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Consulting Project - Recidar

TESIS PARA OBTENER EL GRADO DE MAESTRO EN ADMINISTRACIÓN ESTRATÉGICA DE EMPRESAS OTORGADO POR LA PONTIFICIA UNIVERSIDAD CATÓLICA DEL PERÚ

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Dedication

This work is dedicated to a future where our environment thrives, equality stands strong, and sustainable values guide our journey forward.

May this project symbolize our dedication to crafting a world where every individual and community enjoys fair opportunities for growth, where we respect the delicate balance of our surroundings, and where sustainability paves the way for future generations.

With a commitment to knowledge, progress, and positive transformation, we dedicate this endeavor to the shared pursuit of building a brighter future.

Acknowledgement

The completion of this consulting project has been a journey marked by collaboration, support, and profound learning experiences. It is with deep gratitude and appreciation that we acknowledge the contributions of various individuals and entities who have made this endeavor possible and enriching.

First and foremost, we extend our heartfelt thanks to Recidar for their unwavering commitment to sustainability and circular economy principles. This collaboration has provided us with a valuable opportunity to apply our academic knowledge to real-world challenges and to contribute to the meaningful work of Recidar. We are particularly indebted to Mr. Rodrigo Nores for his exceptional guidance, support, and unwavering dedication to Recidar's mission.

Our academic journey would have been significantly less enlightening without the guidance and mentorship of our esteemed professors. Dr. Sandro Sánchez, MBA, PhD, and Prof. Sergio Lopez Orchard have played pivotal roles in shaping our understanding of the complex business landscape. Their insights, rigorous feedback, and scholarly perspectives have been instrumental in the development of this consulting project.

Furthermore, we wish to express our profound gratitude to our families for their enduring support and understanding. Their encouragement and patience have enabled us to dedicate ourselves to this intensive 9-month program, and we are deeply appreciative of their unwavering belief in our pursuits.
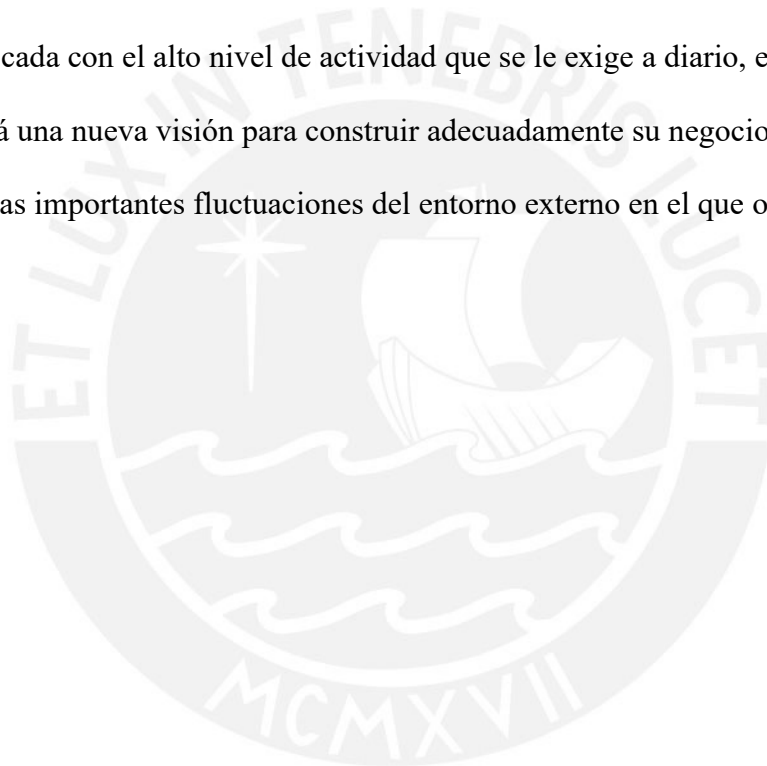
In the spirit of academic camaraderie, we acknowledge the collective effort of all those who have directly or indirectly contributed to the successful execution of this project. It is through the collaboration of individuals, organizations, and educational institutions that we can collectively work towards a more sustainable and responsible future.

Executive Summary

The following consultancy project analyzes the status of Recidar's strategic plan and recommends a greater emphasis on a long-term vision. The preliminary work has been based on the search for relevant academic articles covering the different dimensions of the circular economy. In addition, the literature review covers the different management practices that a social enterprise should foster to ensure a viable long-term vision for its operations. To successfully develop a comprehensive recommendation, an industry analysis (Porter's 5 forces), external analysis (PESTEL), internal analysis (AMOFHIT) and a detailed analysis of the problem at hand have been carried out. In terms of concrete recommendations, it highlights collaboration with universities, an engagement with a professional with inside knowledge of Gamarra, initiatives within the Gamarra ecosystem and the development of an e-commerce platform. These initiatives aim to improve brand recognition, promote a circular economy, create diverse revenue streams, and most importantly, respond to Recidar's request to build a long-term strategy for the future of its social mission.

Abstract

En cuanto al proyecto de consultoría que se ha llevado a cabo para Recidar, encierra un enfoque innovador para garantizar un futuro viable a su compromiso social de abogar por procesos de economía circular en Lima. La iniciativa recomendada se construye a través de la colaboración con diferentes actores clave que permitirán optimizar el alcance y la profundidad de la nueva Recidar. La asociación con actores locales clave es la clave para que Recidar desarrolle una mejor vía para su visión a largo plazo. Dado que Recidar está actualmente atascada con el alto nivel de actividad que se le exige a diario, el trabajo externo propuesto le dará una nueva visión para construir adecuadamente su negocio de modo que pueda resistir a las importantes fluctuaciones del entorno externo en el que opera.

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Chapter I: General Situation of the Organization

In Peru, social businesses play a crucial role in driving positive social and environmental change. To effectively address challenges and create impactful solutions, gaining a clear overview of internal and external components becomes paramount. Understanding organizational processes, resources, and capabilities, along with external market dynamics and customer needs, enables informed decision-making to then enable targeted problem identification.

1.1 Presentation of the Organization

Through extensive meetings with the company's representative, it was observed that Peru faces a substantial challenge by generating 21 thousand tons of solid waste per day. From there, only 2% is recycled although potentially 73% of them could be recycled Accordingly, Lima concentrates almost 50% of the total waste generated in the country and 50% ends up in illegal dumps. In response to this pressing issue, Recidar has taken the initiative to address the problem by introducing a circular economy-based framework. This innovative approach aims to enhance the recycling infrastructure and breathe new life into a diverse range of items, promoting sustainability and environmental conservation. This social business operates to collect used objects from families and companies for free so that they can then clean, classify and offer them in Mi Bazar at low prices, supporting families in economic vulnerability and offering employment. Their vision, to offer a market for low-income communities with high-quality standards, is powered by a team of passionate individuals that aim to invest in change for the betterment of Peruvian society.

Recidar has devised a dual business model, comprising a Business to Consumer (B2C) approach and a recently established Business to Business (B2B) approach. Through the B2C approach, their customers enjoy the convenience of reaching out to Recidar when they possess items they no longer require. In response, Recidar dispatches their collection

trucks to pick up the items, which are then cleaned, sorted, and redistributed through their two distinct MiBazar locations in Villa El Salvador and Chorrillos. On the other hand, the B2B approach involves various initiatives strategically designed to diversify and propel their growth. Recidar specifically targets collecting items from corporate businesses. Additionally, they offer engaging educational workshops to interested corporate entities, delving into the advantages of adopting a circular economy model which according to the company's representative, it has been successfully entailed to diversify Recidar's main flow of operations. These efforts not only promote sustainable practices but also foster mutually beneficial collaborations for Recidar and its corporate partners.

1.1.1 Purpose and SDG's

Recidar's core purpose revolves around eco-social commitment, which underscores their dedication to making a positive impact on both the environment and society. They adhere to the principles of the circular economy, actively working to restore and rejuvenate our planet by minimizing waste and reusing resources wherever possible. This commitment directly aligns with SDG 11 (Sustainable Cities and Communities), as they contribute to creating more sustainable urban environments.

In addition to environmental stewardship, Recidar is resolute in its pursuit of equality. They advocate for equal rights and opportunities for all individuals, promoting social justice and inclusivity. This commitment resonates strongly with SDG 10 (Reduced Inequalities), as Recidar strives to address disparities and create a fairer, more equitable world.

Recidar's approach to achieving its purpose is guided by a well-defined strategy. They continuously measure the quality, efficiency, effectiveness, and impact of their initiatives, ensuring that their services are continually improved and remain aligned with their overarching mission. This rigorous commitment to tracking progress aligns with SDG 1 (No Poverty) as they work to alleviate poverty and promote economic stability and growth.

The organization's integrity is a cornerstone of its purpose. Recidar operates with honesty, transparency, and accountability in all aspects of its work. This commitment to integrity fosters trust among colleagues, clients, and donors, ensuring that they can rely on Recidar to uphold its values and deliver on its promises.

Recidar's work environment thrives on teamwork, with a strong emphasis on proactivity, assertiveness, and empathy. They value collaborative efforts and create a motivating and close-knit collaborative space where everyone supports one another. This cooperative approach enhances their ability to respond effectively to challenges and opportunities, reinforcing their shared purpose.

Moreover, Recidar exhibits adaptability as a core trait. They approach challenges with optimism and an open mindset, embracing change as an avenue for new opportunities. Their willingness to explore alternative, creative solutions strengthens their commitment to their purpose and helps them remain agile in the face of evolving circumstances.

Additionally, Recidar contributes to SDG 8 (Decent Work and Economic Growth) by promoting sustainable economic growth and decent work opportunities through their circular economy initiatives and partnerships. This aligns with their broader mission of creating a positive social and environmental impact.

1.2 Industry Analysis (Porter's Five Forces)

Porter's Five Forces framework, devised by Michael E. Porter, offers a vital lens for comprehending industry dynamics. It examines five key forces—new entrants, suppliers, buyers, substitutes, and rivalry—to illuminate competitive landscapes. In this chapter, the framework is used to evaluate Recidar's strategic position, as well as to reveal strengths and challenges as they pursue sustainability and community impact.

1.2.1 Threat of new entrants

The threat of new entrants to Recidar's domain appears to be relatively low, despite the seemingly uncomplicated nature of the second-hand business. While this sector may not demand specialized skills or intricate machinery, it does necessitate physical space for storage or a storefront. The products and services offered aren't inherently complex. However, the true challenge arises in cultivating a foundation of trust with customers. The establishment of a robust social network is also imperative for soliciting donations and sustaining operations (Rodrigo Nores, personal communication, July 13th, 2023). An additional layer of resilience comes from Recidar's operational efficiency in collecting items, coupled with their capacity to educate individuals about the circular economy. This combination of logistical prowess, educational outreach, and trust-building mechanisms contributes to the deterrence of potential new entrants, safeguarding Recidar's unique position within the industry (Rodrigo Nores, personal communication, July 13th, 2023).

1.2.2 Threat of substitute products

The threat posed by substitute products in Recidar's context is relatively low, owing to the distinctive nature of their offerings and their comprehensive approach. While online resale platforms could present an alternative to Recidar's physical store, the core demographic that Recidar caters to seeks affordable options, making online platforms a less attractive substitute. Moreover, the option of purchasing new products is overshadowed by Recidar's target audience preference for cost-effective solutions. The black market might be a consideration, but Recidar's ethical sourcing and commitment to transparency make them a more socially conscious choice (Rodrigo Nores, personal communication, July 13th, 2023). What sets Recidar further apart is their multifaceted approach. While some companies may focus solely on selling reused items, Recidar stands out by not only providing goods but also fostering education about the circular economy, a rarity in the market. Their unwavering

dedication to social and environmental impact elevates their brand beyond a mere retail experience, setting a high bar for any potential substitutes to match (Rodrigo Nores, personal communication, July 13th, 2023).

1.2.3 Bargaining power of buyers

The bargaining power of buyers in Recidar's context exhibits a moderate influence, stemming from a blend of factors that balance their options. While products offered by Recidar are interchangeable and could theoretically be procured from alternative sources, such as online platforms like eBay or Facebook Marketplace, Recidar's appeal remains distinct (Rodrigo Nores, personal communication, July 13th, 2023). The affordability of their goods is a compelling factor, given that buyers can acquire items at significantly lower costs than if purchasing new from a traditional store. However, Recidar extends beyond mere economic advantage. Despite operating as a second-hand store, they emphasize delivering a pleasant shopping experience, adding a qualitative dimension that enhances their customer value proposition. Furthermore, Recidar's target audience is primarily comprised of vulnerable communities, who often have limited alternatives available to them. This unique focus sets Recidar apart, creating a niche that isn't readily targeted by other businesses. As a result, while buyers have options, Recidar's strategic blend of affordability, experiential quality, and tailored outreach contributes to a balanced dynamic of buyer bargaining power (Rodrigo Nores, personal communication, July 13th, 2023).

1.2.4 Bargaining power of suppliers

The bargaining power of suppliers within Recidar's operational framework demonstrates a medium level of influence, marked by a nuanced interplay of factors. Individuals and companies contributing donations wield a significant degree of power, given their ability to directly impact the quantity and availability of products in Recidar's inventory. This influence is particularly evident during phases when Recidar is actively sourcing goods.

However, the situation shifts when Recidar has already amassed sufficient quantities of specific items (Rodrigo Nores, personal communication, July 13th, 2023). At this juncture, the suppliers' leverage diminishes as Recidar's inventory requirement is met, granting the organization a degree of control over their sourcing dynamics. This delicate balance between the potential to sway Recidar's product pool and the organization's capacity to regulate its supplies defines a supplier bargaining power that rests at a medium level, indicating a dynamic influenced by supply-demand equilibrium (Rodrigo Nores, personal communication, July 13th, 2023).

1.2.5 Rivalry among existing competitors

The level of rivalry among existing competitors in Recidar's domain is notably low and mainly composed of informal businesses exposing small to no competitiveness compared to Recidar's scale and effectiveness. Due to its positioning within a niche market that is defined by distinctive attributes, 30% of the larger corporations where Recidar has conducted business have expressed their commitment to exclusivity because of the large gap with the competition in terms of the service received. While the black market does exist as a significant contender, customers highly value Recidar's commitment to ethical sourcing and the assurance that their products are not stolen, providing a clear distinction. Moreover, the increasing popularity of concepts such as the circular economy and social enterprises adds an interesting dimension. As these ideas gain traction, more companies are gradually recognizing the potential they hold, prompting them to explore opportunities within this sector (Rodrigo Nores, personal communication, July 13th, 2023). However, the gradual nature of this shift underscores the current landscape's overall tranquility. Recidar's strategic early entry into this evolving space places them in a favorable position, as they have already established themselves as a frontrunner in aligning business with impactful sustainability initiatives. This, combined with the unique value they offer to customers seeking both ethical

and cost-effective solutions, ensures that the rivalry remains subdued, providing Recidar with a relatively stable and advantageous competitive environment (Rodrigo Nores, personal communication, July 13th, 2023).

