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**Accelerators and incubators  
for start-ups with a focus on  
sustainable fashion**

The Parisian cases of La Caserne and  
Les Ateliers de Paris

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## **Introduction**

The thesis aims to analyze new kinds of accelerators and incubators, that want to promote and help sustainable fashion brands inside a new frame. The focus inevitably shifts towards analog realities: the digital aspect is less important and accelerating the sustainability of a garment becomes the main goal. The first chapter is focalizing exactly on the dicotomy between the accelerator and the incubator, underlying differences and similarities to better grasp the final scope of each of them. The literature about it is anyway not that rich since there are many different aspects that each realities can decide to bring to the project and, also, these phenomena are quite recent and only in the last decades became something really interesting to study.

The attention then shifts to an analysis of incubators and accelerators that are focusing on the current state of the fashion industry, that consider the main issues of the sector and how social and environment are by it. As it is already well known, the fashion industry is one of the most polluting: the second chapter aims to analyze and show how the industry is impacting the environemnt, the society and our daily life. The goal is to understand how a global supply chain is determinant in the current evolution of the sector, and if the concept of fashion sustainability is something that can really exist with the current reality.

The last chapter finally focus on two well-known Parisian realities: La Caserne and Les Ateliers de Paris. Being, respectively, an accelerator and an incubator, these two are perfect examples for the research of this thesis. They are new environments within which born sustainable brands can grow and develop, maintaining a strong connection to the city in which they are located and often going beyond mere economic gain as their ultimate goal. They have a particular way of brand acceleration that distinguishes itself and must distinguish itself from the more traditional methods suitable for almost purely digital realities. The consideration of the above-mentioned realities is not only about their structure and companies, but also about the role of institutions and public awarness.



## **CHAPTER 1**

### **Accelerators and Incubators: two different experiences in comparison**

#### **1.1 Introduction and Contextualization**

In this first chapter, we aim to define and give a contextualization of two different growth experiences that are getting more and more popular in the world of start-ups. Despite the apparent rapid growth of accelerators and incubators, still little is known about the benefits of these programs, how we can define their agendas, and the actual distinctions between accelerators and incubators. Furthermore, it is necessary to identify which are the outcomes of these programs and how the companies that get through these processes, find their way once out of the "bubble" in which they grow.

More specifically, this chapter aims to give a broader picture of what is the state in which accelerators and incubators grew in the last few years and how are they now changing and adapting to the current times. Then, we will see how these realities are strictly connected to the environment in which they are born and where they develop. Having said that, it is remarkable to notice how different accelerators and incubators are being created just from the perspective of the environment and the city-focus tradition that is profuse in them.

Very often, the terms incubator and accelerator are mistakenly assumed to mean the same concept, because both offer start-ups very bright opportunities to take on. In reality, these two present many deep differences that are necessary to understand why start-ups may choose one over the other. Just to give a brief introduction, while an accelerator principally aims to accelerate a company and scale it up, an incubator is more focused on innovation and finding ways to stimulate it, transforming an idea into a real business. Having said that, this chapter aims to understand how accelerators and incubators are born, why they appear in particular environments and realities and how much they changed in the last few years.

### 1.1.1 Development of Accelerators and Incubators in the years

To start this analysis, we have to go back to the 50s of the 20<sup>th</sup> Century when the opening of the "*Stanford Research Park*" in 1951, and the "*Centre of Batavia*" in 1959 in New York, marked the birth of the first incubators in the world. Despite it, we will have to wait until the 80s to have the first researchers pay attention to incubation mechanisms after these became an interesting field of study. This is the starting point to understand how from the first incubation methods, we could have evolved to the most recent ones, such as the accelerator programs, that have been introduced at the beginning of the 2000s. By going through the three macro waves of incubation models (Mian et al., 2016), we can see how incubation models have changed over time: the *First Wave* models before the 1980s, the *Second Wave* ones from the 1980s to the 1990s, and the last one, or *Third Wave*, from 2000 to 2017.

The early wave of incubator programs mainly focused on economic transformation and job development. In the United States, after this first wave, there were 11 business incubators and 20 research parks. Just to make a comparison, 160 research parks and 600 incubators have been counted in the United States, according to estimates from 2000. Early-stage, high-potential enterprises were the main focus of the first generation of incubation models. The support offered included office space and minor financial injections (Phan et al., 2005). In the 1960s, science parks were developed in Sweden and the United Kingdom.

The second wave of incubation programs provided a wider range of value-adding services, such as networking, counselling, and skill development. Research parks have evolved into mixed-use science parks with a technological incubator since the turn of the millennium. The institution occasionally shares space with businesses and residences. In the period of this new model, there are numerous incubators worldwide including more than 1,250 in the United States.

Also, initiatives to promote technology commercialization through company development were driven by worries about the United States declining industrial



competitiveness in the 1980s. Research universities created science parks and incubator programs as a result of public-private partnerships, among outcomes. Sometimes municipal or federal governments, who may offer financial support, support science parks. However, the European Union started directly sponsoring science parks in the 1990s (European Commission, 2019).

The third wave, which runs from the beginning of the new millennium until our years, saw the introduction of an innovative accelerator, resulting in the digitalization of the economy. It is exactly during this wave that we assisted in the creation of one of the best-known accelerators worldwide: the Massachusetts-based *Y Combinator*, established in 2005.

As of today, the global population of incubators cannot be accurately counted due to definitional differences. The most recent data on currently running programs can be found on the websites of national and local professional groups for incubators. There are more or less 7,000 incubator programs globally, with technology being the focus of more than one-third of them (INBIA, 2015).

### **1.1.2 Review of the incubation model evolution**

More recent studies identify a dynamic evolution in the incubator model, underlying how this is linked with the needs of the time, and in response to the shifting demands of participating businesses. Incubation models modify their value proposition to accommodate the changing requirements of participating companies (Bruneel et al., 2012).

Incubation research has placed a lot of emphasis on describing various incubation mechanisms and models (Barbero et al., 2014). For instance, the literature on academic entrepreneurship focuses on how universities foster spin-offs into profitable start-ups through internal strategies like technology transfer offices, scientific parks, and incubation infrastructure (Clarysse et al., 2005). It is not a

casualty in fact that many of the most affirmed universities bring on programs that aims to gather the best ideas of their students, furthermore, to incubate them and help them to grow.

Universities are not the only entities that push this kind of method. Important businesses create in-house incubation facilities to help new start-ups as a way to source new and original ideas. (Grimaldi and Grandi, 2005) Let's take for example BMW, which created the "*BMW Accelerator*" in Garching, Bavaria. Through this program, they aim to support ideas from BMW entrepreneurs from all around the world and speed up the transformation into valuable customer-centred mobility businesses. (BMW Website, 2022)

The model of the incubator is also well-known in the public sector for promoting local economic development (Smilor & Gill, 1986) and with the involvement of investors, incubation through rent-seeking has developed into a separate industry in the private sector as a strategy to increase the transaction flow of their portfolio (Miller and Bound, 2011).

Furthermore, different incubation models lead to a multiplicity of definitions and typologies, based on several distinctive properties. The distinction between for-profit and non-profit incubation models is the most basic classification (Aernoudt, 2004). Beyond this fundamental binary, research offered further categories based on strategic goals, service offerings, competitive focus, industry sector, type of start-up, etc.

To study these different models and their evolution, we can make use of a framework identified in the last years. (Zott and Amit, 2010). This idea of research links to the concept of an organization's activity system, which refers to a collection of interconnected organizational activities carried out by the focal organization and its partners. It, therefore, proposes two groups of design criteria, design components and design themes, that should be taken into account when selecting the best "model" or "template" for the activity system.

The main components of the activity system's model, which distinguish it from other models, are called design elements. These classify various models of activity systems, and because the framework offers a conceptual toolkit for identifying and evaluating the major components and themes of a new generation incubation model, the activity system design viewpoint can be used to both show the heterogeneity within the new model, such by identifying the key themes distinguishing various types within the new generation model, but also is useful to separate the new model from earlier prototypes by highlighting the model's essential components. As a result, it offers a set framework for incubation researchers to regularly monitor and evaluate the evolution of incubation models. (Pauwels et al., 2016)

### **1.1.3 Incubators and Accelerators linked to their environment**

Important to the analysis of this research is taking into consideration that accelerators and incubators do not simply take action in random areas or cities, but a deeper link has been demonstrated to exist. If a start-up is connected to a specific industry, or a specific production site, it may be better off in one of its closest centres. A start-up working in the entertainment field would probably be in Los Angeles or NY for example. It is important to remember that the capacity of moving for start-ups is really low at the beginning and would especially be extremely expensive to do so (Swinney, Cachon, & Netessine, 2011).

First, we have to keep in mind that the activity of an incubator goes beyond the simple actions that take actions inside of it. It can also be defined as an activity system that is strongly determined by the actions taken with outside environments and actors, such as contractors, customers, shareholders, and so on (Zott & Amit 2010). Incubators and venture capitalists have recently been employed as policy tools for regional development, particularly in the promotion of innovation and the commercialization of research (Dee et al. 2011). On the other hand, it is important to notice that simply copying excellent examples of incubator systems, such as many are present in Silicon Valley, would not guarantee the same result if this is applied

in a different region or area. Incubators, and in particular the start-ups that are part of it, are usually highly specialized in one sector and always connected to a specific market. Furthermore, markets are also frequently centralized: even now, when traders may be anywhere, they concentrate in a small number of cities.

An interesting case is an Agri-tech sector in Israel. For the country, the Eastern Galilee region has recently emerged as an economic hub of excellence and innovation in the sectors of cutting-edge food technology and intelligent agriculture. In addition to having the best researchers and research infrastructures in the fields of food and agriculture, the region is rich in advanced agriculture. It also has a top-notch academy that educates the next generation of researchers and regional leaders who view food tech as a major driver of regional growth. Together, they have developed a distinctive environment that draws entrepreneurs, firms, and corporations. With the state's significant support for government decisions, a value chain has recently developed in the area. It now offers dozens of start-ups in the field a solution for concept development, the research process, prototype development, and initial production through several projects managed by various ecosystem players.

Numerous businesses that have relocated to and thrived in Eastern Galilee over the past few years are proof positive of the results. Many businesses are already in the advanced stages of creation and research, and some have obtained substantial sums of money to keep expanding. The outcomes are also clear in international partnerships, which are reflected in the increasing interest of investment organizations and research into these areas of newly emerging development in the region. Two protagonists in this growth are The Kitchen, a food-tech start-up incubator founded in 2017, and Trendlines, an accelerator focusing on agri-food technologies and MedTech.

Another example can be identified in the fashion sector. As known, few cities in the world have characterized themselves in the past years as being the centre of the

fashion industry. These hubs, such as Milan, Paris, and New York, have tightened their link with fashion thanks to the many companies and ateliers established on their territory.

