

Asia Business Intelligence



Safia Minney

CEO and Founder, People Tree

Social Entrepreneur of the Year (UK)



Industry: Fair Trade

Location: Tokyo, London

Established: 1995 (Japan) and 2001 (UK)

Revenue 2005: ¥759 million (Japan), £869,500 (UK)

Employees: 53 (41 in Japan, 12 in UK)

URL: www.peopletree.co.uk www.globalvillage.or.jp



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Entrepreneur Taking Fair Trade Mainstream

Ethical business is hot, and it's far more than just a feel good catchphrase ripe for insertion into a glossy company Mission Statement. In fact, conducting business in an ethical and socially responsible way is reaping benefits and revenues for a growing number of environmentally conscious organizations worldwide, including some right here in Japan.

Business reporter *Jonathon Walsh* outlines in this *Asia Intel* newsletter how British entrepreneur **Safia Minney**, CEO and Founder of pioneer ecology & Fair Trade fashion brand **People Tree**, is proving that ethical treatment of suppliers can be good strategy, and boost a company's bottom line.

Social Entrepreneur of the Year

In pursuit of growth, many business people – entrepreneurs included – strive to squeeze the last drop of value out of their supply chains to maximize profits. But what if your product line and company revenues directly depend on the wellbeing of your suppliers? Doesn't it make good business sense to "treat 'em right"?

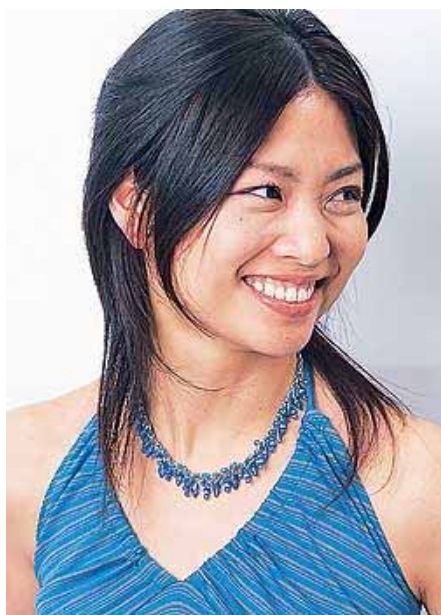
If the impressive ¥759 million in net sales People Tree earned in Japan in 2005 is anything to go by, then the answer has to be a resounding "Yes!" And, as if fate was putting its stamp of approval on Minney's potentially risky business strategy, in May 2006, the inspiring British-born businesswoman was chosen as the *Social Entrepreneur of the Year* in the Edge Upstart Awards 2006 (UK).

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Fair Trade necklace and top

Raising consumer awareness

People Tree sells fashionable eco-friendly garments and accessories to customers – typically environmentally conscious women – through a mail order catalog and a growing network of more than 600 Fair Trade wholesale customers and shops spread throughout Japan and Europe. Products are produced – many by hand – by more than 70 producer groups in 20 countries across the developing world. With 53 staff serving over 20,000 customers and members in Japan who purchase the company's environmentally friendly products, approximately 10,000 people benefit from People Tree's programs worldwide.

Taking fair trade mainstream

How was the company launched? Soon after touching down in Japan in 1990, Minney was surprised at how difficult it was to find organic or vegetarian food. This void of products she wanted to buy, coupled with her concern about environmental and poverty issues, drove her in 1995 to start her own business, called Fair Trade Company, which later adopted the name People Tree.

While the prime goal of most listed companies is to generate profit and optimize their share price, People Tree's activities provide a "social payback" that directly benefits the people behind the products.

For example, design and technical support from People Tree has enabled producers in Bangladesh to buy food and clothing, educate their children, purchase land and build houses.

People Tree has successfully demonstrated that Fair Trade is also possible in the fast-moving, highly volatile fashion and garment industry. Brand image is built as much on products being fashionable and "high street" as on their Fair Trade reputation internationally. Due in no small part to the company's product collection and catalog, the brand has been able to move out of the Fair Trade niche and appeal to the broader masses.

People Tree's investments have enabled producers in Bangladesh to buy food and clothing, educate their children, purchase land and build houses.

CORPORATE LESSONS

In the more than 15 years since People Tree first made its mark on the business landscape, Minney and her team have fine tuned the way they find customers and sell their products. *Here's how:*

FINDING CUSTOMERS: -

"Working closely with the media, we run campaigns that build awareness amongst the public. In addition, we run Fair Trade fashion shows and Fair Trade symposiums to draw attention to our products and our producer partners. We also initiated the World Fair Trade Day to showcase the movement for Fair Trade around the world."

