



Dear Reader,

We live in a visual society where much attention is given to images, to how we look and how things look. Images are a potent symbol - of something. But what are the messages we are sending out with the symbols we choose? Do we ever give any thought to what we are communicating?

A few weeks ago at the conference [Sustainatopia](#) 2014 in Miami, Florida, I met Matt Reynolds, President and Co-Founder of [INDIGENOUS](#), an innovative corporation in the apparel industry. Matt is pioneering a new model of socially responsible business - and yes, they are profitable and successful at it.

Read and get inspired of what can be.

Stop and Reflect

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Inventing a Radical New Business Model

Interview with Matt Reynolds

S&R: *How would you describe, in a sentence, the business of Indigenous?*

MR: We are a true pioneer in eco-sensitive and socially-conscious apparel. INDIGENOUS has provided ecological and fair-trade quality clothing since 1994, and has established itself as a national clothing label, employing over 1,500 highly skilled artisans in knitting cooperatives.

S&R: *And how would you describe the purpose of the company?*

MR: From the beginning in 1994, INDIGENOUS has used only the finest natural and organic fibers in our clothing. We want to keep harmful chemical toxins found in synthetic and non-organic clothing out of our eco-system and away from our body. In addition, we implemented a model of ethical sourcing to ensure that artisans in our supply chain receive fair wages and enjoy a safe working environment. We accomplish this through a close collaboration with our production partners, artisan workshop leaders and others. Our mission has always been to elevate artisans in the poorest regions of

South America to world-renowned status in the handicraft textile market while preserving the rich cultural heritage. The artisan is one of our most valued partnerships. This is not charity, but rather paying a fair wage for their masterful work while providing the necessary assistance to help make the artisan more successful in the international market place.

S&R: *When did you start it, and why?*

MR: Scott Leonard and I founded the company in 1994. We both believe in the simple idea that when people go to work, they should not have to leave their hearts at home. We believe in that idea for ourselves, our artisans, our retail partners and everyone else who walks with us on our chosen path. For us, that path was clear decades ago. In our early years, almost 20 years ago, INDIGENOUS was a very small company built on a very big idea: to create clothing that truly honored both people and planet. That idea became a promise - a promise to use only eco-friendly materials; to pay fair wages and create opportunity for artisans in the developing world; and, to help change the way the world looks at fashion. As a result, INDIGENOUS has become recognized as a pioneering leader of fair trade and organic fashion.

S&R: *What events triggered your interest in starting this enterprise?*

MR: For Scott, his path began on a street corner, where a chance meeting with an Ecuadorian social activist and social entrepreneur opened his eyes to a world of possibility working with indigenous artisans. At that time Scott was already a successful surf shop owner who used business for social action, and his heart quickly opened to the possibility of a socially responsible knitwear business. As for myself, my path began while I was living in South America as a child with my family. I learned that we share this world with many diverse people and that our true worth was not defined by what we take from it, but rather what we give back to it. My Dad was a developmental economist at Stanford, working to create opportunity for those who needed it most in the Americas. The special people I grew up with in Central and South America, and their culture, were part of my daily life. After a prosperous early career in retail, I realized my heart was searching for more. The marriage of my retail acumen with compassion for the world's diverse peoples and cultures was a natural personal growth step, and my path was chosen.

S&R: *What was your vision at start and what is it today?*

MR: This is about a road traveled and the journey ahead. There are so many great stories and contributions that have been part of this journey. As I mentioned earlier, from day one Scott and I made a promise to use only eco-friendly materials, to pay fair wages and create opportunity for artisans in the developing world, and, to help change the way the world looks at fashion. For two decades, we've been driven by that promise and we've done everything we can to live it in everything we do. We think this is a powerful story. It's a story of business transforming lives- transforming the way we look at the supply chain and each transaction. We have over 1500 artisans working with Indigenous today, some grass roots knitting cooperatives, some small scale artisan workshops, and all are being given opportunities to flourish and grow.