Figure 1

Porters Five Forces
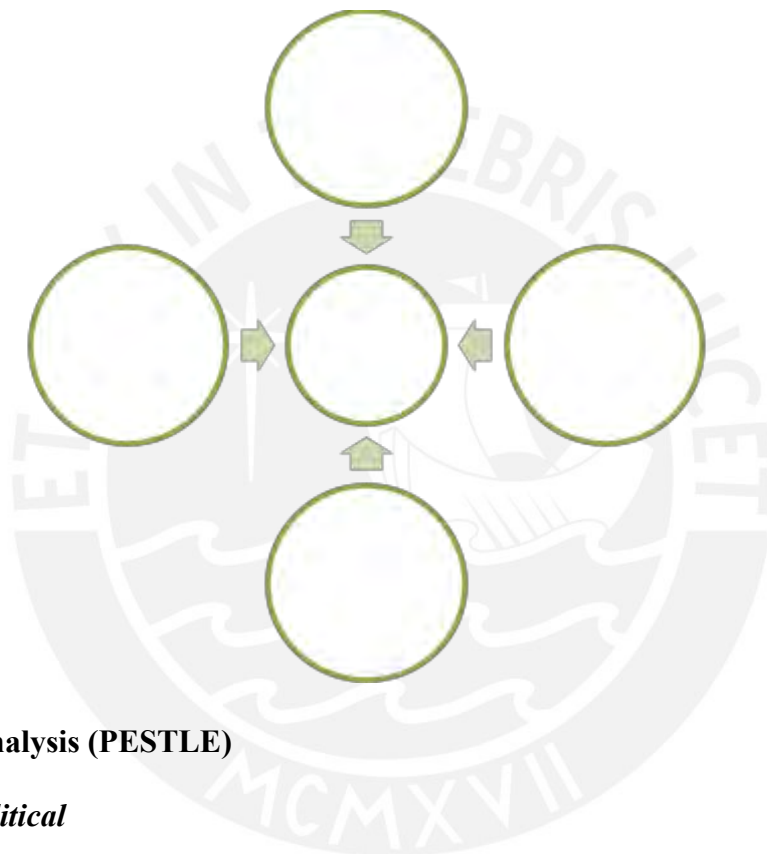
1.3 External Analysis (PESTLE)

1.3.1 Political

The political environment in Peru significantly influences RECIDAR's operations and prospects as a waste management and second-hand articles company. Government regulations and policies related to circular economy initiatives are crucial factors that impact the company's activities and funding opportunities. The Peruvian government's support for circular economy policies can provide a favorable context for RECIDAR's growth by encouraging the adoption of sustainable practices and promoting the market for second-hand articles. Additionally, political stability is a critical consideration for the company's continuity

and long-term planning. Unforeseen political changes or instability may disrupt RECIDAR's operations, affecting its ability to operate smoothly and make strategic decisions (Rodrigo Nores, personal communication, July 13th, 2023).

1.3.2. Economic

In terms of the economic aspect, the overall economic growth and prosperity in Peru have a significant impact on the company. During periods of strong economic growth, there is typically an increased willingness among corporations and individuals to donate to charitable and sustainable initiatives like RECIDAR. However, during economic downturns, the company may experience a decrease in donations as people and businesses tighten their budgets (Rodrigo Nores, personal communication, July 13th, 2023). It is essential for RECIDAR to be aware of these economic fluctuations and adapt its fundraising strategies accordingly. Moreover, if RECIDAR engages with international partners, it must be mindful of fluctuations in exchange rates. Changes in exchange rates can directly influence the funding received from international donors or affect the company's expenses in foreign transactions. Managing currency risk becomes crucial to ensure financial stability and efficient operations. Consumer spending habits play a vital role in shaping RECIDAR's revenue stream. Economic downturns can lead to reduced consumer spending, which may result in decreased donations from individuals and businesses (Rodrigo Nores, personal communication, July 13th, 2023). The company should be prepared to communicate effectively during such times, highlighting the value and impact of its work to maintain donor support.

1.3.3 Social

The rising environmental awareness among Peruvians offers a promising opportunity for RECIDAR. As more people become environmentally conscious, there is a greater

likelihood of support for sustainable practices, particularly in reusing initiatives. This growing awareness can enhance RECIDAR's reputation and attract increased backing from individuals and businesses who align with the company's environmentally friendly goals. The emphasis on corporate social responsibility (CSR) and social inclusion initiatives is creating a conducive environment for RECIDAR to flourish. Businesses and organizations are increasingly prioritizing their commitment to social and environmental causes, making them more inclined to seek partnerships with RECIDAR. Such collaborations can lead to additional donations and foster more significant opportunities for the company to expand its impact.

Additionally, cultural attitudes towards donation, especially concerning used objects, have a considerable influence on RECIDAR's donation intake. Diverse cultural perceptions regarding the value and appropriateness of donating second-hand articles can shape how potential donors engage with the company. Understanding and respecting these cultural attitudes is essential for RECIDAR to effectively connect with its target audience and encourage their active participation in supporting its cause.

1.3.4 Technological

Having a strong online presence and leveraging technology for marketing and communication is crucial for RECIDAR. Embracing digital platforms and online marketing strategies can enhance the company's donation drives and outreach efforts. A well-designed website, social media presence, and effective use of digital communication channels can attract a broader audience, raise awareness about RECIDAR's mission, and encourage more donations and support (Rodrigo Nores, personal communication, July 13th, 2023). Investing in repair and refurbishment technologies is essential for RECIDAR's focus on reusing donated objects. By adopting modern repair and refurbishment techniques, the company can

transform used items into safe, functional, and visually appealing products. This not only increases the value of the items but also ensures a positive experience for potential customers, fostering a more sustainable approach to consumption.

Efficient inventory management systems are another critical technological aspect for RECIDAR. Implementing such systems can help the company keep track of donated items, organize the inventory, and streamline the selling process. By maintaining an accurate record of available products, RECIDAR can avoid overstocking or shortages, ensuring a smoother and more efficient operation (Rodrigo Nores, personal communication, July 13th, 2023). Leveraging data analytics can provide valuable insights for RECIDAR. By analyzing customer preferences, buying behavior, and feedback, the company can gain a deeper understanding of the market demand for certain products. This data-driven approach enables RECIDAR to optimize its product offerings, tailor its marketing strategies, and enhance customer satisfaction.

1.3.5 Legal

The legal landscape regarding taxation and donations has a significant impact on RECIDAR's funding sources. Tax incentives for donors can influence the willingness of individuals and companies to contribute to the company's cause. Favorable tax policies may encourage more donations, while unfavorable ones could discourage potential donors. It is essential for RECIDAR to stay informed about the latest tax regulations and communicate any potential benefits to donors to encourage their support.

Compliance with product liability and safety regulations is crucial for RECIDAR. As the company deals with refurbished items, ensuring that all repaired products meet safety standards is essential to protect itself from potential legal claims related to product safety. Implementing rigorous quality control and adhering to safety guidelines can safeguard

RECIDAR from legal disputes and uphold its commitment to providing safe and reliable second-hand products to customers. And finally, clear and well-drafted contractual agreements are vital for RECIDAR's protection and risk mitigation. Whether dealing with donors, partners, or customers, having comprehensive contracts in place helps define the rights and responsibilities of each party. Properly drafted agreements can prevent misunderstandings and disputes and provide a legal framework to address any potential issues that may arise.

1.3.6 Environmental

Adopting sustainable materials and practices in the refurbishment process is crucial for RECIDAR to enhance its environmental impact. By using eco-friendly materials and promoting sustainable practices, the company can reduce its carbon footprint and contribute to waste reduction and resource conservation. Embracing environmentally responsible practices can also attract environmentally conscious customers and donors who value the company's commitment to sustainability. Increasing environmental awareness through RECIDAR's initiatives can yield significant benefits. By actively promoting environmental consciousness and education, the company can inspire individuals and businesses to become more environmentally conscious. This, in turn, can lead to increased support and donations from those who align with RECIDAR's sustainable goals, fostering a community of environmentally responsible stakeholders. Forging partnerships with environmental organizations can amplify RECIDAR's impact (Rodrigo Nores, personal communication, July 13th, 2023). Collaborating with established environmental entities allows the company to leverage expertise, resources, and networks to further its environmental efforts. Through such partnerships, RECIDAR can expand its reach, contribute to more significant sustainability

projects, and drive positive change within the waste management and second-hand articles industry.

Figure 2

Pestle Analysis

PESTLE Analysis

Political
- Circular economy policies and regulations
- Political stability

Economic
- Economic Growth
- Exchange rates
- Consumer spending.

Social
- Environmental awareness
- Social inclusion and corporate social responsibility (CSR)
- Cultural attitudes towards donation

Technological
- Online presence
- New refurbishment technologies
- Inventory management system
- Data analytics

Legal
- Taxation on donations
- Compliance with product liability and safety regulations
- Contractual agreements

Environmental
- Sustainable materials and practices
- Environmental awareness and education
- Partnerships with environmental organizations

1.4 Internal Analysis (AMOFHIT)

1.4.1 Marketing, sales and market research

Recidar's product analysis reveals a focus on providing second-hand items to communities in need. These products are sourced from individuals seeking to either declutter their homes or make a positive impact on local communities. The emphasis lies in assisting low-income individuals by structuring prices that are affordable and accessible. While clothes donations primarily serve the purpose of aiding communities, Recidar's sustainable profit margin is derived from kitchen hardware and larger appliances such as dishwashers, dryers,

washing machines, stoves, and heating devices. This profit enables the organization to maintain operations effectively (Rodrigo Nores, personal communication, July 13th, 2023).

Regarding distribution and sales, Recidar operates from two strategic locations: Villa El Salvador and Chorrillos. These areas are strategically well-positioned to cater to and attract communities in need. To optimize efficiency, Recidar's warehouses are situated close to MiBazar locations, facilitating seamless refurnishing and storage of products near the point of sale. On the other hand, the lack of physical advertisement and promotion due to municipal laws makes the infrastructure blend in with the rest of the buildings and infrastructures around. In terms of promotion, Recidar excels at attracting and retaining customers while effectively communicating their vision and brand image (Rodrigo Nores, personal communication, July 13th, 2023). Their active and interactive Instagram presence, coupled with transparent direct communication through WhatsApp, underscores their success in implementing a robust promotion strategy.

1.4.2 Operations, logistics and infrastructure

In terms of their inventory management, Recidar faces the challenge of receiving products that are classified as garbage, necessitating substantial effort to sort and classify items suitable for sale. Currently, the burden of this classification falls on Recidar, as they do not impose strict standards on their clientele. This results in considerable resource and time expenditure on sorting donations. Regarding inventory control and systems, Recidar demonstrates commendable organization in effectively structuring and managing their warehouses and retail store, efficiently handling the large volume of daily donations (Rodrigo Nores, personal communication, July 13th, 2023). However, a manual insertion of different codes for each item proves time and resource intensive.

Accordingly, Recidar experiences a high demand for their products from local communities, leading to a rapid inventory turnover. To meet this demand effectively, a stable

and continual influx of donations is necessary and currently reached. At present, the volume of donations is barely sufficient to address the demand, warranting strategies to encourage more donations. Accordingly, they demonstrate effective planning for seasonal demand, anticipating the heightened popularity of specific products during certain times of the year. In terms of plant facilities and design, Recidar received valuable assistance from an MGB consulting team, resulting in a complete remodel of their retail space. The revamped layout now exhibits a clear and well-defined distinction of various product categories, enhancing the shopping experience for customers, and promoting a smooth and pleasant flow for shopping (Rodrigo Nores, personal communication, July 13th, 2023).

1.4.3 Human Resources & Engagement

Recidar boasts a diverse team comprising individuals with varied backgrounds, ranging from engineers and project planners to technicians and salespeople. Each team member assumes a distinct role, contributing to the seamless functioning and targeted operations of the business. Despite their diverse expertise, a unifying factor among all team members is their shared dedication to the organization's purpose and mission. From a knowledge and technological standpoint, Recidar appears to lack employees with a more comprehensive understanding of the Circular Economy concept, particularly in relation to their educational workshop initiatives (Rodrigo Nores, personal communication, July 13th, 2023). While some individuals within the organization possess a general understanding to perform such workshops, this expertise gap could potentially impact their company's image in the long run.

1.5 Conclusions

In conclusion, by aligning a solid understanding of an organization internal processes with its mission and objectives, social businesses can optimize their resource allocation and foster stakeholder engagement. This comprehensive approach aids in identifying root causes

and prioritizing solutions, encouraging innovation and adaptability. Moreover, it empowers social businesses to navigate risks and uncertainties, ensuring a sustainable problem statement that paves the way for lasting positive impact in the Peruvian community. The SWOT analysis in Figure 3 provides an overview of the internal and external environment of Recidar and therefore provides the basis for the definition and specifications of the main problem statement.

Figure 3

SWOT Analysis

Strengths
- Strategic and well positioned retail spaces
- Effective planning for seasonal demand
- Committed and engaged team
- strong promotion strategy

Threats
- Political Instability
- Competition from the Black Market
- Economic Fluctuations

Weaknesses
- Lack of control over donations
- Limited marketing resources
- Manual classification of labels and inventory management

Opportunities
- Growing Environmental Awareness
- Expansion of services
- Education and Awareness Initiatives
- Efficient Inventory Management System

Chapter II: Problem

Having a clear overview of a problem statement is crucial for a social business as it enables effective communication and alignment of objectives, ensuring a deep understanding of the organization's unique challenges and mission-driven goals. A well-defined problem statement provides the necessary context for tailored solutions, maximizing the potential for positive social impact and sustainable growth.

2.1 Identified Problem

RECIDAR aims to enhance its revenue stream by developing and implementing a long-term strategy. The company faces challenges in maintaining a steady income throughout the year, heavily relying on clothing donations, which fluctuate with seasonal trends. To ensure financial sustainability and growth, RECIDAR needs to diversify its revenue sources and attract donations of various items consistently. In conjuncture to this issue, keeping up with the rising trend of digitalization of the marketplace, it is crucial for businesses to be aware of this trend in regard to their usual operations.

2.2 Substance of the Problem

The substance of the problem lies in the necessity for RECIDAR to establish long-term strategies that provide consistent income and growth opportunities. Relying solely on short-term or seasonal initiatives might not guarantee the financial stability required for expanding their operations and reaching their social inclusion objectives. While clothing donations contribute significantly to their inventory, the overreliance on this category poses a risk during periods of decreased clothing donations. To bolster its revenue stream and attract increased support from businesses, RECIDAR aims to encourage diverse item donations, such as furniture, accessories, and technical equipment. Additionally, by leveraging the concept of Empresas 2S, the organization seeks to forge strong partnerships with companies that prioritize social impact, sustainability, and philanthropy (Rodrigo Nores, personal

communication, August 1st, 2023). These efforts will not only mitigate risks but also pave the way for sustainable growth, enabling RECIDAR to fulfill its crucial mission effectively. By establishing meaningful partnerships and demonstrating their impact on the community, the company can foster long-term support from businesses and foster a continuous flow of donated items (Rodrigo Nores, personal communication, August 1st, 2023).

2.3 Location of the Problem

In regard to the location of the problem, the burden of the issue falls on Rodrigo Nores. To add up to the burden of this task, Rodrigo now has to fill up the position of his then partner Mila, which recently decided to part ways with Recidar. Therefore, in addition to managing and adapting the direct sales strategy as part of his usual role, he now has to manage the project management and communication responsibilities which will also be greatly affected by the changes that Recidar is wishing to fuel. Because of the recent changes within the organization, Rodrigo will need to carefully manage the responsibilities of both roles which will be highly impacted by the remodeling and diversification that the firm is about to enter. Accordingly, to navigate these challenges, Rodrigo will have to nurture communication and transparency throughout the process and foster cross-functional communication within the organization (Rodrigo Nores, personal communication, August 1st, 2023). Because of this necessary enhanced collaboration within the team members, even though Rodrigo will be at the center of the tasks demanded and required from upper management, many different members of Recidar will indirectly be involved in the diversification and augmented investment in the Empresas 2S sector (Rodrigo Nores, personal communication, August 1st, 2023).

2.4 Ownership of the Problem

The problem directly impacts the Business Development Sector of the organization since they are responsible for securing the organization's growth and financial viability

through various processes and activities. It falls upon this sector to address the lack of differentiation to expand the business's reach and fuel its expansion to prominently be able to innovate and pave the way in terms of circular economy processes and practices in Peru (Rodrigo Nores, personal communication, August 1st, 2023).

Furthermore, as the Business Development Sector takes on a central role in addressing the identified problem, its ripple effects extend to other crucial sectors within the organization. Indirectly, these sectors will also be influenced by the solutions put in place. With the finance & accounting department, a significant responsibility lies in allocating funds to support the expansion and implementation of the initiative. They are burdened with striking a balance that fosters growth without jeopardizing the smooth functioning of the overall business operations (Rodrigo Nores, personal communication, August 1st, 2023). Additionally, for the marketing & communication sector, a measured adaption is necessary to align the new initiative with their operations. Their communication strategy will be impacted as they will now be responsible to target a new buyer persona. At the same time, they will be responsible for balancing this transformation with the organization's established brand image while exploring a nuanced and more adapted communication strategy that will effectively reach the new buyer persona while staying true to their core activities and competencies (Rodrigo Nores, personal communication, August 1st, 2023).