It is not a surprise then that, exactly in these cities, are located some of the most relevant and known incubators and accelerators for fashion start-ups. In Milan for example we have the Fashion Technology Accelerator, founded in 2012, that so far helped more than 30 start-ups succeed, raising over seven million euros in terms of funds. In New York remarkable is the work of the Fashion Tech Lab also thanks to the support of many iconic American brands, and two of the main fashion groups of the world, Richemont and LVMH. Finally in Paris, we have two excellent examples of these realities and how they are linked to the social and economic tissue of the city: the accelerator La Caserne, and the incubator, Les Ateliers de Paris. Both will be deeper reviewed in the next chapters.

Their realities can justify their existence exactly because they are located in these cities, and fit in an environment that is perfectly suiting their core actions and scope. But not only the right positioning is the key to making an incubator work. An ecosystem for entrepreneurship or innovation cannot be produced solely by venture capital funds or company incubators. These realities need to collaborate with a wide range of other actors, including research organizations, universities, industry experts, grant-makers, angel investors, and many more, to be successful. So, it might take time for incubators to integrate into the local business environment, even if they are located exactly in the region of their competence (Hackett & Dilts 2014).

Furthermore, incubators and accelerators in places that were not traditionally strongholds of technology entrepreneurship tend to cite economic development objectives for their founding, whereas those in entrepreneurial hubs cite founding objectives like return-on-investment capital. Also, has been demonstrated that usually, founders of accelerators in comparatively less developed ecosystems are typically locals: they are significantly more likely to have gone to a nearby high

school than founders of accelerators in conventional entrepreneurial hubs, who frequently have migrated from afar, probably in search of economic opportunities. (Fehder & Hochberg, 2017)

## 1.2 How does an incubator work?

After this brief introduction and contextualization, it is necessary to illustrate from a more specific academic point of view, what exactly are the two main subjects of this thesis: the incubator and the accelerator. We will start with the first one.

In the years, many definitions have been part of the literature to describe an incubator and what is its main scope. The International Business Incubation Association (InBIA), defines an incubator in this way:

*"[...] Incubators offer programs to member companies that typically include mentoring, education/training, and informal learning opportunities. Incubators also host events to provide networking and learning opportunities for both member companies and the local community. Member companies are usually required to apply to ensure they meet the incubator's criteria or mission (industry, stage of company, founder demographics, etc.). Incubators usually have graduation policies that are typically based on the achievement of agreed-upon milestones, growth metrics or time-based stipulations. [...]"*

Instead, the US Chamber of Commerce prefers:

*"A start-up incubator is a collaborative program for start-up companies — usually physically located in one central workspace — designed to help start-ups in their infancy succeed by providing workspace, seed funding, mentoring and training."*

Both these two main and universal definitions are the result of what the literature has for many years elaborated, going from the first definition by Allen in 1985, to the most recent one by Mian in 2016. Therefore, all the definitions seem to have in

common four main elements that cannot be ignored when describing this reality (Bergek & Norrman, 2008):

1. Shared office space that start-ups can usually rent with advantageous terms.
2. A series of services that aim to cut down part of their overhead costs.
3. Expert business assistance or help is frequently referred to as "coaching."
4. Internal and external opportunities to enlarge their network.

Indeed, under the only term "incubator" we have today a diversified series of incubators, that can be divided according to their scope or objective. .

Typology of business incubators				
	Main philosophy: dealing with	Main Objective	Secondary	Sectors involved
Mixed incubators	Business gap	Create start-ups	Employment creation	All sectors
Economic development incubators	Regional or local disparity gap	Regional development	Business creation	All sectors
Technology incubators	Entrepreneurial gap	Create entrepreneurship	stimulate innovation, technology Start-ups and graduates	Focus on technology, recently targeted, e.g. IT, speech-, biotechnology
Social incubators	Social gap	Integration of social categories	Employment creation	Non profit sector
Basic research incubators	Discovery gap	Bleu-Sky research	Spin-offs	High tech

Table 1 – Different types of incubators

Besides the more classic incubator types, it is remarkable to notice two more recent kinds: the Social and the Basic Research one (Tab. 1). The first one has a mission to encourage and promote the expansion, growth, and of businesses that aims to introduce a positive social impact. This incubator will provide start-ups or young enterprises with business development services, support, lodging, and logistical assistance. The second one is a basic research incubator that aims to close the

discovery gap by connecting fundamental research and the incubation principle. (Aernoudt, 2004).

### 1.2.1 Analysis of the different frameworks

The incubator's framework has been under the review of many experts and the literature is proof of how the view of it changed over the years. One of the first analyses concerning this model is from Campbell and is dated 1985: it is the first that shows a relation between the incubator composition and the reflected result on the incubatees (Figure 1).

**Campbell, Kendrick & Samuelson's incubation model (1985)**

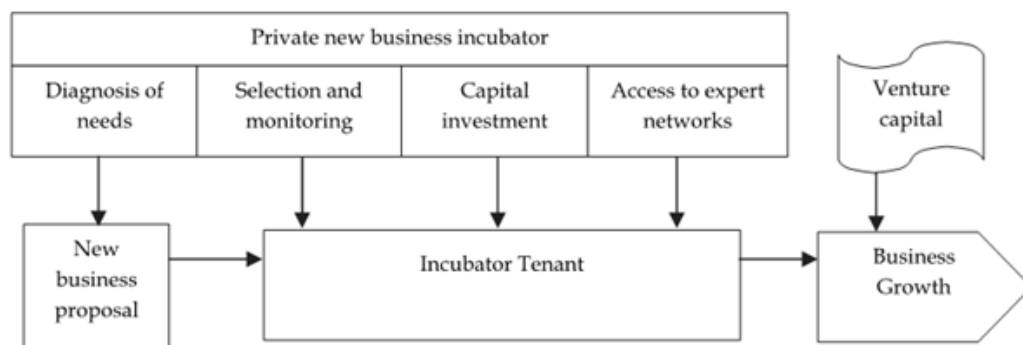


Figure 1 - Campbell et al. Incubation Model, 1985

From this model, which got criticized for missing some important points such as the link with the external environment, or for not deeply analysing the incubation process, we quickly had an evolution in Smilor's model of 1987 (Figure 2).



### Smilor's incubation model (1987)

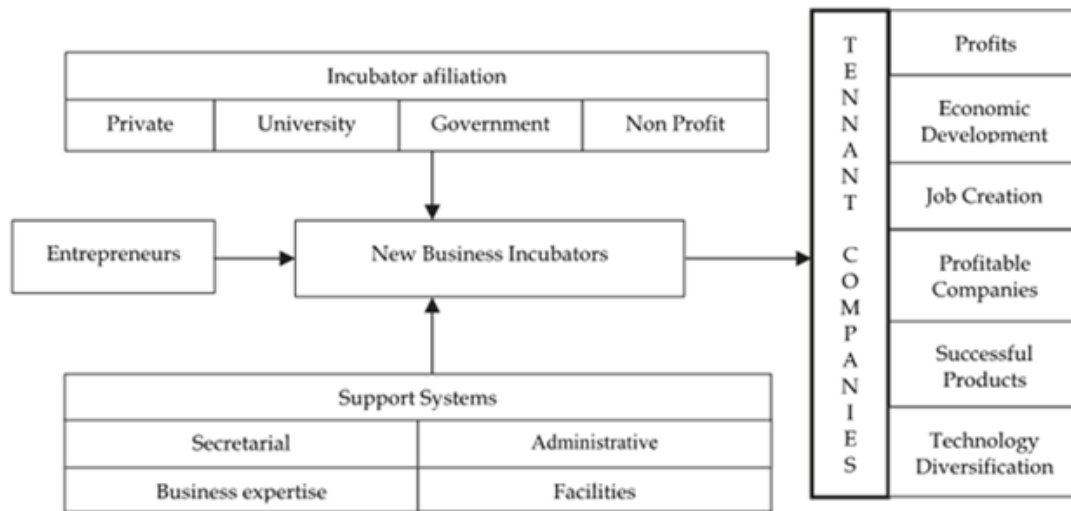


Figure 2 – Smilor’s Incubation Model, 1987

In his model, the emphasis is on considering the incubator as a complex system made of different building blocks, in the figure called "support systems" and trying to identify the different components of the business incubation process. This particular model has been created and proposed taking into consideration typical innovation-based entrepreneurs (which is not always the case).

Important to consider finally, is the model created by Hackett and Dilts’ research, published in 2004, and considered today as one of the most complete models that can be used to describe the framework of an incubator (Figure 3). In fact, they create a model that considers an incubator as the instrument to operationalize a community strategy to guarantee and help the survival of new ventures. And in fact, they report:

*“an incubator is an enabling technology, rather than a critical or a strategic technology. The mere existence of enabling technology such as a business incubator does not, in and of itself, necessarily translate into the development of critical and strategic technologies embedded in the products and/or services of innovative new firms; a lack of inputs such as capable entrepreneurs and/or critical or strategic*

*technologies for commercialization might go a long way toward explaining why many incubators perform so poorly". (Hackett & Dilt, 2014)*

This is another confirmation of what also many other research and pieces of literature as highlighted. The mere process of incubation or acceleration will not automatically guarantee the start-ups a successful result and future. Realities such as incubators and accelerators have the task to help and support ventures in this process, but they cannot guarantee how these will perform after graduation day.

### Hackett & Dilts Business Incubator Model - Logic (2004)

Antecedents	Inputs	Activities	Outputs	Initial Outcomes	Intermediate Outcomes	Long-Term Outcomes
Pre-venture Initiation Activities	Entrepreneurs	<b>Incubation:</b> New venture Development + New Product Development + Selection + Monitoring & Business Assistance + Resource Munificence		Incubatee is surviving & growing profitably.		Increased Organization Population Churn
Community Support for Entrepreneurship	Enabling Technologies / Innovations (including Incubator)		Incubated Companies	Incubatee is surviving and growing but not yet profitable.	Viable/Becoming Viable Companies	
Exogenous Conduct of Basic Research	Critical Technologies / Innovations			Incubatee is surviving but not growing and not profitable/marginally profitable.	Dead/Dying Companies	
Events Increasing Individual Entrepreneurial Orientation	Strategic Technologies / Innovations			Incubatee operations terminated while still in the incubator; losses minimized.		
Incubator Feasibility Study				Incubatee operations terminated while still in the incubator; large losses.		

Figure 3 – Hackett & Dilts Business Incubator Model, 2004

### **1.2.2 Selection and Length of the incubation process**

The selection process is one of the most important moments for the incubator since it is going to put the basis for an analysis of resource allocation and future perspective for both the incubator and the incubatee. It is a process that requires attention since it can be considered research of what is considered promising and can be helped: this can happen only through a deep study of the reference market and the process for a new venture formation (Lumpkin et al., 1988).

