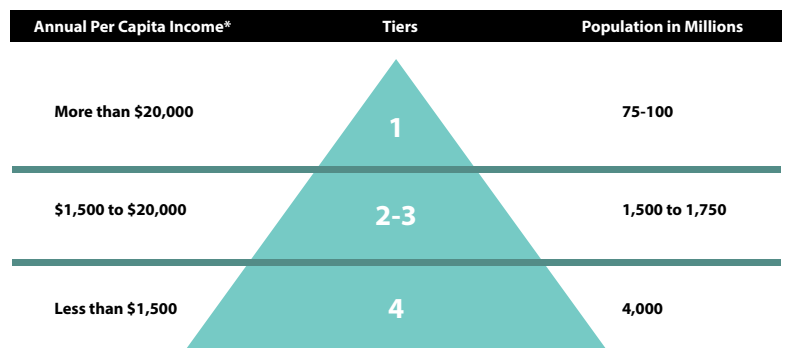
Constant Beugré, the author of the 2016 book *Social Entrepreneurship: Managing the Creation of Social Value*, argues that most scholars agree that social entrepreneurship is defined by four core elements.

1. It addresses a particular social need
2. It is centered on the creation of social value
3. It emphasizes social impact
4. It acknowledges that the means to attain the social mission can include purely philanthropic, hybrid, or market-oriented mechanisms

In other words, a classic entrepreneur creates value, whereas a social entrepreneur creates change.

MAPPING THE ECONOMIC PYRAMID

There are four consumer tiers to the economic pyramid. Contrary to popular belief, those on the Bottom of the Pyramid are not monolithic. They represent different cultures, ethnicities, capabilities, and needs. Social entrepreneurship must be aware of this reality in order to have a positive impact.



*Based on purchasing power parity in U.S. \$

Source: U.N. World Development Reports



Pittsburgh



Berlin



Ho Chi Minh City

International Field Research

SAN JOSÉ, COSTA RICA – Through the Plus3 program, she was exposed to the global trade and supply chain of the coffee industry. The experience featured site visits to family farms and presentations by industry leaders.



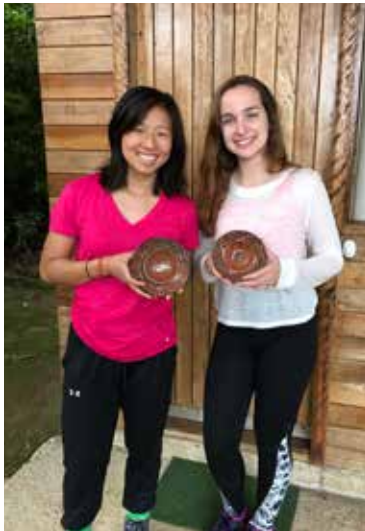
CAPE TOWN, SOUTH AFRICA – In Pitt's South Africa program, she took courses in social entrepreneurship and comparative education. The social entrepreneurship course introduced her to the concept of the Bottom of the Economic Pyramid — both as an abstract scholarly concept and as a personal reality. She was deeply affected by site visits in dangerous locales that stirred up feelings of inequity, social justice, and White privilege. The South Africa experience also introduced Rachael to the native concept of ubuntu, which roughly translates to "I am because of my people." Her exposure to this universal sense of shared humanity reinforced Rachael's desire to develop her business Beautiful Me™ as a means of female empowerment on a global scale.



PHASE I: EXPANDING HER GLOBAL HORIZONS

For Rachael, the seeds for her social entrepreneurship capstone project were planted through her earlier study abroad experiences at Pitt Business. She was able to form a global perspective that guided her journey as a student and business professional.

GUAYAQUIL, ECUADOR – The International Marketing Program in Ecuador gave her an opportunity to study the country's natural and cultural assets, including pottery, chocolate, historical landmarks, and natural wonders. She worked on a project to create promotional materials for the country.



AMSTERDAM, NETHERLANDS – Through the Pitt in Amsterdam program, she took courses in urban sustainability that highlighted green initiatives and sustainability efforts, including the social, political and environmental impacts.



PHASE 2: GATHERING INTERNATIONAL FIELD RESEARCH

The defining moments of Rachael's project took place in her travel to cities in Europe and Asia to collect field research on social entrepreneurship. She gained perspectives from occupants of the different levels of the economic pyramid on issues related to the fashion industry, global supply chains, education, and economic development.

BERLIN, GERMANY

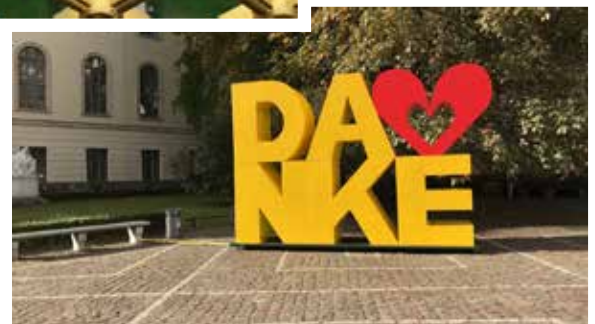
Fall 2017

1 week

Rachael traveled to Berlin to investigate the viability of German professional women, as opposed to American professional women, as the target consumer group for the Beautiful Me™ fashion line. To gather qualitative data, she arranged in-person meetings with German women professionals and professors from the Berlin School of Economics. The professors she met with had expertise in the areas of economics, gender studies, social entrepreneurship, and corporate social responsibility. She also met with a law professor, where the discussion was focused primarily on product marketing.