2.5 Magnitude of the Problem

The problem faced by Recidar holds significant importance in absolute terms due to its potential positive impact on various aspects. Implementing a successful strategy to address the problem could lead to a substantial growth percentage, propelling Recidar's mission and influence further.

In relative terms, the problem is crucial as it relates to Recidar's turnover and business model. Currently, their turnover heavily relies on donations, making them vulnerable to

fluctuations in different seasons and categories. While developing a long-term growth strategy may not be immediately relevant to their core business, it is crucial for enhancing their purpose and expanding their positive impact, particularly in partnering with companies for service provision (Rodrigo Nores, personal communication, August 1st, 2023).

The problem mainly affects the business development unit which puts higher importance on quick wins instead of seeking long-term solutions which may hinder their ability to implement lasting changes. This mindset shift is essential for achieving sustained growth and effectively serving their business customers. Therefore, overcoming these challenges and adopting a long-term strategy is vital for the success of the unit and the individuals responsible for resolving the problem (Rodrigo Nores, personal communication, August 1st, 2023).

While not a life-or-death situation, the problem significantly hinders Recidar's overall ability to achieve its goals and extend its positive impact on the environment and vulnerable communities. As such, it is of considerable importance to the organization, directly influencing its mission and sustainability (Rodrigo Nores, personal communication, August 1st, 2023).

2.6 Time Perspective of the Problem

Based on the time perspective of the problem, it appears that the issue facing Recidar emerged about a year ago when they initiated the "Empresas 2S" initiative. Although it has been observed only once, the problem has become constantly present, indicating that it has not been resolved and persists in the organization. The problem's tendency is stable, which means it has not worsened but, at the same time, has not been addressed effectively enough to allow the company to grow. If left unattended, the situation is likely to remain the same over time, hindering Recidar's ability to achieve sustainable growth. However, if the company's desire to expand and have a more significant impact becomes stronger, the relevance of the

problem will likely grow as well, underscoring the urgency of developing a long-term strategy to address the issue effectively (Rodrigo Nores, personal communication, August 1st, 2023).

Concluding, this chapter has laid the foundation for understanding the multifaceted problem Recidar faces in terms of sustaining its mission and achieving growth. It emphasizes the importance of a well-defined problem statement to guide the organization towards effective solutions. The identified problem revolves around Recidar's lacking long-term strategy, as well as missing revenue streams. The problem's magnitude, though not life-threatening, is significant in terms of its impact on Recidar's ability to fulfill its mission and foster sustainable growth. It primarily affects the Business Development Sector, necessitating a shift from quick wins to long-term strategies. Furthermore, the problem's time perspective indicates its persistence over the past year, highlighting the urgency of implementing a viable, long-term solution to ensure Recidar's future success.

Chapter III: Literature Review

Conducting due diligence with peer-reviewed articles further enhances the understanding of the internal and external environment, equipping social businesses with valuable insights to craft informed solutions. By combining a clear problem statement with evidence-based research, social businesses can navigate challenges, foster innovation, and create impactful solutions that drive positive change in the community and beyond.

3.1 Literature Mapping

The literature map provides an overview on diverse fields to further investigate on Recidar's problem in order to find suitable solutions for the future.

Figure 4

Literature Map
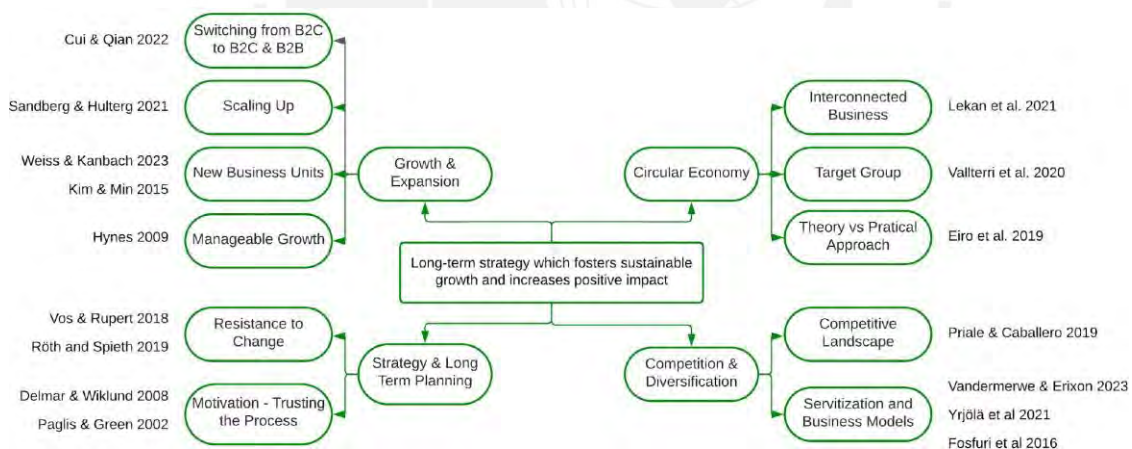
3.2 Literature Review

3.2.1 Circular Economy

Interconnected/Circular. The research established by Lekan & al. (2021) on the untangling circuits of value in social enterprises is incorporated into the leading local development through circular economy processes. In the same line of thoughts, this article mentions how interconnecting the supply chain in a circular manner can lead to reduced

environmental impact by compounding the value of shared processes. As a matter of fact, this research is directly linked to the situation and the management issue that Recidar is aiming to target. The enhanced collaboration that Recidar is aiming can be closely linked to the explanations of the authors regarding how great opportunities for social businesses throughout the supply chain are now open. In that regard, Lekan & al. (2021) also illustrates the different employment opportunities that can be created through this new and more sustainable outlook on the interconnectivity of supply chains.

Target Group (Companies – B2B). The transition towards a sustainability-driven circular economy presents significant opportunities for social businesses operating in the B2B sector to foster innovative and more inter-dependent relationships. However, how these value creation opportunities are integrated into supplier firms' customer value propositions (CVPs) has been exposed to incorporate a crucial gap which Recidar is currently faced with. This study by Vallterri & al. (2020) contributes enlightens this concept by illustrating how suppliers articulate CVPs in the circular economy, emphasizing the differences from prevailing insights in the linear economy. The results revealed that CVPs in this context embody four alternative value creation logics which need to be considered for the case of Recidar: resurrect, share, optimize, and replace value, each built on different forms of innovations and design elements. For the management office at Recidar, it offers valuable insights into designing new CVPs that resonate with circular economy-oriented customers and stakeholders with their emphasized and newly designed enhanced circular processes, emphasizing the sustainable benefits of such an approach. Ultimately, the newly defined concept of sustainability-driven circular economy represents a fertile ground for B2B suppliers to create value through innovative practices and align their offerings with the growing demand for environmentally conscious solutions which can highly profit Recidar in terms of their reorganization.

Theory vs Practical Approach. The proposed operational principles by Eiro & al. (2019) serve as a link between theory and practice, providing a framework to guide the implementation of CE in real-world scenarios. These principles address key aspects such as adjusting inputs and outputs based on regeneration and absorption rates, closing the system, maintaining resource value, reducing system size, and emphasizing design and education as integral components. By grounding the theoretical goals of CE within Recidar's sustainable development framework, these principles help align intentions with actions, leading to more effective implementation which Will define the success of Recidar's processes. Furthermore, the introduction of a new definition and conceptual model for CE contributes to a better understanding of the circular economy's core principles and facilitates practical application. Through coordinated efforts among different levels of implementation, the circular economy of Recidar can move closer to achieving its goals and maximizing its positive impact on sustainability and resource optimization.

3.2.2 Competition & Diversification – building a competitive advantage

Competitive Landscape. Prialé and Caballero (2019) aim to define Peruvian Social Enterprises (SE) in their book "Social enterprises in Latin America", through a historical review of their origins. It emphasizes the need for increased involvement from the state, private enterprises, and civil society to address the complexity of this issue effectively. To illustrate the diverse landscape of social enterprises in Peru, four distinct SE models are presented: non-profit SE, social cooperative, social business, and non-profit/social-business partnership. These models highlight the various activities and legal forms adopted by social entrepreneurs due to the absence of a specific legal framework. Non-profit organizations have primarily focused on empowering community-based organizations through popular education, social awareness, and political reporting. This literature contributes valuable

insights into the evolving social-enterprise field in Peru, offering context for understanding the landscape in which Recidar operates and its potential for creating a positive impact.

  Servitization and Business Models. The concept of "servitization" has evolved since its inception in 1988, transforming into a pivotal tool for enhancing corporate competitiveness through value-added services. This evolution has been driven by technological advancements that have reshaped the landscape of value creation, customer relationships, and market power. In "Servitization of business updated: Now, new, next," Vandermerwe and Erixon (2023) provide a comprehensive analysis of this progression from the 1970s to the present and beyond, offering examples within both B2B and B2C contexts. This forward-looking perspective is intended to guide both academics and practitioners in positioning themselves strategically and advancing their research, innovative thinking, and operational strategies. In the context of Recidar, understanding this evolution is crucial as they navigate the landscape of circular economy and value-added services, aiming to enhance their social enterprise's competitiveness and extend their positive impact.

  As markets witness the rise of reused and redistributed products and resources, there arises a need for novel approaches to business models. The emergence of the second-hand economy, which extends the lifespan of used goods through redistribution, prompts marketers to reevaluate their strategies. "A typology of second-hand business models" addresses this development by constructing a business-oriented typology that systematically outlines the various ways companies engage in the second-hand economy. This typology serves as a valuable analytical instrument, shedding light on the diversity of approaches within this sector. The paper not only enriches our understanding of value creation but also provides implications for managers navigating emerging second-hand business models or contemplating their entry or expansion into the second-hand market. In relation to Recidar,

this typology could provide a framework for analyzing Recidar's model and its strategic positioning within the broader second-hand economy (Yrjölä et al., 2021).

"Social Business Hybrids: Demand Externalities, Competitive Advantage, and Growth Through Diversification" delves into the intersection of business and social logics, exploring organizations' hybrid nature and its impact on strategic decision-making. By adopting a demand-side perspective, the paper examines how social business hybrids influence customer perceptions and expectations. The conceptual framework, grounded in social identity theory, reveals the dual nature of hybridity, generating both positive and negative demand-side externalities. While hybridity can offer a competitive edge, it can also pose challenges to scaling businesses. Diversification emerges as a potential solution, allowing for growth, the preservation of hybrid characteristics, and the mitigation of negative externalities. The paper investigates the optimal approaches to diversification in terms of type, timing, and scope, offering insights into strategic decision-making for hybrid organizations. In the context of Recidar, this paper's insights could inform Recidar's approach to balancing their social and environmental impact while pursuing growth and diversification strategies (Fosfuri et al., 2016).

3.2.3 Growth & Expansion

Scaling Up. In the context of the fashion industry's shift toward sustainability, the article "Dynamic capabilities for the scaling of circular business model initiatives in the fashion industry" investigates the micro foundations of dynamic capabilities (DCs) essential for successful circular business model (CBM) scaling. Through interviews with Swedish retail fashion companies, the study unveils microfoundations crucial for CBM scaling. Grounded in three DC classes and three scaling logics, the research emphasizes practical activities and processes driving CBM expansion. This approach offers fresh insights into scaling beyond individual firms. In the context of Recidar, a social enterprise in the circular

economy, these findings hold relevance. Recidar's aim to amplify positive impact aligns with the study's insights. By leveraging dynamic capabilities linked to appropriate scaling logics, Recidar can navigate scaling complexities effectively. The study's matrix provides a practical tool for Recidar to identify, understand, and organize necessary capabilities. Incorporating these insights can enhance Recidar's strategies and expand its circular business initiatives with purpose, advancing its sustainable practices within the fashion industry (Sandberg and Hultberg, 2021).

Switching from B2C to B2C & B2B. The article "Business transformation from B2C to B2C & B2B: a fintech company case study" explores the intricate process of transforming a business to cater to both individual consumers and business customers. While this study is conducted within the context of a fintech company, its relevance to Recidar, a social enterprise operating in the circular economy, becomes apparent in several ways.

Recidar's mission involves transitioning from a primarily donation-based model to expanding its services to business clients, aiming for more balanced growth. The literature suggests that resource constraints play a pivotal role in such transformations, which aligns with Recidar's own resource challenges as it ventures into the B2B sector. Understanding how resource-focused actions are essential for transformation can provide Recidar with valuable insights into optimizing its existing resources.

Furthermore, Recidar can draw inspiration from the resource orchestration perspective discussed in the article. The concept of resource orchestration involves effectively managing and coordinating resources to gain a competitive advantage. As Recidar aims to navigate the complexities of expanding into the B2B sector while maintaining its existing B2C operations, resource orchestration becomes crucial. Learning from the fintech company case study, Recidar can explore how companies in similar positions have successfully acted on their resources to initiate new business segments and coordinate existing ones.

In essence, this article sheds light on the 'how' of resource utilization for business transformation, a topic highly relevant to Recidar's ongoing growth and strategic development as it strives to create a more sustainable and circular world through its social enterprise activities (Cui & Qian, 2022).

New Business Units. The research by Weiss and Kanbach (2023) on new business units and strategic corporate venturing offers valuable insights for RECIDAR's growth and expansion. By establishing corporate venturing units (CVUs), RECIDAR can drive innovation and strategic renewal within the organization. The study's emphasis on dynamic capabilities and resource utilization within CVUs aligns with RECIDAR's need to adapt to market changes and identify growth opportunities (Weiss & Kanbach, 2023). The identification of six types of CVUs with varying roles for strategic renewal provides valuable guidance for tailoring CVUs to specific growth objectives. Moreover, fostering interlinked-ambidextrous structures within CVUs will enable RECIDAR to strike a balance between exploration and exploitation, ensuring sustainable growth. Overall, this research provides RECIDAR with a roadmap to structure its growth efforts and cultivate a culture of innovation and strategic renewal for long-term success (Weiss & Kanbach, 2023).

The research conducted by Kim and Min (2015) on incumbent firms' addition of a new business model offers valuable insights for RECIDAR's growth and expansion efforts. As RECIDAR aims to explore new avenues for business growth, the study's emphasis on discriminatingly aligning incumbent assets with managerial choices becomes highly relevant. By identifying two types of incumbent assets, complementary and conflicting, and highlighting the influence of managerial choices such as timing and organizational mode, the research provides a theoretical framework to guide RECIDAR's approach to integrating new business units. The study's finding that incumbent performance improves when complementary assets are aligned with the early addition of the new business model, and

conflicting assets are managed through an autonomous business unit, has significant implications for RECIDAR's strategic decision-making. By adopting an agile approach to capitalize on complementary assets and a sound managerial strategy to manage conflicting assets, RECIDAR can maximize the potential benefits of integrating new business units and position itself for success in an ever-evolving market landscape (Kim & Min, 2015).

Manageable Growth. Even if rapid growth is normally associated with great success for the development of a social business in the pursuit of the attainment of its vision, it can also be linked with diverse challenges and threats which Hynes (2009) underlines. Rapid growth poses challenges and impacts the manageability of social businesses. Scaling operations may strain limited resources and require reevaluating organizational structures. Maintaining social impact can be challenging, and quality control becomes crucial. Customer service, compliance, and stakeholder management complexities arise with an expanding customer base. Effective communication and goal alignment are essential for sustainable growth. Now linked with the case of Recidar, they must prioritize strategic planning, invest in scalable technologies, foster adaptability, and focus on talent acquisition. Staying true to their core mission and values while embracing growth opportunities is vital for Recidar's scale.

3.2.4 Strategy & Long-Term Planning

Resistance to Change. Considering the research on resistance to change, RECIDAR's long-term strategy implementation should be mindful of potential challenges that may arise due to resistance from both agents and recipients. Understanding the perceptions of both parties is crucial, as agents tend to perceive higher levels of resistance compared to recipients (Vos & Rupert, 2018). Notably, the study reveals that creating behavior, which emphasizes communication and collaboration with recipients, can be associated with increased resistance from the agents' perspective. This suggests that agents valuing recipients' input might interpret resistance levels differently. Additionally, the research highlights the impact of

change depth, indicating that adapting leadership behavior to fit specific change situations is vital. For deeper changes, involving recipients and enhancing their capabilities is crucial to gain their support. Conversely, in shallow change situations, a directive approach may lead to increased resistance (Vos & Rupert, 2018).