Not all the incubators anyway decide to apply the same criteria for the selection process. In general, we can identify two main approaches to take the decision:

1. Selection focused on the idea. To assess an idea's practicality, that is the product, the market, and the profit potential associated with the combination of these factors, the person in charge of evaluating it must have access to in-depth knowledge of relevant technological domains.
2. Selection focused on the entrepreneur or the team. If this approach is chosen instead, both personality judgment skills and familiarity with more basic company development criteria are needed, to assess the experience, talents, traits, and motivations of the entrepreneurs. (Bergek & Norrman, 2008).

Furthermore, the selection process can be deeper analysed considering the models of spinout activities (Clarysse et al., 2005). On one hand, we have the "picking-the-winners" approach and on the other the "survival-of-the-fittest" one. The first one aims to identify from the beginning which ventures could be successful in the market and which would probably not make it. The second one instead relies on the power of the markets of dividing winners and losers over time.

Combining the analysis strategies reported above we can obtain four different strategies of selection, that can provide a more precise way of building the incubator portfolio:

- Survival-of-the-fittest idea: quite a large number of idea owners (or upcoming entrepreneurs) with ideas at a very early stage, all related to a wide number of fields.
- Survival-of-the-fittest and entrepreneur: diversified portfolio with teams with strong driving forces representing a broad set of start-ups.
- Picking-the-winners and idea: very niche results inside a quite narrow technological area. This is common for start-ups that come from the research of universities.
- Picking-the-winners and entrepreneur: the result is a few carefully chosen entrepreneurs, usually with ideas linked to their research areas.

For what concerns the duration of the incubation process, different research on incubators shows that companies graduate from incubators approximately one to five years after they begin. This depends on the type of approach the incubators initially installed with the start-up.

### **1.2.3 Efficiency measures for the outcomes**

When it comes to measuring the outcomes of the incubation process, it always links the problem to one of the most known economic dilemmas. Should it be evaluated for effectiveness or efficiency? Is it more important that the path of the start-up has been rightly done, or whether the path has been done properly, giving some proper outcomes?

When considering the "performance" in an evaluation, literature typically refers to how well activity or plan achieves its goals. Furthermore, it is necessary to link an activity's outcome to its predetermined goals, in addition to simply measuring what is the activity's outcome (Storey, 2000). To sum up, to identify the best practice to

evaluate the efficiency of the incubator, it is necessary to go through different models present in the literature and define how well they achieved their objectives (see Figure 4)..

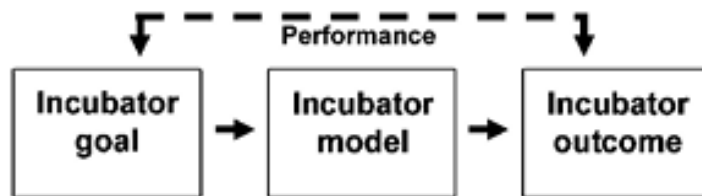


Figure 4 – Evaluation Model, Bergek & Norrman, 2008

Different research has gone through the use of different criteria for their evaluation, going from occupancy, employment produced, and businesses graduating. Going then to use such as tenant revenues, number of patent applications per firm, and number of abandoned firms.

Mian (1997) presented perhaps the most comprehensive list, including all the possible components that could influence performance outcomes. Here are the main categories identified by his research, both for the ventures, and the accelerator considered:

- Program Growth and Sustainability
  - Tenant Firm' Survival and Growth
  - Contribution to Sponsoring University's Mission
  - Community-related Impacts
  - Goals, Structure and Governance
  - Financing and Capitalization
  - Operational Policies
  - Target Markets
- } Start-up Components for performance outcomes
- } Accelerator Components for performance outcomes

Most of the criteria discussed above have their applications and are beneficial if applied in the correct environment: they must be chosen with care based on the goals of the incubators we are focusing on. Incubators may have numerous goals and

greatly complicate matters, and this is also because incubators may have different stakeholders with diverse interests. It might be claimed that the incubator's goal is immaterial and that the outcome in terms of financial results is thus a sufficient metric. Policymakers interested in job creation, for example, would probably be content with identifying the incubators that provide the greatest number of employments, regardless of whether this is the incubators' purpose or not. However, as previously stated, result descriptions are of limited use in finding best practices.

### **1.3 Introduction to accelerators**

An accelerator is a business that, for a brief period, offers education and mentoring to cohorts of new enterprises to accelerate the establishment of new businesses (Cohen and Hochberg, 2014). Although the accelerator model offers intangible services, like networking and mentorship, it also has some unique characteristics that make it different from other incubation models (Isabelle, 2013). Another definition from the literature, that aims to summarize all the main features that an accelerator can have, in its different setups, is:

*“A fixed-term, cohort-based program for start-ups, including mentorship and/or educational components, that culminates in a graduation event.”* (Cohen et al., 2019)

Many accelerator programs were initially very open to accommodating different kinds of start-ups, allowing in entrepreneurs whose businesses catered to a range of distinct industrial sectors. Today, accelerator programs have developed to include industry-specific programs, such as *Surge* (Houston, TX), which concentrates on accelerating energy start-ups, or *Healthbox* (Chicago and Boston), which focuses on accelerating healthcare-related start-ups. Others specialize in a variety of different ways, such as limiting applicants to those connected to a specific community or utilizing or complementing the goods of a specific company. (Cohen, 2014).

Despite everything, the literature reports some common points that recur in most of these types of realities:

1. They are not primarily made to offer material resources or administrative help over an extended length of time, but some realities can do so, especially thanks to external support and sponsor of companies.
2. They frequently provide pre-seed funding, typically in return for equity.
3. They are more connected to business angels and small-scale independent investors than venture capitalists. Their main concentration is on early-stage start-ups, where the costs of experimenting have decreased dramatically over the years, as opposed to capital-intensive start-ups, including technology-focused spin-offs from universities.
4. The accelerator model emphasizes business development and attempts to transform start-ups into enterprises that are ready for investment by providing intense business training. Along with encouraging peer-to-peer surroundings and entrepreneurial culture, networking events and mentoring sessions are available (Christiansen, 2009).
5. The accelerator models focus on time-limited support, often a period of 3 to 6 months. Fundamentals are also rigorous interactions, monitoring, and instruction to promote quick success. On some occasions, post-program networking support is offered.

All these features, and different analyses, take to the conclusion that the accelerator model may be a new generation of incubation model. (Wise and Valliere, 2014).

### 1.3.1 Accelerators comparison with incubators

From a general perspective, incubators aim to help ventures, chosen after meeting determined criteria of a selection process, to grow in a sort of safe space and receive mentoring and coaching programs. On the other hand, accelerators mainly focus on speeding up and scaling the market interactions, to make the best of the idea of the start-ups. This main comparison can be further disaggregated into the analysis of a few pillars, that mark in an evident way, the main differences at the base of these programs (Table 2).

	<b>Accelerator</b>	<b>Incubator</b>
<b>Duration</b>	3 – 6 months	1 – 5 years
<b>Cohorts</b>	Yes	No
<b>Funds and Invests</b>	Investment – mostly privately owned	Rent – mostly publicly hold
<b>Selection Frequency</b>	High, cyclical classes	Non-competitive
<b>Training and Coaching</b>	Broader and training programs in many business areas.	More ad hoc education and more administrative aspects supported.
<b>Mentorship</b>	Intense, high one-to-one between market experts, entrepreneurs, and the venture.	Minimal kind of mentorship, less personalized and less intense.

Table 2 – Summary of the differences between Accelerator and Incubator.

Elaboration from *Accelerating Startups: The Seed Accelerator Phenomenon*, Cohen, 2014.

#### - Duration

The feature that best identifies accelerator programs is their short lifespan, which is typically a period that goes from three to six months, depending on the type of



accelerator. On the other side, incubators, accommodate businesses that might graduate from them anywhere between one and five years. The co-dependency between the ventures and accelerators is reduced by set timetables and stringent graduation dates, which also require ventures to deal with the market's reaction after the period of incubation. It is important to keep in mind that participating in an accelerator program, does not necessarily keep the business alive after.

- Cohorts

Acceleration programs, unlike the incubation processes, are cohort oriented. A cohort is defined as "*small starting teams with ideas developed elsewhere*" (Get2Growth, 2016). Cohorts have a fixed graduation date when they may present to possible investors, which is tied into the time element of the accelerator program. The start-ups graduate as a class and move out of the programs to make room for the following new cohort of businesses.

- Funds and Invests

Numerous accelerators are privately held. Contrarily, incubators are typically publicly owned. (Hackett and Dilts, 2014). As a result, accelerator directors frequently have incentives that are more closely aligned with the businesses. Additionally, there are a few cases of accelerator founders that have previous experience as business owners or angel investors: they have the first-hand knowledge necessary to help start-ups with a variety of activities, from client development to fundraising.

- Training and Coaching

Accelerators provide training programs in many different business areas, giving the venture a complete and wider formation on different topics that can go from marketing basis to finance. Incubators, on the other side, tend instead to provide more administrative assistance to incubatees (Hackett & Dilts 2014).

- Mentorship and Network Development

Dedicated mentors and one-on-one support are often provided by accelerators throughout the duration of the program. These mentors are often successful founders, entrepreneurs, venture capitalists, angel investors, and others with start-up industry knowledge. Incubators instead, frequently provide more informal coaching and they do not normally give such individualized coaching. Instead, there may be specialists who visit at specific times, have open office hours or present special events. Because many of the same organizations provide both start-up incubators and accelerators, their mentors may overlap. The only distinction is the amount of customized coaching provided to entrepreneurs.

Furthermore, common to most accelerators, there have been found some design elements that are characteristics of this reality. The design elements aim to capture those key features useful to describe the activity system's architecture (Zott and Amit, 2010). Figure 5 under there can help to summarize them.

