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Milgard Invitational Case Competition on Social Responsibility

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## Sustainable Innovation at REI: Sustainability Heroes

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## SUSTAINABILITY HEROES

Sophia Miller, Kenny Glade Patrick Sullivan, Abigail Readey





WE BELIEVE AN OUTDOOR LIFE IS A LIFE WELL LIVED.

#### THIS IS OUR PASSION.

AS A CO-OP, WE ACT IN THE BEST INTEREST OF OUR MEMBERS.

THIS IS OUR DNA.

WE WILL BE THE BEST IN THE WORLD AT CREATING AUTHENTIC OUTDOOR EXPERIENCES THROUGH GEAR AND EXPERTISE.



THIS IS OUR WORLDVIEW.

WE ARE PASSIONATE ABOUT THE OUTDOORS AND LOVE TO SHARE IT. WE ARE INSPIRED GUIDES.

THIS IS OUR JOB.

## Itinerary

- Goal
- Strategy
- Risks/Benefits
- Implementation
- Recap
- Q & A

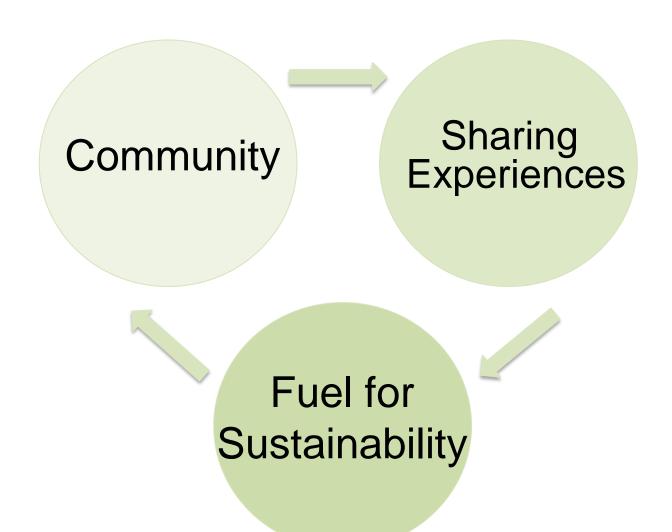


## Goal:

Utilize the Sharing Economy



# Strategy: REI is a Lifestyle Not a Store



## Why GoPro?



Physical Advantages
Culture of Adventure
User-Generated Experience

## Social Media Comparisons

	GoPro	REI
Instagram	8.9 Million	500k
Twitter	1.3 Million	242k
Facebook	8.4 Million	950k

#### Benefits

- Increases exposure through photo sharing
- Enhances sustainability
- Increases profits due to sales and rentals
- Builds off existing infrastructure

### Risks

Limited rental usage

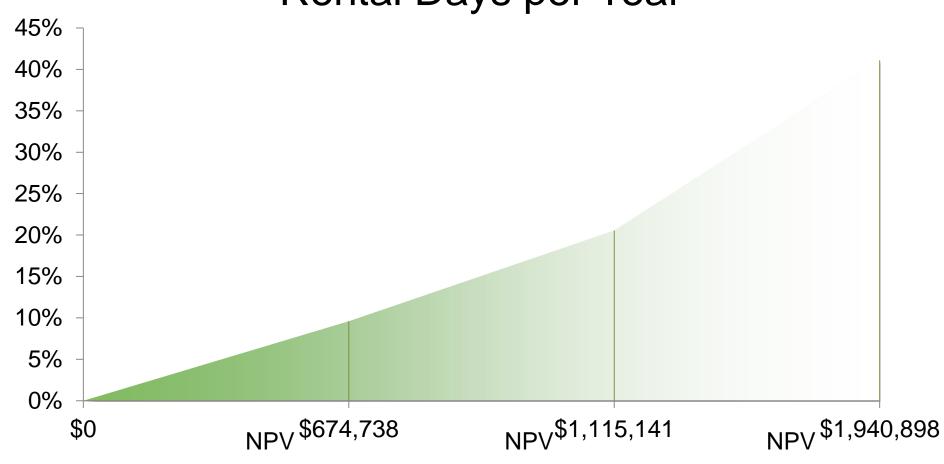
 Limited supply of refurbished GoPros

GoPro's cooperation



## Scenario Analysis

Rental Days per Year



## Assumptions



- Rental fee \$5 per day
- WACC of 9.5%
- 1/25 Rental days will result in 1 GoPro Sale
- 10 GoPros per store

## Social Media Impact



## Analysis

- Minimal capital requirements
- Conservative analysis
- Promote sales and brand exposure of both REI & GoPro

# Implementation

The Experience







## REI'S PASSION FOR THE OUTDOORS RUNS DEEP.

OUR CORE PURPOSE IS TO INSPIRE, EDUCATE AND OUTFIT PEOPLE FOR A LIFETIME OF OUTDOOR ADVENTURE AND STEWARDSHIP.

### Cohesiveness

Catalyzing Experiences
Curating Sustainable Products
Creating Access
Core Practices