As RECIDAR embarks on implementing its long-term strategy, the company's leadership team must be attentive to potential challenges arising from resistance to change. In this regard, the research conducted by Röth and Spieth (2019) offers valuable insights on how resistance to change can influence the evaluation of innovation projects' risk and innovativeness. By understanding the nuances of resistance, RECIDAR can better navigate the change process, considering both agents' and recipients' perspectives. The study underscores the importance of context and change depth in interpreting resistance and its impact on project evaluations. For instance, in situations of deep change, involving recipients and fostering their capabilities becomes crucial in gaining support. Conversely, in shallow change situations, a directive approach may lead to increased resistance. Armed with these findings, RECIDAR can tailor its communication and leadership approaches to different change scenarios, promoting a shared understanding between agents and recipients, and facilitating a successful long-term strategy implementation (Röth & Spieth, 2019).

Motivation & Trusting the Process. In the pursuit of its long-term strategy and the aspiration for growth, understanding the significance of motivation and having trust in the process becomes vital for RECIDAR. Shedding light on this topic, Delmar and Wiklund's (2008) research explores the connection between small business managers' growth motivation and the actual growth of their firms. The study unravels that growth motivation plays a distinct role in shaping the trajectory of the firm's growth, particularly in terms of employment growth. This finding highlights the profound impact managers' motivations have on the expansion and development of the company. However, the study also emphasizes

considering feedback loops and the influence of past growth in this process. Stable and enduring motivation emerges as a key aspect to accurately predict firm growth. As RECIDAR sets its course for growth, this research offers valuable insights into the pivotal role of motivation as a driving force behind the successful execution of their long-term strategy. Embracing a trusting mindset and understanding the interplay between motivation and firm outcomes can empower RECIDAR's leadership team to confidently steer the company towards achieving its growth objectives (Delmar & Wiklund, 2008).

Understanding the significance of motivation and instilling trust in the change process are critical aspects for RECIDAR as it endeavors to achieve its growth and long-term strategic objectives. In this context, Paglis and Green's (2002) research provides valuable insights into the role of leadership self-efficacy (LSE) in shaping managers' motivation to lead change initiatives. The study introduces a leadership model that revolves around managers' confidence in their ability to effectively drive change. LSE is defined through three dimensions: direction-setting, gaining followers' commitment, and overcoming obstacles to change. Drawing on Bandura's social cognitive theory, the research proposes that managers with high LSE are more likely to actively engage in leadership attempts during change endeavors, as perceived by their direct reports. Additionally, the study explores how various factors, such as managers' organizational commitment and crisis perceptions, can influence their confidence judgment. The research findings highlight the positive relationships between the first two dimensions of LSE and managers' actual leadership attempts, indicating the crucial role of self-belief in driving successful change (Paglis & Green, 2002).

3.3 Conclusion

In conclusion, conducting due diligence is a critical step in building appropriate and targeted solutions for any organization, including social businesses. By thoroughly researching and analyzing peer-reviewed articles, social businesses can gain

valuable insights into the internal and external environment. This evidence-based approach provides a deeper understanding of the challenges and opportunities, enabling the formulation of well-defined problem statements. Armed with this knowledge, social businesses can develop solutions that are tailored to address specific needs, maximize positive impact, and foster sustainable growth. The integration of due diligence with solution-building empowers social businesses to make informed decisions, optimize resource allocation, and create meaningful change that aligns with their mission and objectives.

Chapter IV: Qualitative/Quantitative Analysis

This chapter embarks on a comprehensive qualitative and quantitative analysis, driven by the organization's commitment to delve deeper into its challenges and opportunities. Through a strategic combination of both methodologies, this analysis seeks to illuminate the intricacies that shape Recidar's present landscape and chart a course for its future trajectory. At the heart of this endeavor lies a survey (Figure 5 in the appendix) - a powerful instrument designed to extract invaluable insights and quantifiable data. The primary goal is two-fold: to meticulously identify the underlying factors inhibiting Recidar's growth and to craft bespoke solutions that seamlessly align with these challenges. By fusing the strengths of qualitative depth and quantitative rigor, this analysis aspires to provide a panoramic view of Recidar's intricacies, empowering the organization with a strategic roadmap poised to guide its forthcoming endeavors.

4.1 Qualitative Analysis

In this chapter, we delve into the qualitative research conducted to gain insights into Recidar's relationship with its stakeholders and the factors influencing their satisfaction, as well as their sustainability practices. The qualitative data was collected through a survey with open-ended questions, allowing respondents to express their thoughts, opinions, and experiences freely.

One of the key findings from the survey was the positive perception of Recidar among its stakeholders. Respondents cited reasons for choosing Recidar, including its dedication to preserving the circular economy, its professional and recognized experience, and alignment with their own organizational purpose. This alignment was particularly notable, with one respondent mentioning Recidar's business model being in line with their purpose, suggesting a strong connection between Recidar's mission and that of its stakeholders. This finding

indicates that Recidar is effectively communicating its mission and values to its partners and allies.

Stakeholder satisfaction with Recidar was generally high, with respondents expressing contentment with various aspects of their collaboration. Notably, respondents mentioned Recidar's kindness, punctuality, and experience as positive attributes. Furthermore, Recidar's efficiency in resolving technical issues and its adherence to agreed timelines for alliances and container-related activities were highlighted. Respondents also appreciated the friendly and cooperative nature of the Recidar team. However, it is worth noting that some respondents suggested that Recidar could enhance their satisfaction by delivering additional elements.

When asked to describe Recidar in three words, respondents provided valuable insights. Common themes in their descriptions included terms like "innovative," "sustainability," and "responsibility." These descriptors emphasize the strong association between Recidar and sustainability in the minds of its stakeholders. "Innovative" suggests that Recidar is perceived as a forward-thinking organization, while "sustainability" underlines its commitment to environmentally responsible practices. "Responsibility" highlights the trust stakeholders place in Recidar to manage waste and resources responsibly.

In terms of sustainability practices, respondents shared diverse initiatives within their own organizations. These included projects with NGOs focusing on health, science, and education, sourcing products locally to reduce environmental impact, solar energy utilization, electromobility, and waste segregation. These insights indicate that Recidar's partners and allies are actively engaged in sustainability practices, reflecting a shared commitment to environmental and social responsibility.

Several respondents described how their companies ensure that workers are aligned with sustainability concepts and practices. These strategies include regular surveys, reinforcing the organization's purpose in work meetings and communication channels,

adherence to legal requirements, training on sustainability and circular economy, participation in sustainable fairs, and workshops for all collaborators. This suggests a multifaceted approach to instilling sustainability values within organizations, combining formal training with ongoing communication and awareness-building efforts.

Respondents also provided insights into how Recidar could assist them in furthering their sustainability practices. Suggestions included providing training on sustainability topics, including best practices in various sectors and conveying sustainability messages effectively to workers. Additionally, stakeholders expressed interest in Recidar offering talks, sharing information, collaborating on environmental awareness campaigns, and assisting in waste collection. This indicates that Recidar has the opportunity to expand its support for sustainability initiatives among its partners and allies through educational efforts and joint projects.

In conclusion, the qualitative research findings illuminate the strong alignment between Recidar and its stakeholders in terms of mission and values. They also emphasize the positive perception and satisfaction of partners and allies, while shedding light on the diverse sustainability initiatives they undertake. These insights provide a solid foundation for Recidar to strengthen its collaborative efforts and continue making a positive impact in the realm of sustainability and waste management.

4.2 Quantitative Analysis

The quantitative analysis of Recidar's action plan considers the results of a recent survey conducted among its target audience, primarily consisting of different kind of companies. It's important to note that 7 out of the 8 surveyed companies reported previous collaborations with Recidar, which may introduce a certain degree of familiarity bias in their responses. This highlights Recidar's ability to establish enduring relationships within its target market. Among the surveyed companies, 5 out of 8 fell into the category of medium and

small enterprises, indicating a potential preference for Recidar's services within this segment. An overwhelming majority of respondents, the majority of whom had prior collaborations with Recidar, rated their satisfaction with Recidar's services at the highest level of 5 out of 5. This exceptionally positive feedback underscores Recidar's capacity to build strong, trusted partnerships. Additionally, 5 out of 8 companies reported not having received service offers from Recidar to enhance their sustainability practices, indicating a potential opportunity for further engagement. Moreover, 7 out of 8 surveyed companies exhibited a strong awareness of the circular economy concept and expressed a desire to implement it in their operations. This alignment of objectives presents a favorable climate for Recidar's action plan, which centers on promoting a circular economy. Furthermore, a significant 7 out of 8 companies emphasized the paramount importance of sustainability in their operations, highlighting shared values and goals between Recidar and its partners. (See Figure 6 and 7)

Figure 6

Level of satisfaction
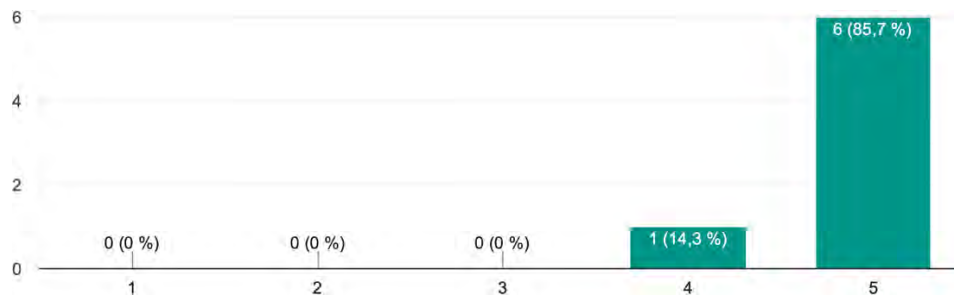
Figure 7

Importance of sustainability
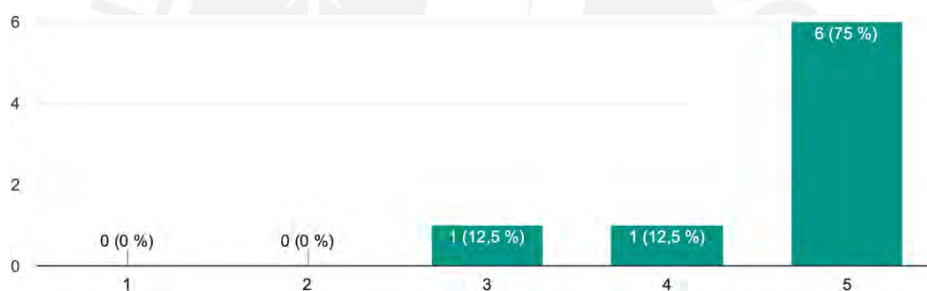
The financial analysis of Recidar's performance over the years 2020, 2021, and 2022 provides valuable insights into the company's growth and challenges. Notably, the company experienced significant positive variations in both revenues and net profit. Revenues saw impressive growth, with a substantial increase of 70.73% from 2020 to 2021, followed by a 44.02% increase from 2021 to 2022 (see **Error! Reference source not found.**). This upward trend suggests effective business strategies and heightened market demand, underlining Recidar's positive market presence.

Figure 8

Recidar's Revenues
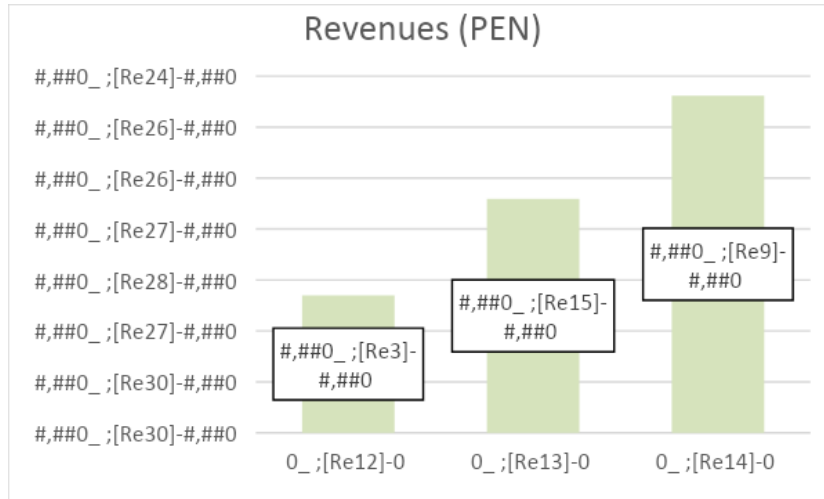
However, the net profit exhibited fluctuations. There was a notable surge of 35.87%

from 2020 to 2021, showcasing the company's ability to convert its revenues into profits. Yet,

a considerable decline of -82.57% from 2021 to 2022 highlights potential challenges in cost

management and maintaining profitability (**Error! Reference source not found.**). The

investment in the Villa El Salvador market in 2022 signals Recidar's proactive approach to

expand its reach, though the challenge now lies in generating sufficient sales to

counterbalance the dip in net profit.

Figure 9

Recidar's Net Profit
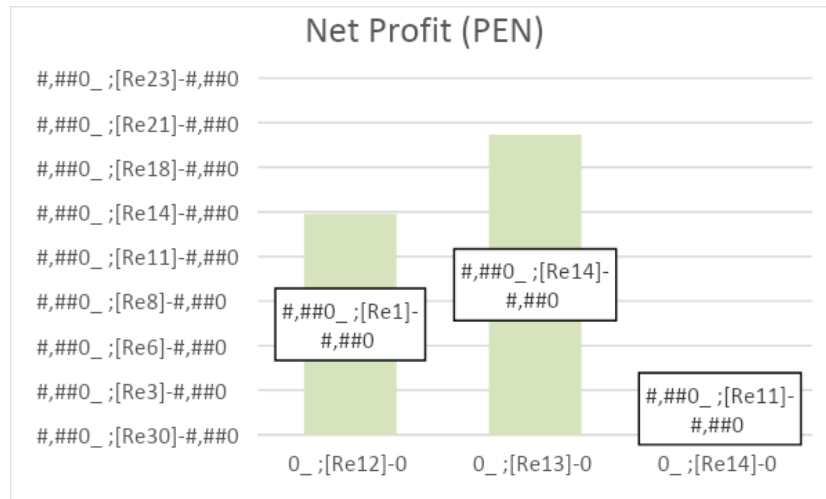
Furthermore, the fact that donations are trailing behind sales revenue emphasizes the

need for a balanced strategy. Recidar must explore avenues to bolster donations while

simultaneously focusing on sales growth. The Villa El Salvador market investment presents

an opportunity for Recidar to tap into new potential, but a concerted effort to drive sales will

be critical to offsetting the net profit decline. In light of these findings, Recidar's future

success hinges on prudent cost management, sales expansion, and strategic efforts to align

donations with sales revenue. By capitalizing on their recent investment, Recidar can

navigate challenges, optimize profitability, and uphold their mission of promoting reuse for

inclusion in a sustainable and financially viable manner.

4.3 Conclusion

The convergence of qualitative and quantitative analyses underscores Recidar's

positive alignment with stakeholders, emphasizing shared values. Stakeholders perceive

Recidar positively, lauding its commitment to circular economy preservation,

professionalism, and mission alignment. Satisfaction among stakeholders is high, with

commendations for Recidar's qualities like kindness, punctuality, and effective issue

resolution. Opportunities for growth include expanding support for sustainability practices among partners. Qualitative insights emphasize Recidar's image as "innovative," "sustainable," and "responsible," highlighting its forward-thinking, eco-conscious identity. Survey results affirm Recidar's ability to cultivate enduring relationships within its target market, featuring satisfied stakeholders. Opportunities exist in broadening service offerings and bolstering sustainability practices among allies. The awareness of circular economy principles and sustainability's central role in operations harmonizes with Recidar's mission and action plan.