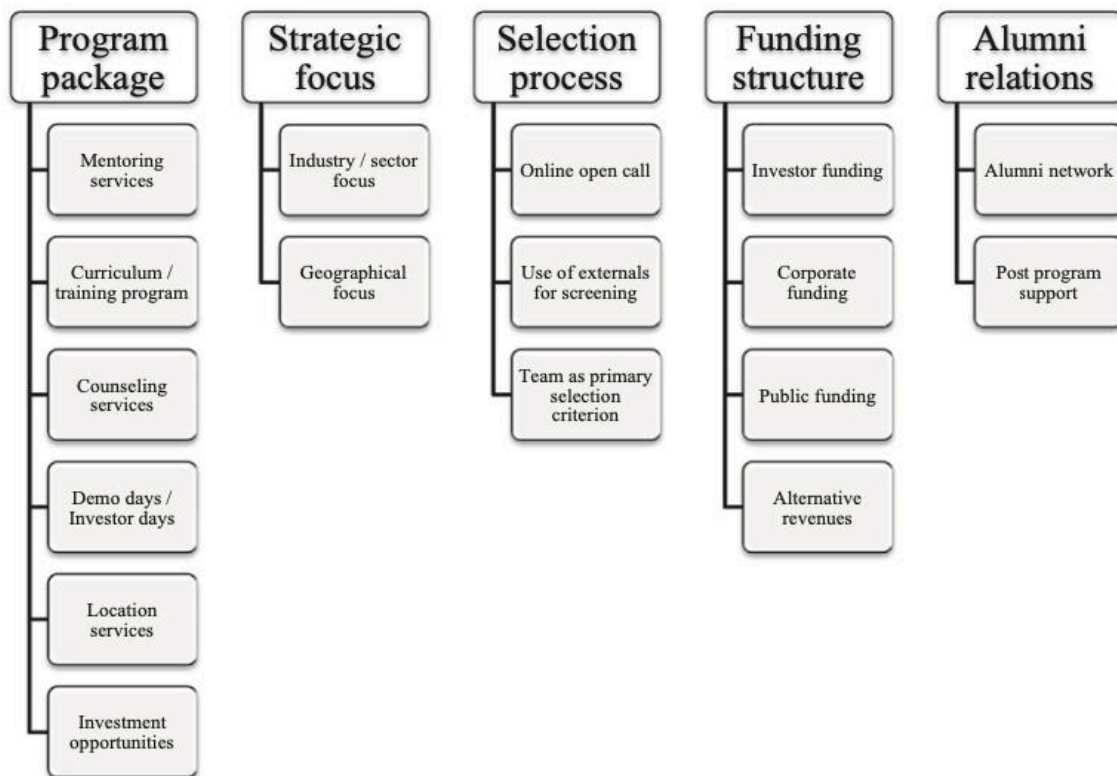


Figure 5 – Key Design Elements for Accelerators, Pauwels et. Al, 2016

Let's go through them one by one to understand what stands behind the organization of an accelerator.

- Program Package

This element concern all these services that the accelerator offers to the ventures to support them for the duration of the whole program. In the specific, mentors are usually well-affirmed entrepreneurs, as cited also in the previous paragraph. A well-structured program of training and mentoring is one of the characteristics that differentiate the accelerators from the previous models: in this case, covers many different business areas. The companies in the accelerators also can get in direct touch with their investors and clients thanks to demo and investor days, offering them important occasions for creating fundamental networking. Finally, investment opportunities are something that recurs in most accelerators, but not in all: the companies get offered a small amount of funding in exchange for equity.

- Strategy Focus

This point regards all the strategic choices that an accelerator decides to take in terms of industry, sector, and geographical localization of its services. For example, La Caserne focuses on the sustainable fashion sector, localizing its services for its portfolio in the city of Paris, acting in this way at a local level.

- Selection Process

The selection process is very based on an open call for a determined period, followed by a screening process. Usually, this process is involved a huge number of stakeholders that have the task to understand if a candidate is good or not. Usually, teams are preferred, and single entrepreneurs accepted is a very rare occasion. It also happens that the accelerators themselves propose some extra components, such as a CTO, to the team.

- Funding Structure

Most accelerator programs receive their funds from shareholders that can be either private investors, companies, or public realities (such as municipalities).

- Alumni Relations

It is common for many accelerators to keep a strong link with the ventures that graduate from their acceleration program, also inviting them to share their experiences and their path with the new cohorts of companies. In some rare occasions, the accelerator continues to offer services to the ventures also after the end of their acceleration process.

### **1.3.2 Efficiency measures for the outcomes**

Each accelerator uses a different set of tools to work, and this can make the analysis of the outcomes a bit different, making it more difficult to generate a unique image.

An incubator, for example, could be evaluated based on the number of new businesses that start and stay in the area, but an accelerator could be evaluated based on the speed with which a new business is purchased after the program. To assess the efficacy of accelerators, we need to understand which measures will help determine the success of accelerators, and which ones will be used to determine how accelerator success differs depending on the type of accelerator.

Looking at Table 3, in the short period, measures such as the startup's post-program status (e.g., operating or closed) are critical for monitoring performance. A business needs to raise 500,000 dollars or more in funding to be considered successful. Long-period success metrics should include the startup's growth, as measured by indicators such as sales and investor rate of return.

Accelerators can be also measured by the acceptance rate and frequency with which graduate businesses are purchased. Baird et al. (2013) recommend that accelerators review their internal rate of return and sources of funding in the long run.

<b>Time Range</b>	<b>Accelerator Metrics for evaluation</b>	<b>Start-up Metrics for evaluation</b>
<b><i>Short Period</i></b>	Number of applicants Number of participants (cohort size) Number of investors at demo day Percentage receiving funding Percentage purchased Percentage failed	Operational status Financial investments Number of investors Size of financial investments Number of customers gained
<b><i>Long Period</i></b>	Sources of funding Performance distribution Internal rate of return Network metrics (partnerships, etc.)	Sales or revenue Number of employees Rate of return to investors

Table 3 – Evaluation Metrics for Accelerator and Startup, Voisey et al. 2006

When considering the short period, we mean the program duration plus the other six months. For the long period instead, we consider a much longer period of cash-out in a period between 3 and 7 years. Also, the metrics for the evaluation in the long period can refer to cohorts or portfolios in general, depending on the internal structure and the selection process that the accelerator decides to adopt.

One limitation of these metrics is that they cannot take into consideration the possibility of "successful failure." With this we are considering all these startups that may only endure a few months, but yet, if they demonstrate that their idea is unviable, they can save resources for future ventures. This occurrence is not represented in the current KPIs, but the accelerator and startup may view such a scenario as valuable. From the accelerator's point of view, it assisted the startup and

investors in avoiding an unproductive path. Instead, from the startups' point of view, the accelerator assisted in identifying areas of weakness that may have resulted in a failing venture with potentially hard financial problems.

There is a significant overlap between the measures given for evaluating incubators and those offered for accelerators (Dempwolf et al., 2014). To evaluate accelerator performance, especially in comparison to other similar organizations, the evaluation design must take program features into account. A few of the characteristics of an accelerator, that could change its success, or the level of success, can be how intensive the mentoring and business skills training has been, the effective duration of the program, the relationships to investors that have been created, or simply the industry or market a startup is focusing in.

Finally, due to the high level of industry secrecy, there is currently limited public data accessible to evaluate accelerators and their startups. Compiling statistics on startup survival and success generally lacks consistency and external verification. Although government and business data sources may provide the required consistency and authenticity, accelerator participants are not easily identified. Similarly, there is no credible, consolidated source of statistics on accelerator programs (e.g., number of graduates and number of firms that receive a later round of investment following the program), however entrepreneur and accelerator industry organisations give some centralized data. More emphasis should be focused on gathering data on accelerator performance and economic impact to determine if they are more, less, or equally effective as other business development groups. If data gathering cannot be coordinated around a standard definition, it should be done by established methodology so that disparate sources can be reconciled (Cohen and Hochberg, 2014).

### 1.3.3 Presence of accelerators at the current time

By looking at the number of accelerators that are launched each year since 2005, when the first accelerator program, Y Combinator, was founded. Figure 6 displays the distribution of founding years for US accelerator programs. The period with the greatest increase in the number of accelerators was 2011 – 2013: these years coincided with the start of the United States recovery from the recession caused by the 2008 financial crisis. Thanks to the beginning of a recovery period, both investors and local governments had more resources available to try to grow new ambitions. For example, the accelerator MassChallenge, founded in 2010, obtained a grant from the Massachusetts government expressly to achieve regional employment growth to restore the situation that the recession caused.

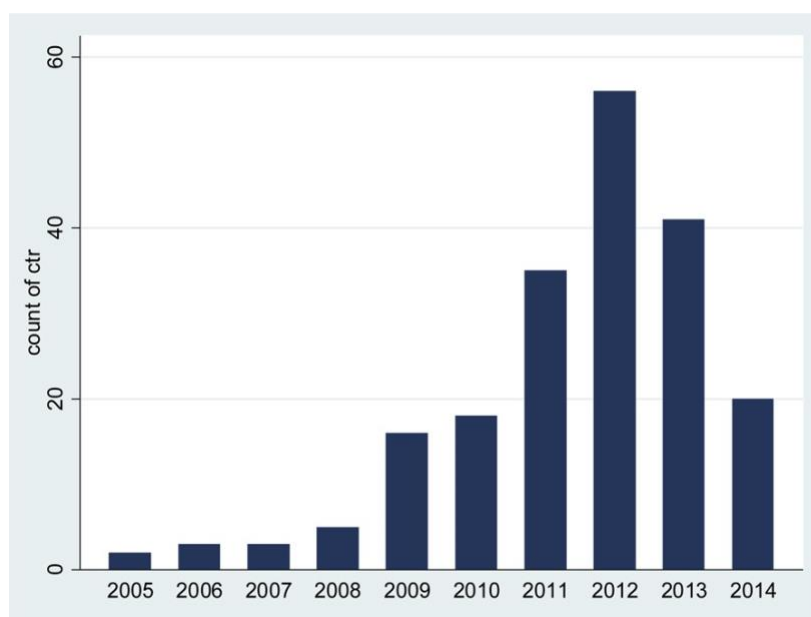


Figure 6 – Number of accelerators in the US between 2005 and 2014

On the Europe side instead, we have the birth of the first accelerator in 2007, in London: SeedCamp. The startups joining this acceleration program are between the UK and the US. To have a better view of the recent situation, A. Gopak published 2018 the list of the best programs for startup acceleration in Europe. Here in Table 4, are reported are the first best twenty. Among all the countries, there's a

predominance of the United Kingdom, France, Denmark, Germany, Ireland, Estonia, Italy, Lithuania, and Portugal. Investments in startups range from 0€ (in the case of accelerators that only offer mentor support, coaching, and access to investors or clients) up to 500,000€.

According to researchers, European accelerators are distinguished by a mix of private and governmental support. In 2017, almost 27% of European accelerators reported mixed or 100% public funding (Venionaire Capital, 2017).