But I have to say that this has not been the easiest path to travel, and it's one we've traveled slowly, mindfully and intentionally. However Scott and I feel that our time is now here: consider that we have grown consistently over the past five years during the worst of economic times! On the foundation of integrity, respect and dignity with which

we've built this company, we are ready to build it much bigger. To create even more opportunity in the world. To bring beauty to our customers' lives in many ways.

S&R: *This is certainly a role model of what is possible! What have been some major milestones in these 20 years?*

MR: Well, there are many... Let's see. Perhaps one is in 1995, as we commit to using only 100% organic cotton, and to start product development with cooperatives in Peru and India.

Another could be that in 1999 Indigenous first distributed in the USA a sweater made from hemp and New Zealand wool to a national US Chain.

Also, in 2001, Scott Leonard was selected to be on a steering committee for the Organic Trade Association and we win the Socially Responsible Business Award hosted by Coop America and Natural Products Expo. This brings further credibility to the brand and strengthens the company's core customer following.

In 2005 Whole Foods begins aggressively rolling out organic apparel and accessories in stores throughout the country to complement their natural food offerings, and selects Indigenous as one of its first organic clothing brands.

A couple of years later Eileen Fisher selects Indigenous to develop a new line of hand knit fair trade, organic apparel for its collections. And – this was also a key milestone-- we signed the [B-Corporations Declaration of Interdependence](#), becoming one of the first 10 B-corporations in the United States.

Soon after, in 2008, we developed a one-of-a-kind cottage industry production financing model with Root Capital, Cambridge, MA.

We received a few more awards: for Top Innovation, for Leadership in Sustainability, for Graphic Design, Sustainable Fashion and Best Women Brand Award, "Best for the World"...

Another key innovation was the creation of the Fair Trace Tool™ where, using mobile-enabled web technology, we invite shoppers to check where the garments originate and how fibers were raised; they can meet the artisans who made them and learn about INDIGENOUS' positive social impact. We started this in 2012, including the QR code on every hang-tag.

S&R: *These are amazing milestones! I bet you had also quite a few challenges on this journey?*

MR: Oh certainly! For example, to get consumers to accept us: many still consider Fair trade and organic as "hippy". But also we had capital constraints, production constraints, fiber quality constraints, marketing constraints, production timeline constraints....

But you know what? Through all these constraints we learned to not let any obstacle get in the way of our "mission". If there is a will, there is a way.

And once we got past initial "start-up" challenges, we were faced with the economic crisis! In August of 2008, a member of our board of directors, a veteran in the apparel business, cautioned us that the industry indicators signaled trouble ahead. Scott likes to use the following analogy: We were ready to set sail and go out for new funding, but one of our lookouts saw serious storm clouds on the horizon. We came back into port, took down the sails, and proceeded to go into the bowels of the ship, looking into every nook and cranny to repair any internal leaks so that we would be better prepared for any rough weather ahead.

In September 2008, when the bottom dropped out of the economy, Indigenous Designs was already at anchor, hard at work internally on its organization. We pulled together

our executive team and crafted a contingency plan. Similar to many businesses during this turbulent economy, let me share with you some of the lessons we learned.

First and foremost, a company can still expand its capacities and thrive even when it is not growing in size or sales.

We got better internally, looking at key performance indicators and maximizing efficiencies without spending a lot of money. We looked at everything! There were no sacred cows, and everything was subjected to scrutiny. We started over with a zero-based budget. Every item in the chart of accounts was assigned to one of the members of the executive team. Everyone was 100 percent accountable for coding and signing off on expenses in their area.

As the economy slid further downward and sales continued to decline, we continuously monitored our forecasts and dissected cash management. Our top priority was to maintain bank covenants and keep our line of credit open.

Another lesson was that just because you're not out looking for money doesn't mean you have to be out of contact with the investment community.

We actually strengthened our contacts with prospective funders and investors throughout this troubled time. Indigenous Designs has improved its financial performance without growth, and maintained its profit.

The company had already established its brand as a premium customer service company, and that commitment was further strengthened, not eroded, during this difficult period.

We believe that it was the rigorous discipline we developed through this experience what has given us confidence.