In summary, the amalgamation of qualitative and quantitative data underscores Recidar's positive impact, stakeholder alignment, and growth potential. These findings provide a robust basis for Recidar to refine strategies, boost partner engagement, and continue championing sustainability and circular economy ideals responsibly and effectively.
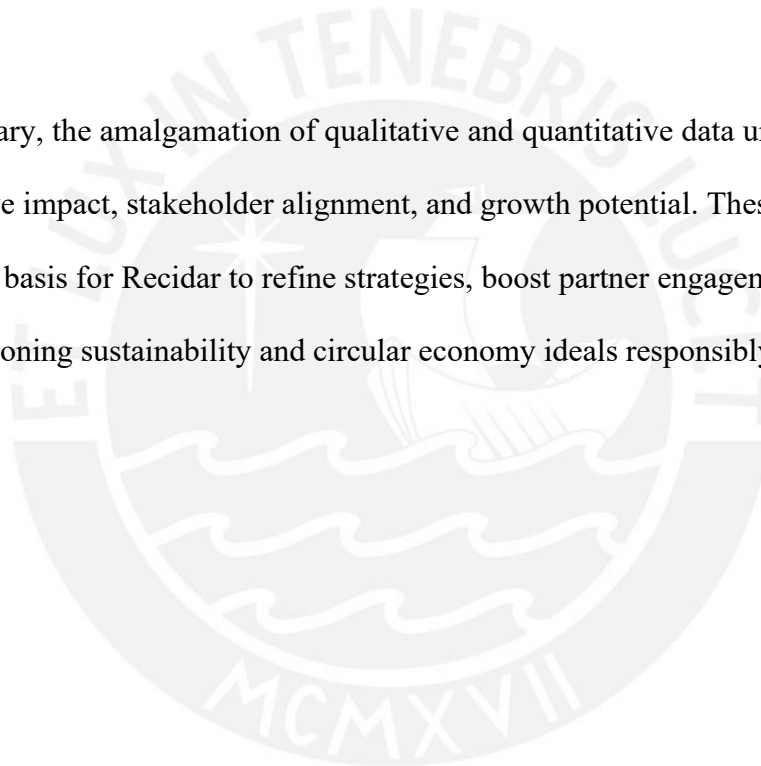
Chapter V: Root-Cause Analysis of the Problem

This chapter delves into the core of Recidar's growth challenges by conducting a thorough root-cause analysis. By utilizing a fishbone diagram, we have unearthed the primary factors that underlie the organization's struggles in achieving sustainable expansion. These identified causes, ranging from supplier dynamics to strategic planning, have been meticulously categorized and prioritized based on their significance. This analysis serves as a foundational framework to guide Recidar in formulating targeted solutions and strategies to overcome these barriers.

5.1 Identified Causes

1. Perseverance and Strategic Alignment: The company's motivated workforce lacks the persistence needed to adhere to a long-term strategy. Infusing the team with the conviction and discipline required for consistent strategic execution can foster resilience and drive long-term success.

2. Brand Image and Recognition: Recidar's brand image is often linked to waste collection, undermining its comprehensive offerings such as circular economy workshops. Crafting a precise brand narrative that reflects the organization's diverse services and its commitment to sustainability can rectify this misconception and enhance brand recognition.

3. Expertise and B2B Sector Penetration: Expanding Recidar's services beyond donations requires enhancing expertise in the business-to-business (B2B) sector. Developing specialized offerings and building relationships with corporate clients can establish Recidar as a reputable player in the B2B circular economy landscape.

4. Building Brand Recognition: While Recidar employs social media and traditional marketing channels, a more concerted effort to build brand recognition is essential. Engaging in targeted marketing campaigns, collaborations, and industry partnerships can elevate its visibility and credibility within the sustainability sphere.

5. Balanced Growth: Recidar's growth ambitions to open more shops align with its vision for a circular world. Balancing this expansion with strategic diversification, such as tapping into the B2B sector and offering workshops, can ensure holistic growth that addresses diverse needs.

6. Transitioning Beyond Quick Wins: Recidar's proficiency in donation-based operations has yielded quick wins, but these alone may not secure long-term success. Cultivating capabilities in complex and sustainable business solutions will enable Recidar to navigate the evolving circular economy landscape effectively.

7. Financial Considerations: Limited capital, inherent to Recidar's non-profit orientation, necessitates judicious resource allocation. Exploring avenues for strategic partnerships, grant funding, or impact investments can help overcome financial constraints and fuel sustainable growth.

8. High Bargaining Power of Suppliers: Recidar faces the challenge of suppliers, comprising private individuals and companies, having significant control over donation timing and content. This can lead to unpredictable donation inflows, disrupting inventory management and long-term planning. To mitigate this challenge, Recidar should focus on building stronger supplier relationships, encouraging consistent contributions, and exploring diverse sourcing avenues for a steadier donation stream.

The following fishbone analysis is giving an overview of the causes and their relationship.

Figure 10

Fishbone Diagram

FISHBONE DIAGRAM
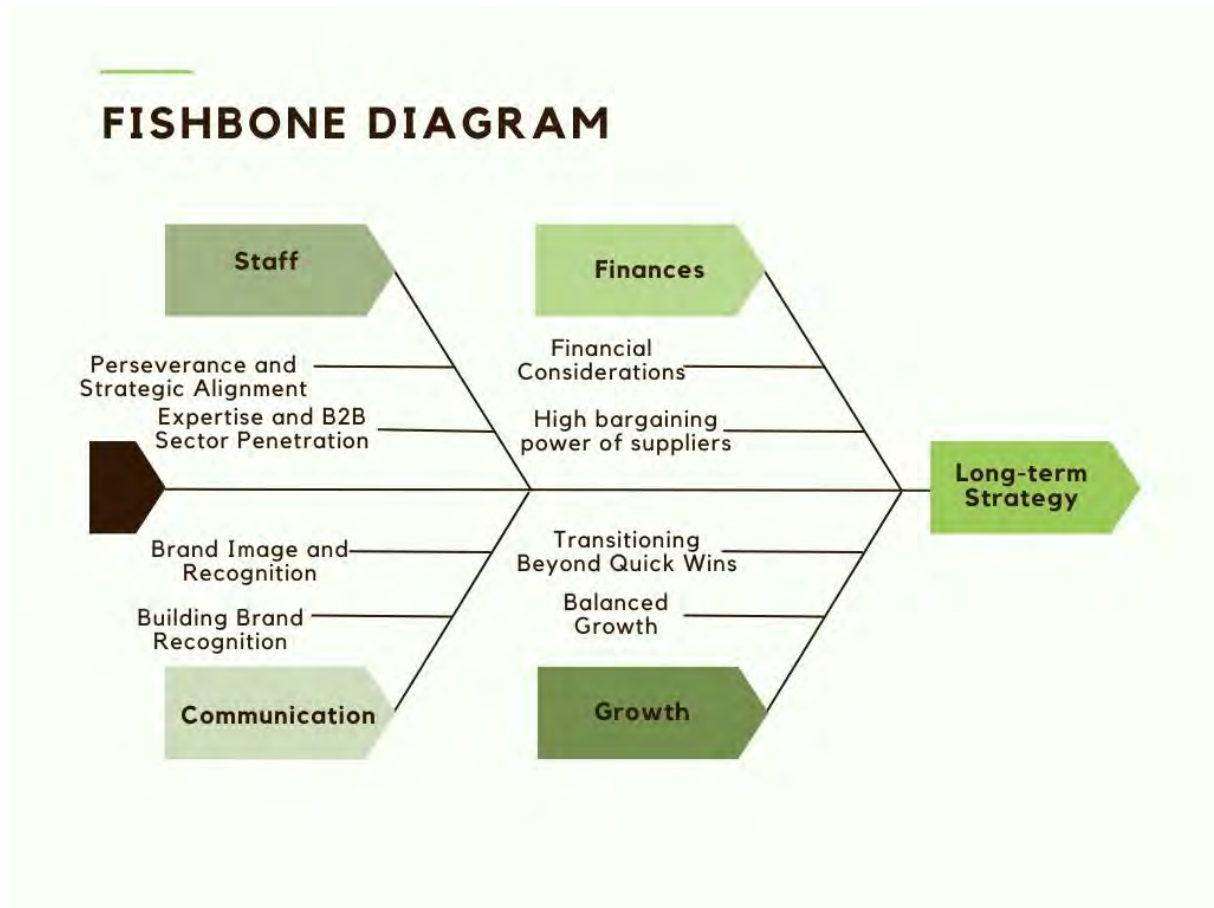
5.2 Main Causes of the Problem

In order to define the main causes their impact on predefined criteria is going to be assessed with numbers between one to three, the lowest showing the least impact and vice versa. The one with the most points is going to be the root cause.

Table 1

Ranking of Causes

Criteria / Causes	Staff	Finances	Communication	Growth	Total Score
Perseverance and Strategic Alignment	8	1	5	4	18
Brand Image and Recognition	4	2	8	1	15

Expertise and B2B Sector Penetration	7	4	6	6	**23**
Building Brand Recognition	5	3	7	2	**17**
Balanced growth	3	7	2	8	**20**
Transitioning Beyond Quick Wins	6	6	3	7	**22**
Financial Considerations	2	8	1	5	**16**
High bargaining power of suppliers	1	5	4	3	**13**

5.2.1 Expertise and B2B Sector Penetration

One of the main factors contributing to Recidar's lack of a long-term growth strategy is the lack of expertise in penetrating the B2B sector effectively. While Recidar has excelled in its donation-based core business, venturing into the business-to-business sector demands a different skill set. This transition requires a deep understanding of the B2B landscape, relationship building, and addressing specific industry needs. Without the necessary expertise, Recidar might struggle to establish meaningful connections with potential B2B clients, hindering its ability to diversify revenue streams and drive sustainable growth.

5.2.2 Transitioning Beyond Quick Wins

Recidar's inclination towards "quick wins," primarily focused on donations, has resulted in a short-term approach to its operations. This approach has served them well in adapting swiftly to changes, but it poses a challenge when crafting a long-term strategy. For sustainable growth, Recidar needs to shift its focus from quick, isolated victories to a holistic, strategic approach. A long-term strategy requires foresight, planning, and persistence, which can be at odds with the company's current emphasis on immediate outcomes. This transition demands a shift in mindset and operational approach, which can be challenging without a clear strategy in place.

5.2.3 Balanced Growth

Another pivotal factor affecting Recidar's long-term strategy and growth potential is the need for balanced expansion. While the organization desires to open more shops and expand its

impact, doing so requires a delicate equilibrium between growth, capacity, and resource allocation. Pursuing aggressive expansion without a strategic framework could strain the organization's limited resources and jeopardize its ability to provide consistent value. A well-balanced growth strategy necessitates careful consideration of resource availability, market demand, operational capacity, and the preservation of the company's mission and values. Without this equilibrium, Recidar risks overextending itself and compromising its ability to achieve sustainable growth.

In summary, this chapter includes a comprehensive root-cause analysis of Recidar's growth challenges, as well as a fishbone diagram to categorize and prioritize these underlying factors. Notably, expertise and B2B sector penetration, transitioning beyond quick wins, and balanced growth have emerged as the central contributors to the organization's growth impediments. This evaluation underscores the imperative for Recidar to augment its proficiency in B2B engagement, cultivate a long-term strategic perspective extending beyond immediate successes, and navigate growth judiciously to align with its available resources and overarching mission. These identified root causes now provide a strategic focus for the subsequent formulation of tailored solutions, furnishing Recidar with a clear roadmap for its pursuit of sustainable expansion and enduring societal influence.

Chapter VI: Assessed Solution Alternatives

In the exploration of solutions to address the existing challenges, this chapter meticulously examines a range of alternative strategies. These alternatives are strategically aimed at aligning with Recidar's mission of promoting inclusion through reuse while propelling the principles of the circular economy. Guided by a systematic evaluation process, each alternative undergoes a thorough assessment against predefined criteria. The culmination of this evaluation is reflected in the assignment of numerical scores, unveiling insights into dimensions like feasibility, profitability, long-term orientation, implementation timeline, alignment with purpose, and level of expertise. This chapter delves into the intricacies of the evaluation process, ultimately leading to the identification of the most promising solution.

6.1 Alternatives to Solve the Problem

6.1.1 Alternative 1 – Education Initiative

The start of the "Education Initiative" ushers in an exciting phase for Recidar, as it collaborates with Centrum, a prominent business school in Lima, to weave together environmental awareness and education seamlessly. This alternative strategy outlines a holistic roadmap, tackling immediate challenges while carving a clear path for Recidar's expansion into previously unexplored educational realms. Anchored in strategic collaborations, the pilot project envisions partnerships with discerning educational institutions and companies, through which Recidar not only introduces workshops centered on the circular economy and sustainability, but also nurtures a mindset of conscious waste management. By crafting workshops that blend engagement and education, Recidar offers students immersive experiences in the circular economy, nurturing a deep understanding of waste's environmental impact. Fortified by insights from the pilot phase with Centrum, Recidar strategically scales its efforts, fostering a network of interconnected partners and

sparking a transformative shift in education that benefits both the environment and participating institutions. With the successful pilot in the books, Recidar will pave the way to extend its educational initiatives to other learning centers, cementing its transformative influence and fostering an authentic win-win scenario characterized by heightened visibility, a wider support network, and affirmation of its mission.

6.1.2 Alternative 2 – Business Network

In the realm of business operations, waste is an inevitable byproduct, stemming from production inefficiencies, miscalculations, or various post-production factors. However, a remarkable opportunity exists within this challenge — what may be deemed redundant by one company can hold immense value for another. This is where the concept of circularity comes into play, offering a sustainable and economically viable solution. Recidar, a pioneering force in the circular economy, is uniquely positioned to spearhead this transformative endeavor (pwc, 2018).

Consider, for instance, the company CaffeInk which turns coffee waste into sustainable printing ink. They not only minimize harmful printing waste but at the same time reuse the byproducts of coffee making. Likewise, the company RethinkResources links companies from different industries to create reuse opportunities. One of their examples is a pomegranate processor who sells the valuable seeds to a cosmetic company. Such examples underline the pivotal role that circularity can play in mitigating waste and fostering a more sustainable business ecosystem (pwc, 2018).

Central to this transformative vision is Recidar, an entity that has already established extensive collaborations with numerous companies. Through its active engagement in collecting and repurposing discarded items, Recidar has cultivated a network that bridges the gap between waste and value. Leveraging these existing connections, Recidar can serve as a conduit, facilitating the exchange of surplus materials between companies. Its profound

understanding of the circular economy further bolsters its ability to identify synergies and match surplus resources with enterprises that can extract new worth from them.

Recidar's role is not confined to mere intermediation; it embodies a holistic approach to circularity. By harnessing its expertise and connections, Recidar can facilitate a seamless transition of surplus materials, breathing new life into what was once considered waste. This

not only contributes to the reduction of environmental impact but also fosters economic growth through innovative resource utilization. Through Recidar's concerted efforts, the waste that arises from one company's operations can metamorphose into valuable assets for another, thus realizing the full potential of circularity.

In conclusion, the strategic positioning of Recidar as a catalyst for circular economy principles marks a significant step toward a more sustainable and resource-efficient business landscape. The dynamic exchange of surplus materials between companies holds the promise of waste reduction, environmental preservation, and economic prosperity. Recidar's network, expertise, and commitment to circularity align seamlessly with this vision, establishing the foundation for a future where waste transforms into opportunity, and collaboration paves the way for a more prosperous and sustainable tomorrow.

6.1.3 Alternative 3 – Gamarra

In the heart of the La Victoria district lies Gamarra, a thriving hub of textile shops, manufacturers, contractors, and retailers that collectively employ over 100,000 individuals. This bustling textile economy boasts an impressive annual valuation exceeding $1.4 billion. Spanning an expansive 24 square blocks, Gamarra attracts an estimated daily footfall of 100,000 visitors, underscoring its significance as a dynamic commercial center.

Gamarra's vibrant textile ecosystem presents an untapped reservoir of possibilities for the implementation of circular economy processes. The abundance of discarded textile waste emanating from this bustling precinct offers an ideal prospect for strategic intervention.

While some people could only see waste, lays a gold mine of opportunities for a more circular Peruvian economy.

Recidar, aiming to diversify and deepen the strength of its B2B sector, could target this opportunity as a new means to diversify its operations. With the retrieval of textile waste within this specific locale, it would enable to resew vitality in these otherwise discarded materials. This dynamic process will seamlessly dovetail with the principles of circularity, offering a second life to textiles through innovative and sustainable practices.