### Top 20 Accelerators in Europe as for 2018

Programme	Location	Investment	Duration
<i>33entrepreneurs</i>	Bordeaux, France	15,000€	Tailored schedule
<i>Accelerance</i>	Copenhagen, Denmark	Mentoring, coaching & access to investors	6-8 months
<i>Axel Springer Plug and Play</i>	Berlin, Germany	25,000€ for 5% equity	3 months
<i>Barclays Accelerator</i>	London, UK	120,000\$	13 weeks
<i>Bethnal Green Ventures</i>	London, UK	£20,000 for 6% equity	3 months
<i>DCU Ryan Academy</i>	Dublin, Ireland	Mentoring, coaching & access to clients	10-12 weeks
<i>Distil Ventures</i>	London, UK	£150,000	6 months
<i>Emerge Education</i>	London, UK	£40,000 - £100,000	Unlimited
<i>Entrepreneur First</i>	London, UK	£ 15,000 + monthly allowance for 8% equity	6 months
<i>GameFounders</i>	Tallinn, Estonia	\$25,000	3 months



<i>The Birdhouse</i>	Gent & Antwerp, Belgium	Mentoring, coaching & access to investors	6 months
<i>Lisbon Challenge</i>	Lisbon, Portugal	10,000€ for 1.5% equity	10 weeks
<i>Rebelbio</i>	Cork, Ireland	\$250,000	2 months
<i>MassChallenge</i>	Switzerland	Mentoring & Coaching	4 months
<i>Microsoft Accelerator</i>	Berlin, Germany	Mentoring & Coaching	Up to 6 months
<i>NDRC LaunchPad</i>	Dublin, Ireland	Up to €100,000	12 to 24 weeks
<i>Nextstars</i>	Paris, France	10,000€	4 months
<i>PANDO Ventures</i>	Frankfurt, Germany	Mentoring, coaching & access to investors	12 weeks
<i>ProSiebenSat.1 Accelerator</i>	Berlin, Germany	Up to 225,000€	3 months

Table 4 – Top 20 EU accelerators, Gopak, 2018

The table clearly shows that London, in the United Kingdom, is nowadays one of the biggest hubs for startups and new growth ventures. The English city has 5 accelerators among the top 20, and 2 of them, both privately owned, are also in the top five. Interesting is also the presence of Ireland, which results in a very interesting hotspot for accelerators thanks to the very favorable taxation model that permits the youngest and less rich enterprises to survive. There, the taxation on R&D can be applied proportionately to the level of R&D carried out: so, the more R&D activities take place in Ireland, the more income will be qualified to be taxed at the lower rate of 6.25%. (IDA Ireland, 2016).

#### **1.4 The today's' impact of these realities**

After having introduced these realities it is necessary to understand if they are actually working or not, if the companies that participate in their programs can see any difference and what is the impact of these realities.

According to the data from the International Business Innovation Association (INBIA), "there is a significant increase in the rate of success for businesses if they start out in incubators." In the specific, almost 87% of enterprises that were supported in a business incubator survive after five years. In contrast, 44% of businesses that operate independently without the backing of an incubator survive. As stated above, business incubators have a significant and broad-reaching impact on society. They are essential in promoting diversity and inclusion, creativity, economic growth, and early-stage startup companies' access to funding. Incubators' sustained success will be extremely important in determining how entrepreneurship and innovation will develop in the next years.

Anyway, in case or not an accelerator or incubators actually work, depends on the particular objectives, and demands of each incubator and the firms it supports. However, evidence and research indicate that incubators may be useful in fostering the development and success of entrepreneurs. According to studies, firms who take part in incubator programs have a higher chance of surviving and expanding than those that do not (Blank, 2021). Companies can obtain mentorship, networking opportunities, and resources through incubators, which can be quite helpful in the early phases of growth. They also assist entrepreneurs in overcoming typical obstacles including finding money, assembling a team, and creating a good or service. It is crucial to remember that not all incubators are made equally, and that they might differ substantially in terms of their usefulness and quality. The success of the firms they help can be significantly impacted by incubators that have stronger networks, more expert mentors, greater access to finance, etc. While there is evidence that incubators can be successful in assisting startups, the effectiveness of

incubators depends therefore on a variety of variables: in these terms, it is interest of a company to decide which reality it wants to join and why.

It has also been demonstrated that incubators and accelerators for startups have a big impact on society itself. By offering a welcoming atmosphere for companies to develop their ideas and transform them into thriving firms, they play a critical part in encouraging innovation. Additionally, incubators and accelerators aid in the development of new companies and jobs, which can promote economic development and the opening up of employment prospects in the cities. In fact, incubators may improve regional economies by drawing new businesses and creating jobs. By providing a space for entrepreneurs to interact and collaborate, they foster innovation and economic progress. On the other side, it is important to remember that using job creation as a common metric to assess incubator effectiveness can be misleading (SQWConsulting, 2008). Because they operate in an uncertain environment, new businesses frequently aim to lower their fixed expenses. Venture capitalists are clearly aware of the need to limit expenditures by investee companies, which frequently results in a preference for the use of flexible contract workers and consultants over the hiring of full-time employees. This might result in conflicting with the objectives that an incubator or accelerator attempt to meet. Usually, it is also common for investors to deterr incubatees from taking on extra risk by hiring long-term workers, ostracizing sometimes the final goal of promoting job creation.

In general, different studies confirm that the impact of these realities is positive but as we could see many are the difficulties in assessing if an incubator or accelerator is really working well or not. To summarize, this depends on the variables that are taken into consideration for evaluation (companies graduation rate, survival rates after the end of the programs, people employed in each company, revenue level achieved, etc.), but also on the kind of environment we are taking care of. More traditional-digital realities may have different way of evaluating their operations compared to more analog realities, such as La Caserne or Les Ateliers de Paris, that are going to be presented in the next chapters.



## **CHAPTER 2**

### **The world and the future of fashion sustainability**

#### **2.1 Link with an industry sector: an insight into focused realities**

Synthesizing what has been said in the previous chapter, from the year 2000 to the present, there has been a flourishing of a new type of private incubator, which can be considered a hybrid between a sector-specific incubator and a venture capital fund: an accelerator. It combines the provision of seed capital with additional services in the form of physical, technological, and managerial infrastructure specific to the industry in which it operates.

Aside from most of the plain distinction between nonprofit and profit accelerators, in the year various classifications have been provided based on strategic objectives, services offered, and competitive focus, with the final distinguishing between the type of start-up, phase of the intervention, geographical reach, and finally, most important to introduce this chapter, the industry sector they operate in (Vanderstraeten and Matthyssens, 2012).

According to previous research, the competitive scope of an incubator is defined by sector choices and fields of related technologies (Von Zedtwitz and Grimaldi, 2006). The consensus appears to be that incubators choose either a focused or diversified scope:

- Diversified incubators accept tenants from a wide range of industries, so during the selection process, the type of sector in which the venture operates is not extremely relevant to the final decision of admission.
- Focused incubators, on the other hand, only accept companies active in a specific sector or technology field. This element becomes then fundamental for admission to the accelerations and incubation programs.

These opportunities for customer value creation and incubator differentiation reflect the added value of the incubator's service offering, "such as shared rental space, shared office services, business assistance and inside and outside networking," according to the incubator's website (Mian, 1994).

Other than considering the fact service offering creates customer value, the views on which types of services are concerned, remain somewhat the same: incubators create value by offering industry or technology-specific services (Bruneel et al., 2012), which include not only sector or technology knowledge, but also infrastructures and opportunities to create a new network. For example, the *Mitteldeutsches Multimediazentrum Halle* in Germany (Schwartz and Hornych, 2008), offers a wide range of media-related services, including specialized infrastructure services such as television, film, and audio studios equipped with cutting-edge technology, as well as sector-specific business knowledge. These services, which are only available to companies that are concerned with this specific sector or technology field, create customer value that other competitors cannot easily replicate.

To better understand the phenomenon of focused accelerators and incubators, we can principally focus on nonprofit economic development incubators because most incubators worldwide fit this profile (Knopp, 2007). This focus also aligns the analysis with much research that has been done before: for the scope of this thesis, we specifically select economic development incubators that are nowadays mostly associated with economic development (Ratinho and Henriques, 2010).

The analysis made by Vanderstrated and Matthyssens (2012) points out a clear dichotomy in the type of incubator scope tenants desire, which is furthermore confirmed by incubator managers and experts. Through their service offerings, both diversified and focused incubators can create customer value. However, the true differentiation lays in the fact that which services create customer value depends on the incubator's competitive scope:

1. For the above reasons, ventures choose incubators with a broad scope when they prefer to collaborate on operational business activities or need partners with complementary skills. Ventures in this group gain access to on-site, comprehensive services such as administrative functions (e.g., office hours, filing documents), business advice, and personal network connections that they would otherwise struggle to find. These services are extremely beneficial to start-ups during their development process. Incubator managers and experts agree that such services add significant value to customers and might provide a basis for incubator differentiation.
2. On the other hand, focused incubators can generate high levels of customer value by providing on-site in-depth business support related to the companies' core business, which tenants consider difficult and expensive to find elsewhere. They also value the availability of personal network connections with other organizations active in their core business, because establishing good contacts with a well-known organization can be difficult for a new, unknown company. Personal introductions are frequently required. Similarly, on-site core business and personal network contacts were explicitly mentioned as a basis for incubator differentiation by incubator managers and experts. Table 5 provides an overview of tenant expectations of service offerings by focused incubators.

	Administrative services	Logistic services	Business support services	Networking
Incubator failure preventing services	A common secretary.	Basic equipment (e.g. office, conference room). Sector- or technology-specific infrastructure (e.g., incubators focusing on companies active in the information and communication technology sector, with state-of-the-art and reliable infrastructure such as a server room).	In-depth business support services focusing on a company's operational activities. Sector- or technology-specific, in-depth business support services. Network of partners for offering these services.	Access to possible partners active in the company's operational activities. Access to possible partners in the same sector or field (both inside [other tenants] and outside the incubator).
Incubator success producing services	No differentiation possible.	No differentiation possible.	On-site sector- or technology-specific in-depth business support services, such as knowledge centers.	Personal network connections related to the company's core business (e.g., funding organizations focusing on the company's core business).
Interview example	N/A	N/A	Company G1: "If there would be an information intelligence center in our sector available which would be shared with many partners, I would definitely make use of it."	Company E2: "Good networking contacts are invaluable. For example, it would be very interesting if the incubator manager could say that he/she has already done business with an organization in my sector. That way, he/she could introduce me to that organization."

Table 5 – Focused Accelerator. Elaboration from Vanderstrated and Matthyssens (2012).

### 2.1.1 Examples of accelerators and incubators for fashion startups

Concerning the aim of this thesis, we want to explore what are the realities present now in the market that has as focused on the fashion industry, and more in particular, which of these propose sustainable programs. Here below we can get a main picture of a few accelerators and incubators that can be relevant at the European level, in Table 2 at the end are remarked on the main differences between the various programs in terms of type, duration, location, etc.

#### - Fashion Technology Accelerator

The Fashion Technology Accelerator, founded in 2012 by Enrico Beltramini, assists fashion, retail tech, and luxury startups with their development. The participants, during the six-month program in Milan, Italy, hone their marketing, business development, and fundraising skills. In exchange for 10% of the company's equity, the accelerator invests 60000€ in services and 40000€ in cash. The duration of the startup acceleration program is six-month, and the whole path includes a strategic partnership with a network of like-minded advisors and businesspeople. In this way, it provides access to extensive fashion technology expertise. The selection of the startup focuses on companies already on the market, with an MVP in hand and first clients, both in the cases of B2B and B2C ventures. In terms of industry, they only consider companies involved in fashion, luxury, retail, and accessories. They do not have particular windows for the applications: to apply to the program is enough to get in touch with the team. They anyway have some fixed calls period through the platform FS6, well-known for everyone interested in accelerating startups.