ADVERTISING: -

"People Tree does not rely on expensive adverts in newspapers or magazines. Instead, a **team of marketing and communications professionals work with major publications** ranging from The Independent and Marie Claire, to Metro and Vogue. In addition, People Tree **establishes partnerships for cross-selling and product placement**, with well-known fashion brands such as UK fashion retailer TOPSHOP."



A shirt from People Tree's ecological range of clothing

KEY ACHIEVEMENTS

In Japan: Being the leading and most visible Fair Trade and campaigning organization.

In UK: Established itself as the pioneer ethical and Fair Trade fashion brand.

- Proving that Fair Trade and business can go together
- Proving that Fair Trade clothing can be fashionable and sexy
- Developing networks of Fair Trade organizations worldwide
- Raising consumer awareness about Fair Trade, and campaigning Fair Trade to make Fair Trade principles a norm in business

PRODUCTS & SERVICES

1. Fair Trade fashion & accessories
2. Fair Trade foods
3. Fair Trade interiors
4. Fair Trade gifts and handicrafts

Services include:

Fair Trade campaigning and initiating World Fair Trade Day

CONTACT INFORMATION

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The 3 most important lessons Minney has learned in business?

- **Trust your intuition.**
- **Have specialists cover your weaknesses**, but understand what they are doing and communicate the bigger picture to them.
- **Eat well, stay in touch with what makes you happy and positive.**

Staying true to the mission

Highlights of the business to date have been selling products into TOPSHOP, “and getting some really cool people to wear People Tree. I still get a kick out of seeing people around town wearing People Tree products,” Minney says.

“Lowlights,” she says, “have been struggling to get corporate Japan to understand Fair Trade as a tool for development, although there are a few people who understand the concept.”

Other issues have included:

- **Staying true to the mission:** “Means not selling the company to people who would want to profit from the name and good feeling people have of the company, but who would dissolve the Fair Trade principles.”
- **Cash flow:** “We have to make 50% of the payment to producers, 9 months before the products are actually sold. Cash flow has always been very important.”
- **Products:** “People Tree’s Products compete in the marketplace with products that were made without taking environmental and social costs into consideration – and that’s not fair.”

Engage a like-minded team

“When setting up a pioneering way of doing business, you need access to finance and a lot of energy,” Minney says about lessons she learned the hard way. “You need a team of like-minded people who can work with you to turn a vision into reality. We got started, and, except for finance, some amazing people have helped us to promote Fair Trade.”

From a business perspective, Minney points out some of the differences she has found between the Japanese and British work environments: “I like the Japanese business environment for the teamwork feeling, and the British environment because of the creativity. I believe it’s easier to start a business in Japan as a foreigner because you don’t see the problems and your old school friends aren’t watching.”

The impossible is possible

Most entrepreneurs possess a special ‘X-factor’ that drives them to go it alone rather than punch a time clock for someone else. What key qualities does Minney believe are crucial for entrepreneurs to run a business in Japan?

- **Have a great idea and communicate it.**
- **Have some experience in fields relevant to your business.**
- **Dream big and work hard!**

“The impossible is possible – it just takes a little more time.”

Minney’s future plans for People Tree – and her concerns

– lie with the producer. “Millions of hand weavers in India and Bangladesh, displaced by power looms, need work to earn enough to feed themselves and their families. I’d love to be able to sell more of their products, and it would be great if everyone who bought a shirt or skirt bought a Fair Trade garment. Fair Trade helps people stay in their villages so they don’t have to move to the cities and live in slums just to feed themselves. People Tree and Global Village can help empower producers by paying a fair price, giving advance credit and offering design, technical and capacity building advice. The consumer benefits by making environmentally sound and people-friendly purchases, shopping in line with their values. After all, we only have one world.”

The Fair Trade Company runs a People Tree retail store in Jiyugaoka, Tokyo. For more information, see www.peopletree.co.jp and www.globalvillage.or.jp



Teachers at a school in Nepal, funded by People Tree’s Fair Trade sales



Did you know?

▶▶▶ The World Health Organization estimates that as many as 20,000 deaths and 3 million chronic health problems are caused by poisoning related to agricultural pesticides globally each year. A further 200,000 farmers commit suicide as a result of debt caused by pesticide purchase.

▶▶▶ Worldwide, conventional cotton farming uses only about 3 percent of total farmland but consumes 25 percent of the chemical pesticides and fertilizers used globally. In India, it’s as much as 50 percent of pesticides used on as little as 5 percent of the total agricultural land.

▶▶▶ At least three of the chemicals used heavily in cotton production are in the “dirty dozen” - so dangerous that 120 countries agreed at a UNEP conference in 2001 to ban them, but so far this hasn’t happened.

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