As for the different advantages that this initiative would flourish for Recidar, it would first be aligned with its current operations of cultivating local talent through the creation of employment opportunities. These people would oversee the resewing of discarded textiles into versatile products, such as blankets, underwear & socks, diapers, etc.

In the same line of thought, this strategic operational expansion for Recidar could seemingly blend with its current operations with an augmented and invaluable cascading effect on the supply chain of its 2 MiBazar establishments. With newfound control over manufacturing processes, Recidar can address specific seasonal demands with agility for its retail locations. As a result, they would be able to have a consistent supply of essential items, including socks, underwear, diapers, and more. These items are inherently elusive in the realm of second-hand goods, but with this new initiative, a blend of new and renewed items would be obtainable for Recidar's customers.

Accordingly, Recidar's transformative initiative opens the doors to synergistic partnerships with different organizations, longing for their current marketing strategy. For example, this could lead to enhanced partnerships with Peruvian universities for collaborative exploration of diverse avenues for repurposing textile waste. This interdisciplinary and mutually beneficial cooperation would serve to deepen the network of Recidar's contacts while amplifying Recidar's stature and recognition among the Peruvian business context.

In essence, Recidar's visionary foray into Gamarra's textile landscape could stand poised to revolutionize waste management, galvanize local economies, and fortify community unity. This comprehensive initiative harmonizes economic growth, environmental stewardship, and academic collaboration, encapsulating Recidar's mission in a tangible tapestry of transformation. As Recidar embarks on this transformative journey, it charts a trajectory towards sustainable prosperity within the B2B operations while fostering enduring relationships within the community it serves.

6.2 Assessment of Alternatives

The assessment of the proposed alternatives provides a clear understanding of their potential impacts on Recidar's mission and the advancement of circular economy practices, as reflected by the assigned numerical scores. The numerical values assigned to each alternative across various criteria contribute to a comprehensive evaluation of their feasibility (which evaluates the practicality and likelihood of successfully implementing a project within given resources and constraints) , profitability, long-term orientation, implementation time, alignment with purpose, and level of expertise (which gauges the depth and proficiency of knowledge and skills possessed by individuals or the organization to effectively carry out tasks and navigate challenges related to the project).

Table 2

Grading of Solution Alternatives

Criteria	Weight (%)	Alternative 1: Education Initiative	Alternative 2: Business Network	Alternative 3: Gamarra Initiative
Feasibility	20%	4.0	3.0	3.0
Profitability	20%	4.0	4.0	5.0
Long-term orientation	15%	3.0	3.0	4.0
Implementation time	20%	4.0	3.0	3.0
Alignment with purpose	15%	5.0	5.0	5.0
Level of expertise	10%	3.0	4.0	4.0
Total Score	**100%**	**3.9**	**3.6**	**4.0**

6.2.1 Education Initiative

With a total score of 3.9 out of 5, the "Education Initiative" ranks second. This strategy underscores Recidar's commitment to seamlessly blend environmental awareness with education, nurturing a conscious waste management mindset among students. Collaborating with Centrum, a distinguished business school, positions Recidar as a catalyst for change within the academic realm. The initiative's feasibility, aligned purpose, and potential for strategic partnerships make it an attractive contender. While profitability and long-term orientation scores are commendable, there's room for further exploration to enhance sustained financial viability and lasting impact.

6.2.2 Business Network

Ranking third with a total score of 3.6 out of 5, the "Business Network" alternative envisions Recidar facilitating the exchange of surplus materials between companies, embodying circularity. Leveraging existing collaborations and its extensive network, Recidar fosters a seamless transition of surplus materials, breathing new life into discarded resources. While profitability and alignment with purpose exhibit strengths, feasibility, long-term orientation, and level of expertise scores could benefit from enhancements. The concept holds promise in mitigating waste and nurturing sustainable business practices, but refining its foundation is essential for comprehensive viability.

6.2.3 Gamarra Initiative

Emerging as the frontrunner with a total score of 4.0 out of 5, the "Gamarra Initiative" presents a transformative vision that could revolutionize waste management and invigorate the local economy. Recidar's intervention in Gamarra has the potential to infuse circular economy principles into a thriving ecosystem. By resewing vitality into discarded textiles, Recidar can offer second lives to materials, aligning seamlessly with circularity. The initiative's alignment with Recidar's purpose, profitability, and potential to catalyze

community unity are notable strengths. The initiative's implementation time and feasibility might require careful planning and investment, but its transformative potential is compelling.

6.3 Conclusions

After a comprehensive assessment and careful consideration of the assigned numerical scores, the "Gamarra Initiative" emerges as the most promising alternative. With a robust score of 4.0 out of 5, this alternative aligns seamlessly with Recidar's mission and purpose, while showcasing strong profitability potential and long-term viability. The vision of revitalizing Gamarra's textile ecosystem resonates deeply with Recidar's commitment to the circular economy. Although the feasibility score suggests potential challenges, the high long-term orientation score underscores its capacity to bring about transformative change over time. Recidar's decision to select the "Gamarra Initiative" is rooted in its potential to revolutionize waste management, invigorate the local economy, and foster enduring relationships within the community it serves. The journey ahead promises sustainable prosperity and continued advancements within Recidar's B2B operations, perfectly aligned with its overarching mission.

Chapter VII: Proposed Solution

Recidar is about to diversify its operations by entering the highly competitive and flourishing hub of La Gamarra in La Victoria. To optimize the success potential of this initiative, a team with the technical expertise and network necessary within the industry will be formed. This new initiative, better targeting Recidar's long-term vision of a circular economy, will be detailed in different steps to ensure proper management of the new operations put in place.

7.1 Entering Gamarra

The first step of this initiative serves a dual purpose: to secure resources through donations or budget-friendly end-of-inventory purchases and to foster robust relationships within the retail ecosystem. By addressing the immediate needs of retail stores, we simultaneously enrich the inventory of MiBazar locations while expanding their presence within the community. Crucially, this inaugural step establishes a sturdy foundation for the upcoming phases of the initiative. The credibility and reputation forged through these connections and collaborations lay the groundwork for the subsequent steps, which are designed to amplify our reach and impact.

Accordingly, because one of the main root causes of the problem is the lack of expertise and B2B sector penetration, the first step of our project would entail directly targeting this component of the problem. In the same line of thought, this line of action would enable Recidar to take its first steps to build brand recognition and more balanced growth regarding the B2B branch of the organization. In an effort to directly tackle the underlying causes of these challenges, an extensive assessment of diverse project options has been carried out. Through this approach, every project requirement has been methodically isolated and distributed to an entity with specialized expertise. By doing so, the competencies needed to facilitate precise and proficient execution have been taken care of.

7.2 Key Stakeholders

Moving forward in our initiative, the second step involves establishing connections with the key departments and individuals integral to our project's success. Our main focus will be on engaging with two parties, the professional of Gamarra – who is hopefully a Peruvian figure in the fashion industry, and the four major universities that are part of Lima's landscape (PUCP, UP, ULIMA, UPCH) By engaging with these stakeholders, a project feasibility analysis will be conducted while measuring the impact that each institution/individual can bring through its technical expertise.

7.2.1 Gamarra professional

This professional would bring specialized insights into the intersection of the Gamarra sector and the fashion industry. With his knowledge and network as a fashion creator and owner, we can tap into his understanding of the norms and intricacies of the different processes related to the production of textiles. In accordance with this, he can bring valuable networking depth to the project as he has to continuously engage with businesses that are part of the Gamarra hub for the operations of his own brand. Adding to his network, his connections within the fashion industry may also offer avenues for collaboration with local and larger fashion brands, potentially leading to joint initiatives or financial support. It is still needed to establish a connection with him to ensure his interests. To mitigate the risk of possible non-interest on this individual's end, it will be needed to leverage the universities' network of contact and compound it to Recidar's to find an individual who has a similar knowledge of the insides of the industry.

7.2.2 Local Universities

As part of the proposed solution, it was vital that the best possible partners were chosen to ensure the success of the project. Hence, the four biggest universities have been

selected to take part in this project. Also, these four parties have been selected because of their history in regard to collaborating for different social, environmental, and joint community outreach projects. The collaboration of these universities offers them joint means of growth and added recognition. By working together, they can have a broader and more significant impact, fostering positive change, and reinforcing their commitment to civic engagement and social responsibility. This line of commitment is counted on to build the proposed alternative and ensure that possibilities for growth are encapsulated through the expertise and assets of these universities.

In terms of how the second step of the initiative answers the different root causes of the problem statement previously issued, the commitment and vision of the different stakeholders can help Recidar in regard to building a more long-term vision and commitment for this approach. Hence, because these stakeholders have great experience in regard to managing important projects, they will be able to engage in actions and planning that will push Recidar in engaging in a more long-term approach to this initiative. In the same line of thought, the benefits of the actions taken will unfold in the long run, therefore pushing Recidar to align their processes to a commitment that will bring its effects in the long run for all parties involved.

7.3 Forging Strong Gamarra Connections

With the shared vision in place and a crystal-clear understanding of each team member's role, the time will come for them to cohesively embark on a journey to Gamarra. Their united front will establish solid business connections, setting the stage for impactful collaborations.

The first avenue to explore is the potential within the Alumni network of all four universities. By tapping into these extensive resources, valuable connections can be brought up and therefore inked with prominent manufacturers and industrial facilities in Gamarra.

The insights and affiliations of alumni can act as a bridge, enabling them to reach out effectively and establish meaningful relationships within the local business landscape.

Regarding the core of the root problems, which lies in regard to Recidar's missing bargaining power when dealing with their different partners, the added network and prestige of the different new stakeholders will definitely add leverage some power to Recidar, instead of having them negotiate terms on their own. In the same line of thoughts, these partnerships and the combined expertise, network, knowledge, and influence will positively impact Recidar's brand's name and recognition, once again linking this line of action to the root causes of the problem statement.

7.4 Logistics and Implementation

To effectively amplify the formation of the new collaborative team, a well-crafted communication and marketing strategy becomes paramount. Leveraging the influential platforms of Recidar and partnering with universities' social media will shine a spotlight on the collective effort. This strategic sharing will not only create awareness but also cultivate a sense of community around the initiative. By portraying the initiative's essence, impact, and synergy achieved through collaboration, we can inspire a broader audience to embrace sustainable practices.

This harmonizes seamlessly with Recidar's dedication to Environmental, Social, and Governance (ESG) principles and the core tenets of the circular economy. The initiative's influence thus extends beyond environmental gains, fostering socio-economic development within the very fabric of the community it serves. Through this line of actions, as organizations rally around the initiative, the focus shifts to the operational blueprint. By leveraging strategic communication and embracing local empowerment, the way will be paved for a thriving ecosystem that upholds sustainable values, community well-being, and lasting change.

7.5 Expansion & Long-term Commitment

The last step of the implementation plan unveils an expansion strategy that converges on developing the online presence of Recidar jointly with its B2B operations. While once again diversifying its operations, it will enable Recidar to monetize and leverage its already strong social media following while greatly facilitating to reach new customers. This digital presence also facilitates cost-effective operations and enables seamless engagement with stakeholders, enhancing the overall impact and sustainability of the social mission. In regard to this last and final stage of the implementation plan, it finalizes the vision that was tailored to the problem statement regarding the lack of long-term vision that Recidar is dealing with. It encompasses the entirety of the different root causes mentioned in Chapter 5.

Summarizing, this strategy begins with building relationship, followed by a strong entry into Gamarra. The partnerships are grounded in shared values and offer the potential to enhance Recidar's expertise and long-term resilience. The proposed initiative aligns with the root causes of Recidar's growth challenges, focusing on expertise enhancement, balanced growth, and a shift away from short-term wins. Thorough attention to logistics, including communication and marketing strategies, reinforces Recidar's commitment to creating a thriving sustainable ecosystem. Lastly, the expansion into the online domain reflects a commitment to long-term growth, effectively addressing the core issues faced by Recidar.

Chapter VIII: Implementation Plan & Key Success Factors

The heart of Recidar's journey towards a sustainable and impactful future lies within its implementation plan. In this chapter, we delve into the intricacies of Recidar's implementation plan, outlining the critical activities mapped along a timeline to achieve the envisioned goals. These activities, as carefully curated in collaboration with Recidar, are central to the successful execution of their strategies and the fulfillment of their long-term objectives. Furthermore, we explore the key success factors that both enable and challenge the realization of Recidar's vision. Enablers, such as robust stakeholder relationships and a committed team, play an instrumental role in propelling Recidar forward. Conversely, risks, including uncertainties in the funding landscape and evolving market dynamics, pose potential obstacles that require strategic mitigation. This chapter serves as a comprehensive guide, shedding light on the "how" of Recidar's journey, from concept to reality. It highlights the critical milestones, potential pitfalls, and the driving forces behind Recidar's ambitious undertaking to foster a circular economy and create lasting positive impacts.

8.1 Activities

In collaboration with Recidar, an action plan has been developed with the aim of establishing a sustainable long-term strategy while enhancing brand recognition. This multifaceted approach centers on three key areas of focus: collaboration with universities and an established individual with textile expertise, initiatives within Gamarra, and e-commerce. The overarching objective is to effectively manage inventory fluctuations while aligning Recidar with its mission of promoting a circular economy while simultaneously different revenue streams are created.

Collaboration. The proposed strategy involves Recidar's active engagement with universities, including PUCP (Católica), UP (Universidad del Pacifico), ULIMA (Universidad de Lima) and UPCH (Universidad Peruana Cayetano Heredia). It is

recommended that an event targeting both students and alumni be organized, with Gamarra and the textile industry as the primary focal points. During this event, Recidar can receive donations and establish crucial connections within the industry. This platform serves as an avenue for Recidar to communicate its vision of fostering a circular world. Additionally, the event may feature activities such as clothing or jewelry auctions to generate additional funds. Concurrently, the proposal includes the placement of donation containers on university campuses, with the initiation of this endeavor occurring during the event.

Another pivotal component of the strategy involves the cultivation of a meaningful collaboration between Recidar and an individual with expertise within Gamarra. The primary purpose of this collaboration is to equip Recidar with invaluable insights into Gamarra and the broader fashion industry.

Gamarra Initiatives. Within the Gamarra ecosystem, a series of initiatives are proposed to enable Recidar to establish critical connections with various shops. The initial step involves fostering relationships with these shops, laying the foundation for future collaborations. The strategic plan encompasses the sourcing of end-of-line items, personal essentials such as socks and underwear, and bed linens from these establishments. To incentivize shop owners, several discount and donation initiatives have been devised:

● **Tax Benefits:** Leveraging Recidar's expertise, the extension of tax benefits services to Gamarra shops is recommended. Companies stand to gain from tax reductions by donating items to Recidar, thereby fostering a culture of giving and sustainability. However, this approach is only suitable for formal businesses in Gamarra and might not be appropriate for the informality of this area.

● **Recidar Certification:** Shops that embrace circular economy practices can attain certification from Recidar. This certification serves as a competitive advantage within the Gamarra context, highlighting their commitment to sustainability and social

responsibility. This initiative can be compared to the one of TripAdvisor where they put their approval on restaurants which scored high in recommendations.

- **Delivery Services:** It is recommended that Recidar provide delivery services to shops, thereby enhancing the shopping experience, particularly for higher-end boutiques or group orders like football shirts. Given Recidar's extensive city-wide presence, this service incurs minimal additional time and cost. Nevertheless, this approach can only be introduced in the future as Recidar has only a limited amount of trucks and already fulfills more than 400 regular pickups per month.

- **Marketing Support:** Recidar can offer promotional services across its diverse social media channels to shops collaborating with them. This strategic move facilitates the expansion of reach and customer base for the participating shops.

- **Human Resources:** In alignment with Recidar's overarching mission to create job opportunities, the proposal includes offering human resources to shops in exchange for donations. This mutually beneficial arrangement addresses the temporary workforce needs of shop owners while contributing to Recidar's sustainable development goals. As this is a more complex initiative it is plant for the further future.

- **One-for-One Promotion:** To incentivize the purchase of personal items such as underwear and socks, a one-for-one promotion is introduced. Under this scheme, when a customer acquires such items, Recidar donates a corresponding item, thereby extending the sphere of giving while gaining exposure through Recidar's active social media channels.