Figure 7 – Fashion Technology Accelerator



- Startupbootcamp FashionTech

It is present in different cities and countries and with a three-month accelerator program hosted by Startupbootcamp FashionTech and sponsored by Amazon Web Services (AWS). The boot camp, which model was founded in Copenhagen in 2010, serves a diverse range of startups from many different countries. It allows the ventures to network with top brands such as Prada, Armani, Valentino, and many others. Furthermore, the program has an average funding of more than US\$900,000 and contributes to your growth even after the program has ended. The selections for their acceleration program opens usually at the end of the year and it focuses on 3 months of intensive work on the ventures. Through the selection process, the chosen start-ups for the program that is held in Milan, Italy are only ten. The teams selected other than entering a web of networking and connections to raise money for their project, receive 15000€ for their living expenses during the program. Also, many masterclasses with sector experts and a final demo day are provided.



Figure 8 – Startupbootcamp FashionTech

- Fashion for Change – Accelerator Program

Not only private or public investors are interested in the world of fashion startups, but also the European Union decided to invest in this sense. The Fashion For Change is a three-year project co-funded by COSME, the European Union's Program for Competitiveness of Enterprises and Small and Medium-sized Enterprises. Fashion For Change, in collaboration with COSME, is improving the attractiveness and environmental performance of European fashion SMEs, designers, and start-ups. The program which has a duration of 8 months total, selects for every batch a total

of 25 companies: the first phase, which will include all the selected teams, will last 6 months, while the second phase, which will include the final five teams, will last two months. The selection process is open to designers, start-ups and SMEs that focus on the fashion industry, with only a fundamental requirement: at least two partners need to be from different countries. The eligible countries include the EU-27, the COSME-associated countries (Albania, Armenia, Bosnia and Herzegovina, Iceland, Kosovo, Moldova, Montenegro, North Macedonia, Serbia, Turkey, Ukraine), and the United Kingdom. All the teams selected can get the financing of 10000€, and among all, the 5 selected for the final round can get an additional 5000€. Among all the requirements, the applicants must demonstrate a high potential for long-term innovation in the fashion industry (through applications, products, processes, and ideas). Throughout the program, mentoring in the areas of circularity and sustainability, product/service development, and business development will be provided to all participants (Fashion for Change, 2021).



Figure 9 – Fashion For Change

- Impact Hub – Fashion Ecosystem

The Impact Hub of Amsterdam takes an ecosystem approach because, according to their philosophy, the complex issues confronting our society cannot be solved in isolation. Their current four ecosystems revolve around the following themes: food, circularity, inclusion, and fashion. These areas take relevance in specific local/regional contexts. In the specific, through the fashion accelerator, they want to move beyond utilitarian and transactional networks and get into the art of creating healthy social environments. Inside the fashion ecosystem, it is present the FABB, the sustainable fashion accelerator, together with other

programs such as the Province of North-Holland Circular Textile tour, and the Tommy Hilfiger Fashion Frontier Challenge. In the specific, the FABB operates in both the cities of Amsterdam and Vienna, both ranked among the most sustainable cities in the world. Through the three months program, the ventures will be helped in a series of different areas such as marketing, finance, sales, and product development. Among all these also masterclasses about sustainability are offered.



Figure 10 – FABB Accelerator

•  
- Fashion for Good

Fashion for Good is a global organization that was founded in March 2017 to reimagine how fashion is designed, made, worn, and reused. It is currently located in Amsterdam, Netherlands. This open and inclusive initiative brings together brands, retailers, suppliers, non-profit organizations, innovators, funders, and key actors who are united in their goal of making all fashion good. Fashion for Good is transforming the apparel industry through collaboration and innovation. The accelerator identifies, nurtures, and funds early-stage ideas while scaling proven technologies and business models for wider industry adoption. The program does not require any fee or participation in equity, and it has a total length of 9 months. For each batch, the number of ventures selected varies between fifteen and twenty (Fashion for Good, 2022).



Figure 11 – Fashion For Good

The Table below summarizes everything on these realities, focusing on the main points.

	Location	Foundation	Duration	Batch
<b>Fashion Technology Accelerator</b>	Milan, Italy	2012	6 months	Not Specified
<b>Startup Bootcamp FashionTech</b>	Milan, Italy	2010	3 months	10
<b>Fashion for Change</b>	Belgium	2021	8 months	25
<b>FABB Accelerator</b>	Amsterdam or Vienna	2020	3 months	Not Specified
<b>Fashion for Good</b>	Amsterdam, Netherlands	2017	9 months	15 - 20

Table 6 – Summary of Accelerators and Incubators focused on Fashion Sustainability

### **2.1.2 Focus on startups that aim to fashion sustainability**

After the overview of a few programs that offer services to accelerate and incubate fashion startups, we have to investigate why these kinds of startups are now present and what they are aiming to achieve. These are not simply newborn companies that aim to create a new powerful fashion house: they are there to bring a change in the current business model and in the way the fashion world is moving.

First of all, it is necessary to do a summary of how fashion evolved in the past decades. Fashion remained a slow and personal process in the first half of the nineteenth century. Local dressmaking businesses made clothing for middle-class people, while the ones from lower-income households continued to sew their own. However, in the 1960s, the industry began to notice a shift in young people's habits, as they began to embrace low-cost clothing, to stay fashionable. The situation quickly evolved when the 1990s and 2000s arrived, and this "fast fashion" craze began a real problem. People started not only to buy their low-cost clothes but also to exhibit them and their prices. Year after year, fashion trends became increasingly short-lived as the cost of production decreased rapidly. As a result of the continuously rising demand for new clothing, nonrenewable resources, used in industrial agriculture and production, started to be used at an alarming rate. The wear-once ideology that fashion trends popularized by big fashion competitors, such as Zara, H&M, and others, enabled consumers to buy clothes and participate in fashion on a larger scale than ever before. Moreover, in the last years, the focus has been on the true consequences of the way the fashion world works. The Rana Plaza collapse, which killed at least 1,132 garment workers and injured over 2,500 people, is widely regarded as a crisis moment in public perception of the fashion industry.

In this current reality, startups with a focus on sustainable fashion emerged, trying to create a new space in the fashion industry. They want to answer and focus on the rising demand for more sustainable pieces of clothing, that can respect at the same time the environment and the workers. The main trends, that these new startups focus on, are strongly related to the main trends that have taken place in current

times. Here below there are some examples of what can be done to make a real difference, and for each trend has been identified an interesting and rising startup present on the market. The main current focus for fashion sustainability is:

- Regenerative fashion

In this case, we refer to garments made from raw materials coming from agricultural processes that help to reverse climate change by replenishing plants and soil. This ensures that the manufacturing process does not harm the environment, but instead it is actively working to improve and preserve it.

A very interesting example is Fibershed, based in California. It is a non-profit organization dedicated to the development of a "regional fibre system" that promotes ecosystem and community health. Through education, they aim to expand opportunities to implement climate-beneficial agriculture, rebuild regional manufacturing, and connect end-users to the source of the fibre. From the economic systems that underpin material culture production, they want to reduce climate change, improve health, and contribute to economic equity. (Fibershed, 2022)

- Use of eco-friendly chemicals

The emerging concept of eco-friendly and more sustainable garments and textiles has increased interest in the search for new dyeing and finishing processes. There has been a lot of research done on how the toxic chemicals used in textiles and the waste from textile factories have caused skin diseases and respiratory problems in consumers and workers. This has fueled the growing demand for environmentally friendly chemicals and dyes.

For this trend, it is remarkable the work created by Vividye. This start-up created a technology that allows the application of various colours and designs to textiles, which can then be removed and replaced with new ones. The start-up, created in Sweden in 2020, which has received recognition from StartUs Insights and is on the Net-Zero Compatible Initiative list, aims to optimize resource use in textile sourcing and production. The Vividye innovation reduces water consumption and chemical

release into the environment. Today, their project is still growing, and as of 2022, Vividye was chosen as one of 50 women-led businesses to participate in the Women TechEU program, with a subsequent grant of 75000€. The program is a European Innovation Council (EIC) initiative that supports women-led deep-tech companies within the EU.

- Overcoming the phenomenon of the fast fashion

Moving to an on-demand supply model would be one solution to this problem. This means that supply chains crop products in response to demand, rather than anticipating quantities and having a surplus product that usually ends up being discharged. Smaller production quantities usually imply higher costs, so this necessitates a shift in customer attitudes, shifting away from impulse purchases and toward paying more and waiting slightly longer for the sake of the planet.

Some fashion brands have already begun to adopt this strategy, such as Telfar. It is a luxury bag designer that works only on a pre-order basis to ensure that only the number of bags required to fulfil those orders is produced. Other luxury brands, such as Farfetch, are following in their footsteps to reduce fashion waste.

- Increase transparency

Consumers are getting more and more concerned about the way clothes are made, and it is part of the company's work to make sure that all the information about the production, the origin of the textiles, and the employment of the workforce are available and clear. These data need indeed to be real and actual: the problem of the so-called "greenwashing" is an issue in the industry, and more than a few companies got caught in doing this.

Among all the fashion start-ups that aim to tackle this matter, one is growing to offer a solution to help. BrightLabel offers a technology-driven solution for meeting this growing demand for transparency while also encouraging it between brands and consumers. BrightLabel works by scanning a product's code to access detailed product information such as care instructions, allergy information, sustainability

features, and even a dynamic map of the product's journey through the value chain. Digital labels can be multimedia-rich, containing images, videos, and textual information. The company enables brands to communicate detailed product stories while also building stronger trust relationships with consumers.

- Use of new and better fabrics

The overuse of cotton and plastic synthetic fibres in the manufacturing process contributes to the environmental damage caused by the fashion industry. A single tonne of dyed cotton requires 200 tonnes of water, which is polluted and often cannot be reused. To address this issue, brands and manufacturers are researching and developing new smart fabrics that eliminate waste. For example, the Danish brand Ganni has begun to phase out animal-derived and PU leather in favour of sustainable grape leather.

Another example can be PANGAIA, a company born inside the incubator Future Tech Lab (previously known as Fashion Tech Lab). PANGAIA is a direct-to-consumer materials science company that created textile innovations and patents, giving birth to everyday lifestyle products. Every technology they use aims to solve an environmental issue in the apparel industry. They mainly design materials and products for everyone by introducing tech innovations. The company created bio-based materials, and they make use of renewable, fast-growing plants and repurposed food waste to replace cotton.