Rachael's meeting with the leader of the organization Business and Professional Women-Berlin provided unexpected insights into the severity of gender discrimination in Germany. Rachael learned that, on average, German women do not receive equal pay to men, and they are still perceived in a conservative light due to the perception that women cannot be both executives and mothers. Furthermore, German mothers who temporarily leave the workforce to raise children face an uphill battle when they try to return to the workforce.

KEY TAKEAWAY: Disruptive social entrepreneurship would connect gendered social issues to the fashion industry in Germany. Women are not fully accepted into the workforce and face additional pressure and scrutiny than men. It is even more critical for women than men to "dress the part" of a business professional. As such, Beautiful Me™ can advance female empowerment by helping to give women the confidence to be their best self in the workplace.



HO CHI MINH CITY, VIETNAM

Fall 2017

1+ weeks

It took three flights and over 24 hours of travel time, but Rachael arrived in Vietnam for the next leg of her international journey. Given Vietnam's status as a low-cost manufacturing hub for American and European brands, she sought to examine the textile and manufacturing industry as it relates to the Bottom of the Pyramid and the supply chain of Beautiful Me™.

The local university UEF was instrumental in connecting Rachael with professional contacts and providing language translation services. Rachael visited both large corporate manufacturing facilities and small family-owned factories. She also met with local industry professionals and the vice dean of the School of Architecture and the Arts at HUTECH University. The family-owned business she visited was a startup run by the aunt of a friend that she met at a local university. Like many business owners, she struggled to raise capital and suffered razor-thin margins to keep prices competitive in the global market.

It became clear to Rachael that Vietnam's local design industry was underdeveloped. The focus was almost exclusively on manufacturing clothing for large American and European brands. Additionally, there was also often a language barrier due to English and European tongues being the language of fashion.

KEY TAKEAWAY: Disruptive social entrepreneurship would focus on manufacturing and education. Beautiful Me™ could open a unique manufacturing facility in Vietnam that, though its emphasis on tailoring and customization, will also serve as a training and design hub. The facility will create jobs and opportunities for employees to explore fashion beyond manufacturing and thus build up the local industry and economy.



Project Conclusions

At the conclusion of her project, Rachael was able to draw several broad conclusions on entrepreneurship and global business. Social entrepreneurship represents the transformation of a classic entrepreneurial venture into a social venture that has the power to spark lasting social change.

KEY TAKEAWAYS

- 1 All business is global. Even in small neighborhood textile shops in Vietnam, the end destination for the shipments is Europe.
- 2 The Bottom of the Pyramid is diverse and multifaceted. Consumer tiers are typically analyzed from a macro perspective. However, there is a need to segment the groups, for the consumer groups in Vietnam are different from those in Berlin, and so on and so forth.
- 3 Social entrepreneurship, at its core, must be disruptive. In this case, an online fashion business for professional women can shift the paradigm for female empowerment and engage with consumers on a global level.
- 4 Disruptive innovation occurs when previously ignored models or communities create opportunities to succeed as a matter of necessity.
- 5 Innovation, at its core, is about meeting unmet needs by creating new ways of thinking, learning, and doing business.
- 6 Learning that occurs both inside and outside of the classroom enriches the experience and also leads to new opportunities and insights.

WHAT'S NEXT FOR BEAUTIFUL ME™?

Although Rachael has started a job as a Business Technology Analyst for Deloitte, she continues to develop the business plan for Beautiful Me™. She is currently investigating new technology for effortlessly capturing the measurements of people's bodies for easy upload into the custom tailoring system. Through her Pitt Business honors capstone project, Rachael has proved that there is a market for her product. Now it's her goal to make the business a reality.

Thank You

Rachael offers her sincere thanks and enduring gratitude to all the members of the Pitt Business community who helped make this life-changing global experience possible. The school's faculty and staff helped her go From the Classroom, To the City, To the World in the truest sense of the word.



Audrey Murrell, Pitt Business Associate Dean –
Served as the faculty advisor on her Honors Project.



Bryan Schultz, Pitt Business International Programs Director –
Helped her to find connections in Germany and Vietnam for her site visits, as well as supported her previous international experiences.



Liz Adams, Pitt Business Director of Academic Advising –
Helped her to develop a unique academic pathway that took full advantage of the school's resources, while allowing her to graduate on time.



Andy Hannah, Pitt Business Entrepreneur in Residence –
Provided critical input and oversight in the development of her business plans for Beautiful Me™.



Paul Harper, Pitt Business Professor –
Taught courses in the Certificate Program in Innovation and Entrepreneurship that became essential in the development of her business plan for Beautiful Me™.

SPECIAL ACKNOWLEDGEMENTS

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**UNIVERSITY OF PITTSBURGH
COLLEGE OF BUSINESS ADMINISTRATION
2100 SENNOTT SQUARE
210 SOUTH BOUQUET STREET
PITTSBURGH, PA 15260**

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