 Long-term Strategy. Recidar's envisioned long-term strategy represents a pivotal transformation in its operational paradigm, characterized by the establishment of an e-commerce platform dedicated to the resale of various items, with a particular emphasis on clothing. This initiative stands as a proactive response to the contemporary digital landscape,

recognizing the growing importance of online channels in facilitating transactions. The core premise of this strategy is the facilitation of transactions whereby Recidar sells donated items on behalf of customers, thus creating a revenue stream through the collection of commissions. This innovative approach mitigates the potential challenge of unsold items, as these can seamlessly transition into the pool of donations directed to MiBazar, a notable charitable endeavor. Consequently, this strategy presents a dual-purpose approach, whereby Recidar diversifies its revenue streams while concurrently reinforcing its commitment to sustainable, circular economy principles. In an era where digitalization is reshaping the landscape of social enterprises, this strategic endeavor not only aligns Recidar with prevailing market trends but also differentiates it from similar organizations, positioning it as a pioneering entity at the intersection of sustainability and digital commerce.

Besides those initiative Recidar should introduce a digital ERP system in order to manage the new influx of items. Although, this comes with a cost factor the company would at the same time safe human resources. This action plan is designed to empower Recidar in effectively addressing inventory fluctuations, expanding its network, cultivating meaningful collaborations, and reinforcing its position as a proponent of sustainability and circular economy practices within the fashion industry.

8.2 Implementation Gantt Chart

The implementation of the devised strategic plan for Recidar necessitates a structured and well-defined process to ensure its effective execution. In this regard, a Gantt chart has been meticulously crafted, encompassing all the activities elucidated in Chapter 8.1. Collaboratively developed with Recidar, this Gantt chart outlines the sequencing and periodicity of specific tasks and initiatives, thus providing a roadmap for the organization's forthcoming endeavors.

A pivotal feature of the Gantt chart is the recurring occurrence of university events every three months, hosted at different universities. This approach ensures a consistent engagement with academic institutions, facilitating knowledge dissemination, networking, and the generation of support.

Four key initiatives in Gamarra are slated for immediate implementation, reflecting the urgency and feasibility of these endeavors. These initiatives encompass various aspects of Recidar's engagement in Gamarra, from establishing networks with shops to initiating innovative discount and donation schemes. Recognizing the intricacy and dependencies involved, two more complex initiatives in Gamarra are scheduled for a later implementation phase. This phased approach allows Recidar to focus initially on activities that can be swiftly executed while gradually building the capacity and resources required for more intricate endeavors.

The Gantt chart also outlines a preliminary framework for the development of an e-commerce platform. However, it is essential to note that this project is envisioned as a longer-term endeavor, separate from the immediate initiatives. As such, the steps outlined in the Gantt chart for the e-commerce platform are foundational, providing a starting point for future planning and execution.

To enable Recidar to actively engage with the Gantt chart and make any necessary adaptations in real-time, a specialized project management tool has been utilized. This tool not only offers accessibility to Recidar but also the capability to include internal details, assign responsibilities, and monitor the status of individual steps. Upon the completion of this thesis, access to the Gantt chart will be shared with Recidar during the final presentation. This collaborative approach ensures that Recidar can manage and update the Gantt chart as required, fostering adaptability and responsiveness in the execution of its long-term strategy.

Table 3 provides a summarized overview of the activities and their respective dates as delineated within the Gantt chart:

Table 3

Gantt Chart List

Task Name	Start Date	Due Date
Kickstart Project - Final Presentation of Consulting Project		14.09.23
Contact establishment		
Connect with expert to better understand the industry/Gamarra	18.09.23	19.09.23
Meet with university boards plan Recidar events	18.09.23	29.09.23
Milestone: Companies in Gamarra selected		01.11.23
Universities events		
PUCP (Católica) - Define location and plan event	02.10.23	13.10.23
Milestone: Invitations sent - PUCP (Católica)		16.10.23
PUCP (Católica) - University event to gain insights, build connections and kickstart container campaign		25.10.23
PUCP (Católica) - Start of university container campaign	25.10.23	25.01.24
UP (Universidad del Pacifico) - Define location and plan event	01.01.24	12.01.24
Milestone: Invitations sent - UP (Universidad del Pacifico)		15.01.24
UP (Universidad del Pacifico) - University event to gain insights, build connections and kickstart container campaign		24.01.24
UP (Universidad del Pacifico) - Start of university container campaign	24.01.24	24.04.24
ULIMA (Universidad de Lima) - Define location and plan event	01.04.24	12.04.24
Milestone: Invitations sent - ULIMA (Universidad de Lima)		15.04.24
ULIMA (Universidad de Lima) - University event to gain insights, build connections and kickstart container campaign		24.04.24
ULIMA (Universidad de Lima) - Start of university container campaign	24.04.24	24.07.24
UPCH (Universidad Peruana Cayetano Heredia) - Define location and plan event	01.07.24	12.07.24
Milestone: Invitations sent - UPCH (Universidad Peruana Cayetano Heredia)		15.07.24
UPCH (Universidad Peruana Cayetano Heredia) - University event to gain insights, build connections and kickstart container campaign		24.07.24
UPCH (Universidad Peruana Cayetano Heredia) - Start of university container campaign	24.07.24	24.10.24
Gamarra		
Meet with Gamarra shop owners to present donation/discount initiatives	02.11.23	30.11.23
Milestone: First Partnership secured		01.12.23
start of Gamarra container campaign	01.12.23	30.06.24
Start of initiative 1 - One-for-One Promotion	01.12.23	30.06.24

Start of initiative 2 - Marketing Support	01.12.23	30.06.24
Start of initiative 3 - Recidar Certification	01.12.23	30.06.24
Start of initiative 4 - Tax Benefits	01.12.23	30.06.24
Start of initiative 5 - Delivery Services	01.03.24	30.06.24
Start of initiative 6 - Human Resources	01.03.24	30.06.24
Milestone: Gamarra intitiative successfully introduced		30.06.24
Internal		
Adapt inventory system of Recidar to manage new input from Gamarra	01.01.24	29.02.24
Milestone: Inventory system adapted		01.03.24
Ecommerce (Long-term)		
Plan and define online shop	01.07.24	31.07.24
Build online shop	31.07.24	30.09.24
Milestone: Go public with online shop		01.10.24

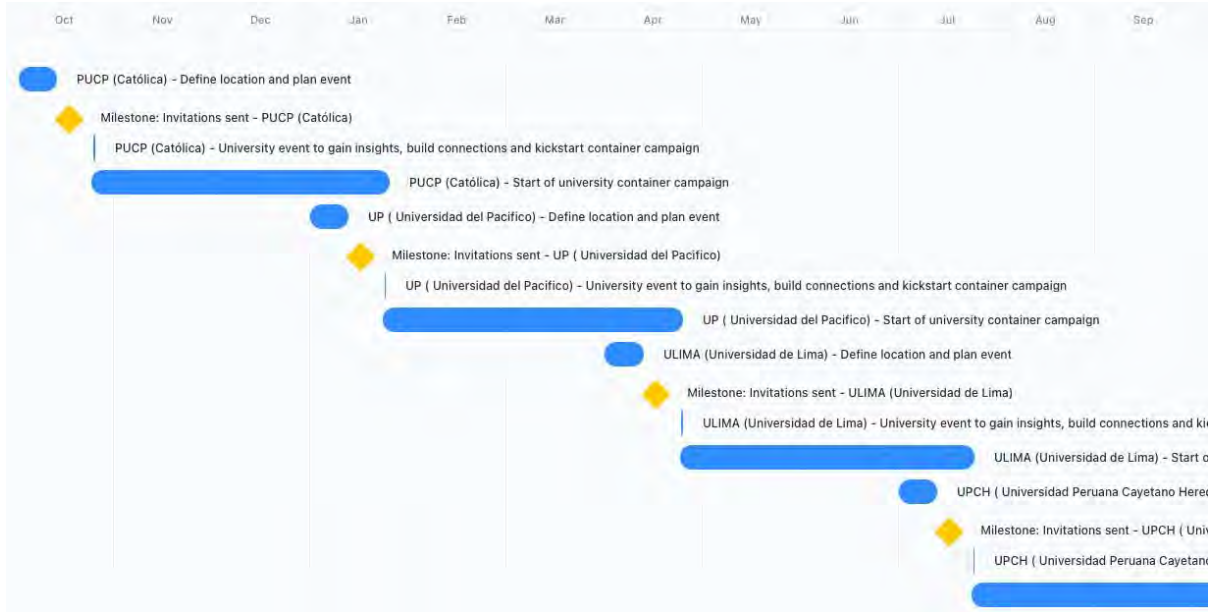Figure 11 to 14 are presenting each of the phases of the proposed strategy:

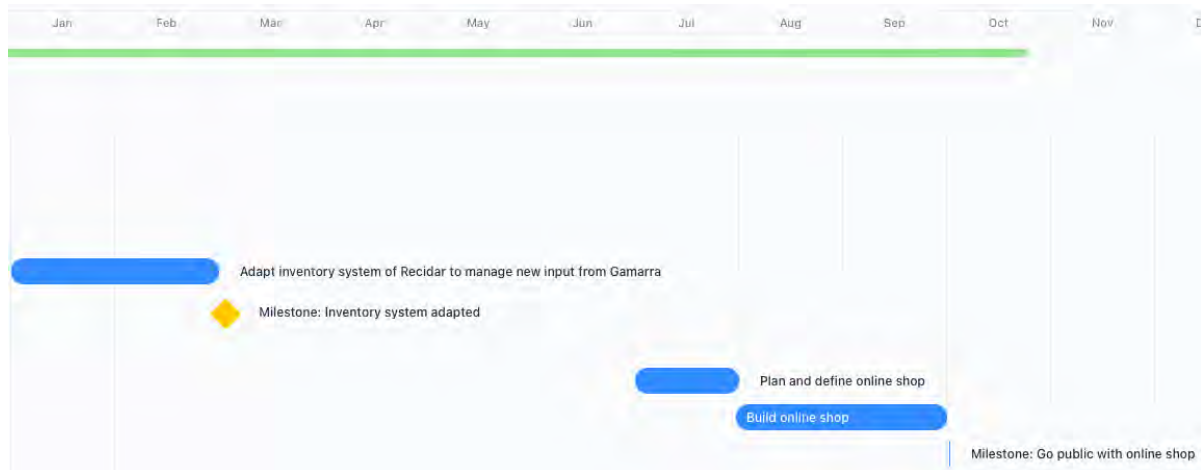*Figure 11*

Gantt Chart Contact Establishment
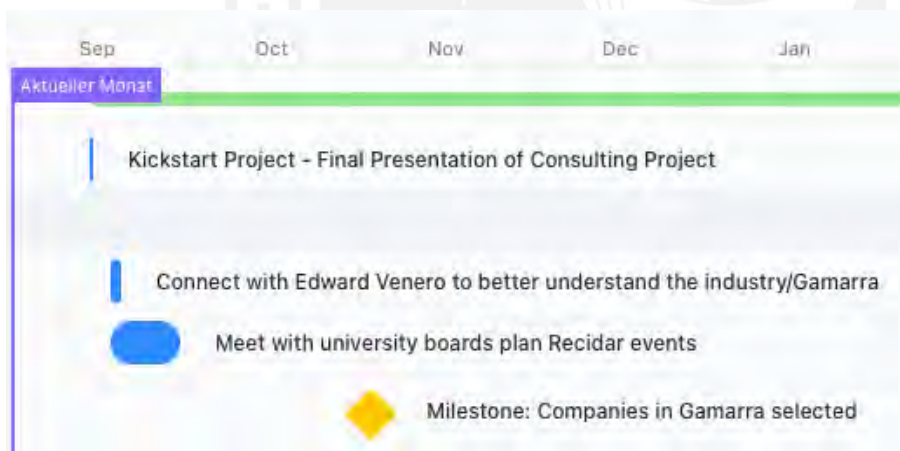
Figure 12

Gantt Chart - University Campaign

Figure 13

Gantt Chart - Gamarra Initiative

Figure 14

Gantt Chart - Internal & Long-term

In essence, the Gantt chart serves as a dynamic tool that showcases the strategic plan's time-line, offering Recidar a clear and actionable path to realizing its long-term objectives.

8.3 Key Success Factors

Within the framework of its strategic goals, Recidar has identified Key Success Factors that are instrumental in achieving its broader mission. These success factors encompass vital aspects such as collaborative efforts with designers, targeted initiatives in Gamarra, engagement with educational institutions, and the formulation of a forward-looking long-term strategy. Recognizing that success is influenced by a multitude of factors, this section delves into the underpinning enablers and potential risks associated with each Key Success Factor. Enablers refer to tangible resources, partnerships, and strategic measures that enhance the effectiveness of these factors. Conversely, risks encompass potential challenges that may arise and could impact the realization of these success factors. By examining both enablers and risks, Recidar gains a holistic understanding of its operational landscape, allowing for informed decisions and the adoption of proactive measures. This section navigates through the intricate interplay of enablers and risks, highlighting their pivotal roles in shaping Recidar's journey towards its sustainable objectives.

8.3.1. Enablers

The successful implementation of Recidar's action plan relies on a range of enablers that amplify the effectiveness of its key success factors. These enablers are strategic considerations and resources that support the initiative in achieving its objectives of establishing a sustainable long-term strategy, enhancing brand recognition, and promoting circular economy practices within the fashion industry. This subchapter highlights the enablers for each of the key success factors identified in the action plan.

Gamarra professional expertise and network (Collaboration with designer)

The collaboration with an individual with a good understanding of the intricacies of Gamarra is underpinned by a strong partnership and shared vision. This enabler is crucial for the successful execution of the sustainable fashion line initiative. The mutual commitment to sustainability and social impact ensures that both Recidar and the individual to align their creative efforts toward a common goal. This shared vision acts as a driving force, fostering creativity, insights, and innovation that contribute to the development of a unique and impactful sustainable fashion line.

Incentive program framework (Gamarra initiatives)

The success of the Gamarra initiatives hinges on an effective incentive framework that encourages participation and collaboration from local shops. Recidar's enabler lies in crafting a multifaceted incentive structure that caters to the diverse needs and motivations of Gamarra businesses. The provision of tax benefits, Recidar certification, delivery services, marketing support, and the one-for-one promotion collectively create a compelling proposition for shop owners. This incentive framework enhances Recidar's value proposition, increasing the likelihood of shop owners engaging in collaborative efforts.

Event organization and engagement strategies (University engagement)

The pivotal enabler for Recidar's university engagement lies in its comprehensive event organization and engagement strategies. Through strategically planned events targeting students and alumni, Recidar establishes a platform for networking, donations, and industry connections. This enabler encompasses event logistics, engaging content, and effective communication that collectively attract participants, facilitate resource acquisition, and foster an environment where Recidar's circular economy mission resonates.

Digital Transformation Readiness (Long-term strategy)

It encompasses the digital literacy of the workforce, the technological infrastructure, and the organizational culture necessary to embrace and succeed in the digitalization of Recidar's operations. It involves ensuring that Recidar is prepared and capable of undergoing a comprehensive digital transformation, which is essential for effectively managing the e-commerce platform and the associated ERP system.

8.3.2. Risks

Collaboration dependency risk: reliance on designer engagement

The success of Recidar's sustainable fashion line collaboration with a professional with expertise within Gamarra is crucial for obtaining valuable insights and expanding brand recognition. However, this partnership introduces the risk of dependency on this individual's availability and commitment. If he becomes less available or engaged, it could lead to delays in gaining insights and hinder the creation of the sustainable line. To mitigate this risk, Recidar should establish a clear communication plan, define roles and responsibilities, and consider diversifying its network of collaborators to ensure the initiative's progress remains resilient.

Shop participation challenge: low engagement with Gamarra initiatives

The proposed Gamarra initiatives heavily rely on shop owners' willingness to participate. The risk of low engagement from shop owners could hinder the initiative's ability

to secure end-of-line items, personal essentials, and bed linens. If shop owners are not motivated by tax benefits, certification, or other incentives, the initiative might face challenges in sourcing materials. To mitigate this risk, Recidar should conduct targeted engagement campaigns, clearly communicate the benefits of collaboration, and adapt its incentive offerings based on shop owners' preferences and needs.