- Enhancing the Circular Fashion Model

Historically, the fashion lifecycle has been linear, with a lot of waste involved at each stage. As the need for sustainability grows, the concept of a circular fashion model is gaining traction. The circular fashion model aims to reuse and recycle all materials, thereby reducing waste and pollution. This model is also set to become the norm as the world becomes more environmentally conscious, and summits, such as COP26, are starting to look forward to holding the fashion industry accountable for its actions.



Among all, Resortecs created a dissolvable stitching thread for easy garment repair and recycling. The company is already recycling 1 tonne of clothing per day using a patented thermal disassembly solution that allows for the recycling of up to 90% of the original fabric material. Their mission is clear: “make recycling easy and actionable for fashion brands, recyclers and all supply chain partners through innovative design-for-disassembly technology” (Resortecs, 2022). As of 2022, the start-up is one of 74 high-potential businesses chosen in the European Innovation Council (EIC) Accelerator's most competitive selection.

### **2.1.3 The connection with the environment in which they are born**

The vast majority of cases considered when discussing accelerators and incubators are companies that view sociality and the environment as critical aspects for the fashion sector's future. These firms have been established in strategic locations, with some based in important cities such as Milan or Paris, where there is a greater sense of responsibility toward such themes because these cities have been at the centre of many different influences. Also, a lot of these are based in northern Europe where the attention of local governments towards sustainable policies is higher than in other parts of the world. The “Performance of European Countries against the SDGs” annually created by the EU (Figure 12) shows that the Nordic countries, in the specific, have more attention when it comes to achieving sustainable development, so there is no surprise in seeing many fashions sustainable startups appearing in these areas.

Other startups instead are located near traditional districts, allowing firms to leverage the know-how of locals and enterprises, helping local economies, and producing high quality and premium products, achieving high results also at the international level. These new companies and entrepreneurs are starting more and more to look at the local, starting to abandon the precedent necessity of looking, in almost a compulsory way, to be worldwide and to get perfectly integrated into the ideal of a unique global supply chain. The focus is now more regional and local: with

their work, they want to empower communities, learn from the values and the culture of other companies in the same area, and get the best from their location to later than being able to succeed at an international level.

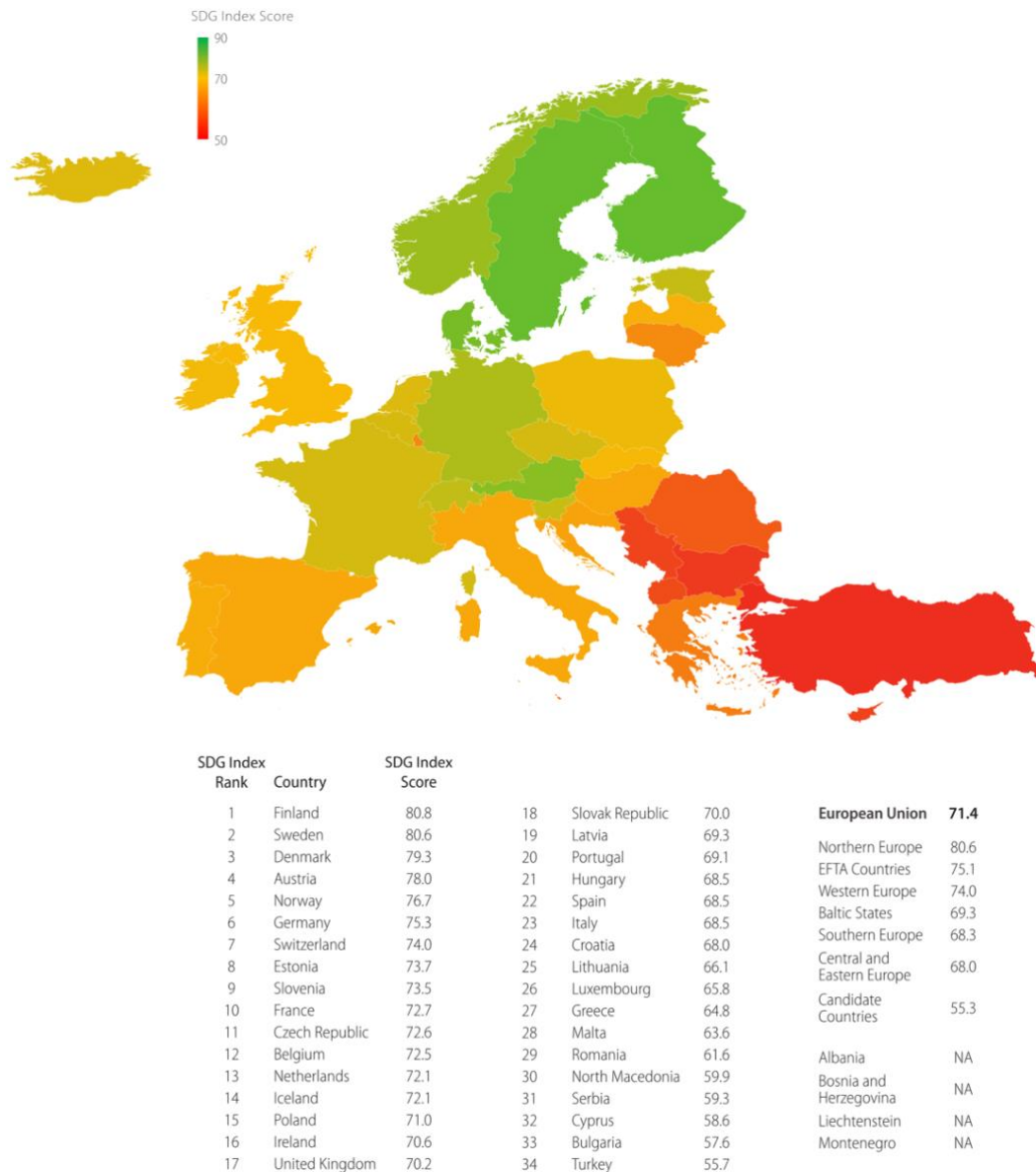


Figure 12 - Performance of European Countries against the SDGs

It should not surprise us then realizing that the types of incubators and accelerators considered in this thesis are looking for these new companies and realities. They are creating a connection with the communities and installing their programs in areas where they have value exactly because they are there. Business incubators can have

a variety of locations and settle in a range of settings, going from new and recent buildings to converted constructions, as for the cases considered in this thesis.

The location of a business incubator largely reflects its goals. A specialized incubator that focuses on promoting technology-based enterprises, for example, would probably settle next to a science park adjacent to a university, whereas a multi-purpose incubator may be located in an inner-city area or on an industrial estate. Incubators and accelerators, considered as the result of public and private partnerships, and today's the majority on the market, are usually concentrated in metropolitan areas, in particular in cities and regions that combine strengths in technology, creative talent, entrepreneurship, services, and finance. London, Amsterdam, Stockholm, Munich, and Paris are all appealing places for new-economy entrepreneurs and investors to live, work, network, and promote themselves, finding at the same time, in the city that hosts them, a sense of belonging and proximity to the project and to the company that they are working on (European Commission Benchmarking, 2014).

There is much research, like the one made in the UK (United Kingdom Department for Business, 2019), that demonstrates how attending an accelerator increases startup survival, employee growth, and funds raised. This, in turn, is likely to benefit job creation, regional development, innovation, and economic growth. Furthermore, accelerators benefit not only the startups that participated in the program but that investment in both accelerated and non-accelerated startups increased in the surrounding region following the launch of the program. According to estimates, in the UK, an additional £48 million is invested in the technology industry within five years of the formation of an accelerator in a given region.

## **2.2 The current state of the fashion industry**

Considering some data, the global fashion market increased at a compound annual growth rate (CAGR) of 9.9% from \$551.36 billion in 2021 to \$606.19 billion in 2022. The Russia-Ukraine war, at least in the short period, troubled and slowed down the global economic recovery from the COVID-19 pandemic. The conflict has resulted in a surge in commodity prices, and supply chain disruptions that have impacted many markets around the world. The apparel market is expected to grow at a 6.1% CAGR to \$768.26 billion by 2026.

Looking at the past years, and in particular, at what the Covid-19 pandemic has caused, in the years 2019 and 2020, the fashion industry's revenues fell by 20%, while earnings before interest, taxes and amortization (EBITA) margins fell by 3.4 percentage points to 6.8 per cent. Because of the pandemic, the performance disparities that had become a problem in recent years became more visible than ever. According to the latest McKinsey Global Fashion Index (MGFI), a record 69 per cent of companies valued destroyers in 2020, up from 61 per cent in 2019 and just 28 per cent in 2011. Approximately 7% of companies exited the market entirely, either due to financial difficulties or acquisition by competitors.

The McKinsey State of Fashion 2021 surveyed fashion executives to determine the most promising opportunities in the fashion industry for the coming years. After the Covid-19 pandemic, digital appeared to be the clear leader in opportunity, with sustainability coming in second. The current optimism about digital and sustainability is consistent with the widely held industry belief that, despite the disruption caused by the pandemic, these trends will accelerate, resulting in the ongoing reset of the fashion industry. Even if the main trends for sustainability face directly the customers, most of the fashion industry waste comes from its supply chain, which needs a deep change to become more sustainable.

After nearly two years of a downside, the global fashion industry is regaining what was lost during the pandemic period. Companies are adapting to changing consumer

priorities, and digital is taking its space in the industry. Nonetheless, the industry faces significant challenges due to supply-chain disruption, uncertain demand, and ongoing pressure on production. With the majority of businesses struggling to make a profit, growth will be a top priority in the coming year. Meanwhile, domestic markets are expected to maintain their recent strong performance, brands should brace themselves for a possible recession. However, given the current global inflation levels, which are being driven by increases in energy costs, and the fact that interest rates are rising around the world, this will have a wide-ranging impact. It will affect consumer behaviour, company cost structures and refinancing patterns.

On the one hand, this implies having a solid plan for the demand side and how to flex your systems to varying demands, similar to suppliers. Over the last two years of the pandemic, the industry has been quite innovative in this regard. The same industry, on the other hand, will have to learn how to manage increasing costs. Many of the major players have begun to address this by reviewing their investment budgets, and cost structures, and preparing for a challenging 2023.

Other than considering raw data about the industry, for the aim of this research it is interesting to analyze a phenomenon that is heavily affecting the sector: the so-called “fast fashion”. This is a retailing strategy based on the constant release of new inventory throughout the year and is priced significantly lower than other fashion industry sectors. The fast fashion market is highly competitive, not only among retailers but also among individual businesses. This can work because each retailer has a specific organization that connects different parts of the company and the product: this is what we can consider a supply chain. Linked to this, we need to consider lead time, the amount of time it takes for a product to go through the entire supply chain, including being purchased. This term and the concept of time sensitivity are extremely important in fast fashion. The lead times of fast fashion retailers are in some cases available and we can get some information about them. Zara can design, produce, and deliver a new piece of clothing in only two weeks, and H&M in eight weeks (Cline, 2012). Consumers continue to demand cheap trendy disposable products, but it is important to keep in mind that consumer demand in

the fashion industry is always uncertain. The emphasis that we have today on fast fashion's global commodity chains does not take into consideration the culture that surrounds this industry, characterized by cheap clothes that can be quickly substituted.