We did more than just survive the Great Recession! The company now is better managed, smarter, stronger, more disciplined, and everyone works better together as a team. And we have a much better understanding of ourselves as a company, having improved communication both internally and externally. Investing in the inward journey has paid off.

***S&R:** It sounds like you made sound choices and decisions during that 'storm'. What would you say is the most important contribution of Indigenous, and to what/whom?*

MR: Scott and I are very excited by the recent launch of the [Fair Trace Tool](#), the application I mentioned before, which creates engaging supply chain transparency for the customer. The tool connects our end customers with our artisans and shares the social impact of a purchase by simply snapping a QR code on our hang-tags. The back end of the Trace Tool allows us to communicate directly with our artisan producers at the BOP (Base of the Pyramid) via cell phone-based voice and text technology. Our interactive artisan survey system is anonymous and confidential so that our artisans feel safe and not "watched over"; and we use the [Grameen Progress Out of Poverty index](#) and our own questions to gather information.

These are simple questions such as: "Do you have a safe working environment?", "Are you better off than you were 6 months ago?", and economic indicator questions such as "Does your household contain a refrigerator?" which tell us a lot more than that they simply own a refrigerator. It tells us a) they have electricity, b) they are planning meals, and c) they can purchase a big-ticket item. The information we collect is used to determine the economic and social well-being of artisans in our supply chain, which we then share transparently with our end customer. I am proud to report back that thanks to the concerted effort throughout our supply chain, our last Fall 2013 trace tool survey results indicated that 83% of our rural workforce had achieved a standard of living where they were no longer at risk of falling below the poverty line. This in a country where the

rural poverty rate is over 50%! It has been a long journey, but clearly we are proving that fair trade changes lives for good! Now it is time for us to spread this positive impact, and with the help of the Fare Trace Tool, we will continue our efforts to reach 0% at risk of falling below the poverty line.

***S&R:** This tool is certainly a big step towards transparency, and will set new standards industry wide.*

MR: I am convinced it will. Having this type of data and information available in real time and voice by the artisans themselves is invaluable. INDIGENOUS is a brand that is working for the day when every artisan can give their family an opportunity to thrive, and this type of data helps us convince the entire apparel industry that fair trade must become standard practice.

***S&R:** What are your next dreams, Matt?*

MR: We want to become the trusted source for fashion across the globe. A brand that does not sacrifice people or planet to make beautiful fashion. We have two over-riding goals-- living wages that lift workers and their communities out of poverty, and sustainable, organic manufacturing processes and materials that protect the environment.

In addition, our surveys of artisan workshop leaders are a barometer of whether we are helping to take our commitment to fair trade and organic fashion to scale. When we hear that workshops are employing more artisans, adding more space and equipment, increasing their capacity to serve us and other fashion brands, we know our investment is paying off.

***S&R:** If you would have a message to the readers, what would it be?*

MR: I KNOW you believe that no one should suffer or die to make our clothes. I know you believe that every artisan should be able to care for their family as we each care for our own. Every garment we make should create good for those who wear it, good for those who sell it, AND GOOD FOR THOSE WHO MAKE IT!

So, who will make that happen? I love to echo this powerful call-- If not us, who?... and if not now, when? We all can start by learning about the clothes we wear.

When you got ready this morning, chose your clothes, did your hair, chances are you thought about how others would think you looked. But did you think about how your choice of clothes would make you look with regard to who you are and what you value? Do they reflect that you abhor exploitation, child labor, and unsafe working conditions? That you care for the environment? Or do they say you don't really know? Or worse, you don't really care?

So this is my message: The next time you go shopping, ask questions and make sure that garment is reflecting your values and doing good in the world. And if not, find another one.

ONLY WE can end poverty and suffering for millions of artisans around the world through our daily actions. You can join me and [INDIGENOUS](#) in committing to fashion that looks good, feels good and does good. This is the "big honor" we all can share!

[We want to hear from you!](#)

How would you like to work in an organization like that?

[Click here to leave a comment](#)

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