Event effectiveness risk: limited participation in university engagement event

The engagement event targeting students and alumni at PUCP and San Marcos is a pivotal avenue for donations and industry connections. However, the risk of limited participation could impact the event's effectiveness in gathering resources and establishing connections. If attendance is low, Recidar might struggle to obtain the desired donations and establish relationships within the industry. To mitigate this risk, Recidar should implement comprehensive event promotion strategies, leverage university networks, and create engaging event content to attract participants.

Resistance to Digital Transformation

Resistance to digital transformation poses a significant risk to the successful implementation of the "Digital Transformation Readiness" enabler. This risk involves the reluctance and opposition that employees and stakeholders may exhibit when faced with the adoption of new digital technologies and processes. Such resistance can manifest as skepticism, fear of change, or concerns about job security, potentially impeding the initiative and leading to delays and decreased productivity. To mitigate this risk, comprehensive training, effective communication, and change management strategies should be employed to address concerns and emphasize the benefits of digital transformation, ensuring a smoother transition.

Resource allocation risk:

The long-term strategy involves a resource allocating risks in terms of managing the actual operations with the added workload of the new project. Even though they will have key partners that will accompany them in their operations, the added influx will need to be managed and monitored so that it does not impact the core of their key operations. Accordingly, the financial team will need to manage additional revenue streams which highlights the need for acute meticulousness in regard to balancing larger some of money. To mitigate this risk, Recidar should conduct thorough financial analyses, and continuously assess the viability of these initiatives based on evolving market dynamics.

8.4 Resources and Financial Analysis

The budget, presented in Peruvian Sol (PEN), is a product of extensive collaboration involving Recidar's team, with valuable contributions from Rodrigo. It meticulously outlines the financial needs for various phases of the action plan, encompassing Gamarra, university engagement, e-commerce development, and internal process enhancements. Regarding the e-commerce strategy miTienda, a Peruvian platform for online shops, and its yearly fee of 1,430 PEN is taken into consideration (miTienda, n.d.). The benefit of this website is the popularity among Peruvians due to its convincing payment options as well as the opportunity to decide between different plans.

The total budget, amounting to 61,894 PEN, underscores the financial commitment required to realize the action plan's objectives effectively and it places a strong emphasis on impact assessment. It seeks to measure the real-world effects of the action plan as it unfolds. This assessment focuses on key performance indicators such as increased sales, the cultivation of a culture of donations, and the realization of cost savings.

Sales projections within the budget aim to gauge the plan's effectiveness in enhancing Recidar's market presence and generating revenue through strategic collaborations and initiatives. By forecasting potential sales growth, the budget helps outline the financial

expectations tied to this crucial revenue stream. Additionally, the budget acknowledges the significance of donations and their potential to foster a culture of sharing and sustainable practices within the Gamarra community. Resources are allocated to support donation-related activities, underlining Recidar's commitment to social responsibility and environmental sustainability. Furthermore, the budget recognizes the importance of cost savings as a direct outcome of efficient internal processes. By investing in the implementation of an Enterprise Resource Planning (ERP) system, Recidar aims to optimize resource management. In order to get an estimate of costs, a closer look on InFlow, a barcode and ERP system and its monthly fee of 219 USD was taken (inFlow, 2023). This long-term cost-saving strategy ensures the plan's financial sustainability and efficient resource allocation.

Table 4

Budget Calculation

Initiatives	Activities	Budget	IMPACT IN TOTAL		
			Donations	Sales	Cost Savings
Gamarra	Tax Benefits Recidar Certification Delivery Services Marketing Services Human Resources One-for-One Promotion	40,000	20%	6%	0%
	Containers	370			
University	Event	10,000	5%	1%	0%
	Containers	370			
E-commerce	Digital Platform	1,430	10%	3%	0%
Internal	ERP	9,724	0%	0%	3%
	Total	**61,894**			

In conclusion, the implementation plan for Recidar's strategic initiatives is designed to bring their vision of a circular economy and sustainable fashion to fruition. The carefully crafted Gantt chart serves as a roadmap, providing a clear timeline and sequence for each

activity, ensuring a structured approach to execution. The recurrent university events, immediate implementation of Gamarra initiatives, and foundational steps for the e-commerce platform demonstrate a well-thought-out strategy that balances urgency and long-term vision.

The enablers identified in this chapter underscore the critical support systems in place for Recidar's success. Collaborative partnerships, effective incentive frameworks, and event organization strategies act as catalysts for the initiatives' effectiveness. However, it's essential to recognize the risks associated with these initiatives, from collaboration dependencies to resource allocation challenges. Mitigating these risks through proactive measures will be crucial for achieving the desired outcomes.

The budget outlines the financial requirements for the various phases of the action plan. It reflects collaborative efforts involving valuable insights from Recidar. Sales projections measure the plan's effectiveness in raising Recidar's market presence and revenue. It also highlights the significance of donations in fostering a culture of sharing and sustainability within the Gamarra community, with allocated resources supporting donation-related activities.

Chapter IX: Expected Outcomes

As we delve into the result of Recidar's strategic journey, it becomes vital to envision the expected outcomes of the devised action plan. To capture the plan's effectiveness and its impact on various areas of Recidar's operations, key performance indicators (KPIs) and goals were set. This chapter will provide an analysis of the anticipated achievements across diverse dimensions, providing a comprehensive view of the potential transformations that Recidar will undergo. From customer loyalty to financial resilience and sustainability milestones, it presents the outcomes that the strategic plan aspires to realize.

9.1 Key performance indicators and goals

Table 5

KPIs and Goals

Perspective	Indicator	Goal
Client	Net Promoter Score	7% (88% to 95%)
	Social Media Following	30%
	Customers Increase	10%
	Total Units Sold	10%
Financial	Gamarra Initiative sales	10%
	University Sales	1%
	E-commerce Sales	5%
	Internal Initiative Cost Savings	3%
	Current operation sales increase	15%
Internal Processes	Inventory Rotation	85%
	Waste Avoided	100 tons

The first KPI that is the most important to the presented alternative is the Net Promoter Score (NPS) increase of 7% is good because it indicates a significant improvement in customer satisfaction and loyalty. This boost suggests that more customers are becoming enthusiastic promoters, which can lead to increased referrals, customer retention, and positive word-of-mouth, ultimately benefiting the business's reputation and growth. Accordingly, a

social media engagement is highly beneficial as it signifies a substantial growth in online brand visibility and audience engagement. With the goal of reaching a 30% growth in this sector, this improvement indicates that the business is effectively reaching and connecting with a larger segment of its target audience, potentially leading to increased brand awareness, customer acquisition, and enhanced online reputation.

Furthermore, the significant rise in social media activity suggests that the company's newly aligned digital marketing strategies are effective and resonating with its online community. As for the customer increase and the total numbers of unit sold, they were both assigned a goal of 10% increase. Those measures will reflect a growing market share and expanded customer reach, which can lead to increased revenue and profitability. Furthermore, this 10% increase will indicate that the company's products or services are resonating with a broader audience, which can enhance brand recognition and stronger presence in the market.

As for the financial part for the KPIs, separating the percentage of sales increase by department will enable businesses to assess departmental performance, allocate resources effectively, promote accountability, and guide strategic decision-making. By having different assigned percentage of increase for every department, it provides valuable insights for optimizing operations and driving overall growth.

In regard to KPI for sustainability performance initiative, Waste Avoided is centered around this approach as Recidar is mainly involved in sharing circular economy practices. Recidar has always strongly marketed that they have avoided 300 tons of waste per year. With the newly and stronger operations of Recidar, a goal of 400 tons avoided has been set, pushing the green mission of the company to another level.

9.2 Expected Future Situation

Recidar's decision to implement the action plan results in a notable financial surplus. In 2023, the initial investment (CAPEX) amounts to 61,894 PEN, representing the cost of

implementation. However, beginning in 2024, the plan initiates with a negative cash flow, but the following years it gradually increases until become positive, and accumulating a surplus of 226,470 PEN by 2028. This surplus signifies a clear financial advantage gained from executing the action plan, demonstrating Recidar's capacity not only to swiftly recoup its initial investment but also to generate lasting financial value. The Payback Period of 1 year and 5 months aligns with this swift recovery. This metric indicates the time required for the plan to recoup the initial investment, highlighting the plan's financial efficiency, rapid financial recovery, and capacity for sustained financial growth. Additionally, the Net Present Value (NPV) at an interest rate of 14.03% (using Damodaran) stands at 128,849 PEN, signifying the plan's ability to generate positive financial returns, and the Internal Rate of Return (IRR) is 76%, reflecting the expected annualized return on investment.

Table 6

Cash Flow Statement

Item	2023	2024	2025	2026	2027	2028
CAPEX	-61,894					
Revenues		152,129	174,948	201,190	231,369	266,074
Selling Cost		15,998	18,398	21,158	24,331	27,981
Gross Profit		168,127	193,346	222,348	255,700	294,055
Operating Cost		-113,331	-130,331	-149,880	-172,362	-198,217
Operating Profit		54,796	63,015	72,467	83,337	95,838
Other Incomes		16,621	19,114	21,981	25,278	29,070
Other Expenses		-10,752	-12,364	-14,219	-16,352	-18,805
Net Profit	-61,894	60,665	69,765	80,230	92,264	106,104
Taxes		-17,896	-20,581	-23,668	-27,218	-31,301
Cash Flow	-61,894	42,769	49,184	56,562	65,046	74,803
Cumulative Cash Flow	-61,894	-19,125	30,059	86,621	151,667	226,470

This chapter has laid out the blueprint for measuring Recidar's transformative journey through well-defined key performance indicators (KPIs) and goals. By setting clear benchmarks in terms of customer satisfaction, market reach, financial performance, and

sustainability endeavors, Recidar embarks on a path to not just operational enhancement but also profound societal and environmental impact. As we contemplate the expected future situation, the financial projections signal a promising financial surplus and rapid payback period, underscoring the economic feasibility of the action plan. The Net Present Value (NPV) and Internal Rate of Return (IRR) further attest to the potential for enduring financial returns. Moreover, the sustainability focused KPI of "Waste Avoided" highlights Recidar's commitment to minimizing waste, reflecting the core of the circular economy.

Chapter X: Conclusions and Recommendations

As our consulting engagement with Recidar reaches its termination, this chapter synthesizes these conclusions and paves the way for a series of recommendations aimed at guiding Recidar towards a sustainable and impactful future. Furthermore, it provides an insight on the teams process during the project.

10.1 Conclusions

In the consulting process, the main conclusions revolve around the critical importance of selecting appropriate partners with the necessary expertise and resources for scaling the community betterment project and advocating for societal change effectively. This strategic partnership approach addresses the initial limitation of Recidar, particularly in launching its initiative in Gamarra. Additionally, the involvement of the 4 universities is instrumental in enabling Recidar to expand its reach and evaluate the project's feasibility comprehensively.

Furthermore, when considering long-term planning, the utilization of tools like the Gantt chart and the meticulous management of related activities emerge as essential factors. This approach ensures that the project's foundation is solid while allowing for unfoldment of the recommended initiative. This multifaceted recommendation, compounding the effects of the tax benefits, Recidar certification, delivery services, marketing support, human resources, and One-for-One promotion, has been built while keeping in mind and developing the identification of key success factors, potential outcomes, and risk assessment. Notably, the assessment reveals an intrinsic connection between these elements and the key stakeholders. Once again, this underscores the significance of selecting the right partners and maintaining a steadfast commitment to Recidar's vision, reinforcing the project's long-term sustainability and impact.

10.2 Recommendations

The main recommendation for the organization revolves around the fact of continuously monitoring the development of the project. From the key findings offered in the literature review to the evidence presented in the recommended alternative, the success of the whole project is dependent on the organization's ability to stick to its vision while being able to navigate the different changes in its external environment. Accordingly, the other key recommendation for Recidar is to continue to strive for long-term partnerships that are based on trust, as per the information that given by the company. Because these new partnerships will gain in leverage, strength, and exposure, it is primordial that Recidar keeps on nurturing sustainable relations with its partners. The whole long-term success of the proposed solution is dependent on the sense of trust that must be at the core the partnerships that Recidar will nurture.

For future students who are about to follow our steps in regard to partnering with a company for consulting projects, multiple key learnings can be taken from our own experience. From our point of view, we expected that once our implementation plan and proposed solution were finally built and continuously tailored to the desires of our client, its structure would be intact till the end of the project. On the other hand, what actually happened is that there were some fluctuations in regard to the final desires of our client, which necessitated us to actively adapt our proposed initiative. Therefore, we recommend that future students are ready to rely on a team effort, develop a proactive and quick behaviors, and finally have a solid tolerance to stress and short deadlines.

Accordingly, it is primordial to leverage the different strengths of each team member to target different portions of the building of the proposed solution. On our end, we have structured our approach to this work in conjunction with the fact that we have different educational backgrounds and personality types. Hence, we have designated the required tasks

so that everyone felt that their strengths would be put to good use while limiting the effects of our own weaknesses. Additionally, this leads to the main determinant of our success and our most important recommendation for future students. Within a functioning team, the point of view of each team member needs to be always considered and advocated for. The working relationship needs to be based on a foundation of trust, as nurturing positive conversations regarding different point of view leads to pertinent brainstorming sessions that later on lead to great ideas.

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Appendix

Figure 5

Survey

Recidar

Estamos realizando esta encuesta con la finalidad de mejorar la satisfacción de nuestro cliente. De hecho, nos sentimos muy orgullosos de asegurarnos que se atienden sus necesidades.

* Gibt eine erforderliche Frage an

1. ¿En qué sector opera su empresa? *

   Markieren Sie nur ein Oval.

   ( ) Agricultura

   ( ) Comercios electrónico

   ( ) Comercio y establecimientos

   ( ) Construcción

   ( ) Energía y medio ambiente

   ( ) Finanzas

   ( ) Logística

   ( ) Medios de comunicación y marketing

   ( ) Metalurgia y minería

   ( ) Tecnología y telecomunicaciones

   ( ) Sonstiges: _____

2. ¿La empresa o compañía se encuentra catalogada como pequeña/mediana/gran empresa?

   Markieren Sie nur ein Oval.

   ( ) pequeña

   ( ) mediana

   ( ) gran

3. ¿La empresa ha trabajado con Recidar? *

Markieren Sie nur ein Oval.

⬭ Sí   *Fahren Sie mit Frage 4 fort*

⬭ No   *Fahren Sie mit Frage 7 fort*

Sí la empresa ha trabajado con Recidar:

4. ¿Por qué eligieron Recidar?

_____

_____

_____

_____

5. ¿Qué grado de satisfacción le ha proporcionado su experiencia con Recidar?

Markieren Sie nur ein Oval

	1	2	3	4	5	
bajo	⬭	⬭	⬭	⬭	⬭	alto

6. ¿Por qué o por qué no?

_____

_____

_____

_____

Sobre Recidar

7. Describa Recidar con 3 palabras. *

_____

8. ¿De qué manera su empresa se convertiría en un cliente recurrente con Recidar? *

_____

_____

_____

_____

9. ¿Le han ofrecido a su empresa algún tipo de servicio para mejorar sus prácticas de sostenibilidad?

_____

_____

_____

_____

10. ¿Conoce el concepto de Economía Circular y sus beneficios? *

Markieren Sie nur ein Oval.

◯ Sí   *Fahren Sie mit Frage 11 fort*

◯ No   *Fahren Sie mit Frage 12 fort*

La economía circular

11. ¿Está considerando aplicar este concepto en sus operaciones?

Markieren Sie nur ein Oval.

⬭ Sí

⬭ No

Sostenibilidad

12. ¿Qué importancia tiene la sostenibilidad para su empresa? *

Markieren Sie nur ein Oval.

	1	2	3	4	5	
Nad	◯	◯	◯	◯	◯	Mucha

13. ¿Qué iniciativas tienen en marcha en relación con sus prácticas de sostenibilidad? *

_____

_____

_____

_____

_____

14. ¿Cómo su empresa asegura de que sus trabajadores estén alineados con el concepto y práctica de sostenibilidad?

_____

_____

_____

_____

_____

15. ¿De qué manera Recidar podría ayudarlos con sus prácticas de sostenibilidad? *

Google Formulare