*"Consumer choice is historically determined and influenced by a broader - horizontal - social context, rather than being driven by consumer demand for a specific thing, or the presence of a single commodity chain or production network that stimulates consumer behaviour" (Brooks, 2015).*

### **2.2.1 The impact of the fashion industry on sustainability**

Measuring the impact of the fashion industry on sustainability requires a deeper analysis and different perspectives. It results to be quite hard to measure how, for example, each fashion company impact the environment, since most of them use different methods and index to calculate it. This can also bring the consumers to not understand if a brand is sustainable, or if there is the risk of facing another case of greenwashing. To help us in the process, we can make use of three main indicators that are used among most brands:

1. The ESG Framework
2. The Higg Index
3. The Business of Fashion Index

First of all, it is useful to see it through the lens of the ESG Framework. The E stands for environmental criteria, which include the energy a company consumes and the waste it releases, the resources it requires, and the consequences as a result. There are also included the carbon emissions and the funds to adapt to an evident climate change. S is social criteria; it tackles the relationships and reputation of a venture with people and institutions in the communities where they do business. It furthermore concerns labour relations, as well as diversity and inclusion. G is

governance and refers to the companies' internal system of practices, controls, and procedures for governing itself, making effective decisions, complying with the law, and meeting the needs of external stakeholders. But when we get in touch with this framework in a brand, how do we know it is applied correctly? And how is it possible to understand if a company has cared about sustainability or not?

To help in resolving these questions, the ESG Score has been created. For this, many factors are considered in the calculation, and an ESG score can range from 0 to 100. It considers everything from their environmental impact to how they treat their employees to determine if they are following best practices in these areas. Consumers must anyway be wary of the fashion industry's oversimplified exaggerations. For example, in 2019, German judges ruled that a fashion product claiming to be "made from recycled paper" was misleading because only 80% of the product's components contained recycled materials; the court determined that, based on the claim's wording, German consumers would expect this product to be 100% recycled. To comply with existing advertising laws, advertising with ESG claims necessitates legal diligence. Advertisers should always strive to avoid including misleading claims or false statements in this regard. To comply with existing laws, any claim that consumers may regard as objective must be substantiated (McKinsey, 2022).

Second, we can take into consideration the Higg Index. This is furthermore divided into three different tools: the Higg Product Tools, for calculating the environmental impact of footwear, textiles, and clothing. The Higg Facility Tools can be used to quantify the social and environmental impacts of manufacturing facilities worldwide. And finally, the Higg Brand & Retail Tool, for assessing social impacts throughout the value chain. Despite being largely used in the past years, for example by VF Corporation or H&M Group, this index has been criticized multiple times. The Higg Index has been chastised for being based on faulty data and employing an opaque methodology, which results in misleading information about which fibre is more sustainable. The index ranks synthetic fibres as one of the most environmentally friendly options.

Third, we have the Business of Fashion Sustainability Index. This instrument, which as far as 2022 has reached only its second edition, is considered as an excellent starting point for establishing new benchmarks for a fashion company's sustainability performance. Every report takes into consideration the 30 larger companies in the sector, dividing them into categories related to their market (luxury, high street, and sportswear). In terms of scoring, a mark is given out of the maximum of 100: the total average for 2022 is only 36 over 100, showing that the classic and marketing-styled fashion industry's rhetoric is ahead of its real actions. The evaluation is made considering six main areas of analysis, which are also the most concerning points for the fashion industry: transparency, emissions, use of chemicals and water pollution, materials, labour rights, and waste.

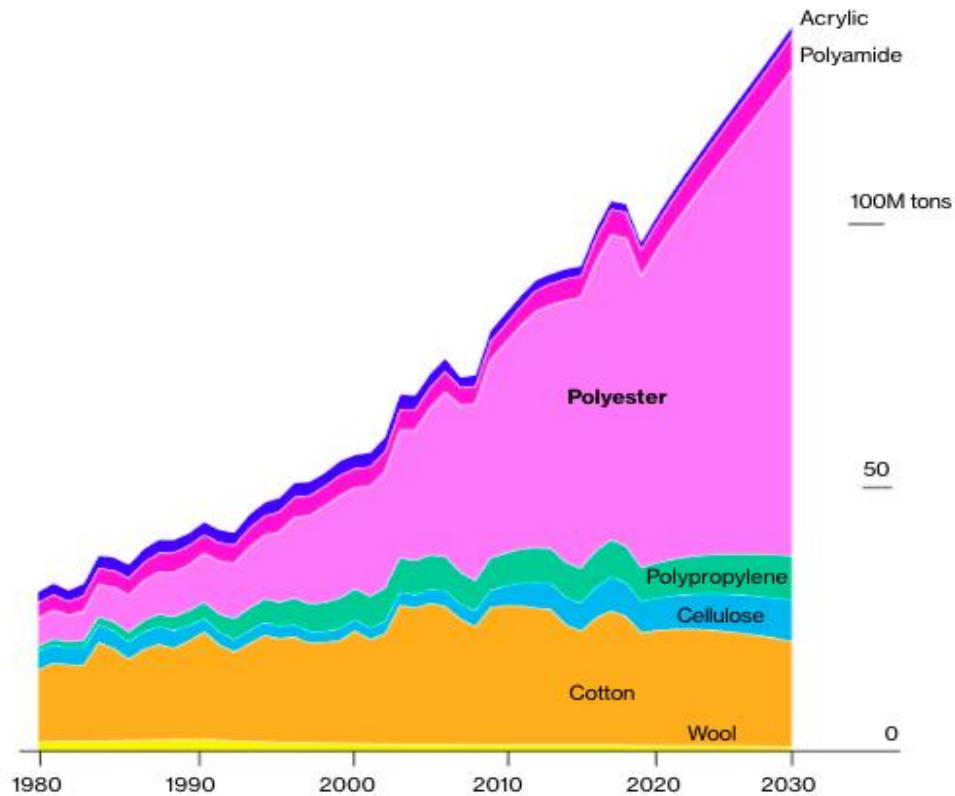
### **2.2.2 Environmental and Social impact**

When we think of the fashion industry, we may not be the first thing that comes to mind as a heavy users of fossil fuels. However, modern textiles rely heavily on petrochemical products derived from many of the same oil and gas companies that contribute to greenhouse gas emissions. According to the UN Environment Program, the fashion industry is responsible for up to 10% of global carbon dioxide emissions. If we want to compare it, it is more than the sectors of international flights and shipping combined. It also accounts for, more or less, one-fifth of the world's 300 million tons of plastic produced each year. The industry is also responsible for the massive use of polyester, an oil-derived plastic that is omnipresent and has surpassed cotton as the pillar of textile production (Figure 13).

The surpass of cotton, as the primary textile fibre of the twenty-first century, put an end to cotton's dominance that lasted hundreds of years. The global polyester market is expected to increase from \$106 billion in 2022 to \$174.7 billion by 2032. Yearly polyester fibre production is expected to exceed 92 million tons in the next ten years, representing a 47% increase (Bloomberg, 2022).



Polyester, as well as other fibre garments of synthetic origins, are a major source of microplastic pollution, which is especially harmful to marine life. Furthermore, the fashion industry has a large impact on the consumption and pollution of water in general: it consumes up to 93 billion metric tons of clean water each year.



Source: Tecnon OrbiChem analysis

Figure 13 – Bloomberg Report 2022, Use of Polyester in the years

Looking at the production side, one kilogram of cotton used to make a pair of jeans can consume 7,500 to 10,000 litres of water. The whole production path also necessitates the use of pesticides and insecticides, which pollute the soil, and the dyeing of most of the fabrics, which usually are toxic chemicals, accounts for 17 to 20% of global industrial water pollution. This is becoming year after year more problematic since more clothing is being produced than ever before. According to the World Economic Forum, the number of garments produced each year has doubled, or more, since 2000. Also, despite all the campaigns of main and big fashion

brands, only a small portion of what is manufactured is recycled: 87% of the total fibre input used for clothing is eventually incinerated or thrown away. Fashion brands have been chastised for practices such as destroying unsold merchandise and sending piles of clothing to landfills, on top of often exploitative and dangerous working conditions. Just for reference, Burberry burned \$37 million in unsold bags, clothes, and perfume in 2017. Clothes made of natural fabrics, such as cotton and linen, can degrade in weeks to months in a landfill, while instead synthetic fabrics can take up to 200 years, continuously emitting greenhouse gas into the air (The New York Times, 2018).

Taking into consideration the social aspect, the fashion sector is for sure one of the most surveilled. In particular, fast fashion relies on exploited labour in developing countries with lax regulations because it must be cheap. Workers are underpaid, overworked, and subjected to hazardous working conditions or health risks, without considering that many are also minors. The collapse 2013 of the Rana Plaza building in Bangladesh, is an example of how, the industry, has been trying to rely on a force to work underpaid and with almost zero basic working rights.

It is estimated that only 2% of the world's 75 million factory workers earn a living wage. To prevent brands from moving to a lower-cost country or region, factories limit wages and are unwilling to spend money to improve working conditions. Furthermore, workers frequently live in areas where the pollution and the level of contamination of the waters are very high.

World's largest fashion brands have relocated to countries such as India, Pakistan, and Bangladesh to reduce production costs and circumvent laws that are less stringent than in more industrialized countries. Delocalization is primarily used by brands that sell low-cost garments and aim for the fast fashion market, where garments transition from the catwalks to the mass market and become affordable to all. The importance of the social aspect for fashion brands is fundamental (Seuring & Müller, 2008b): starting with empowering human rights protection and ensuring worker welfare. It is critical not only to improve working conditions but also to take an interest in the local communities near their production facilities to spread the

new concept of social supply chain even among different populations (De Brito et al., 2008).

### 2.3 Internationalization of the processes: a global supply chain

Sustainability must be incorporated from the beginning stages of product design to ensure an impact reduction throughout the entire product life cycle. Having said that, many innovative solutions could reduce the environmental impact of fashion delivery, such as sourcing animal skin and feathers from the meat industry or recurring to synthetic fibres that do not damage animals or the environment. However, a product can be considered sustainable only if the production processes implemented at the chain level meet sustainability standards. Fashion companies should set environmental and social standards for their production processes: from first-level suppliers to retailers and stores, all the stakeholders need to be included. To that end, basic requirements could include supplier evaluation schemes that incorporate environmental and social criteria. Training, resource sharing, performance evaluation, and advanced communication must be required throughout the entire chain to ensure upstream sustainability. The main problem is that today the fashion industry relies on a complex web of global supply chains that are experiencing unprecedented strain and disruption (Figure 14).

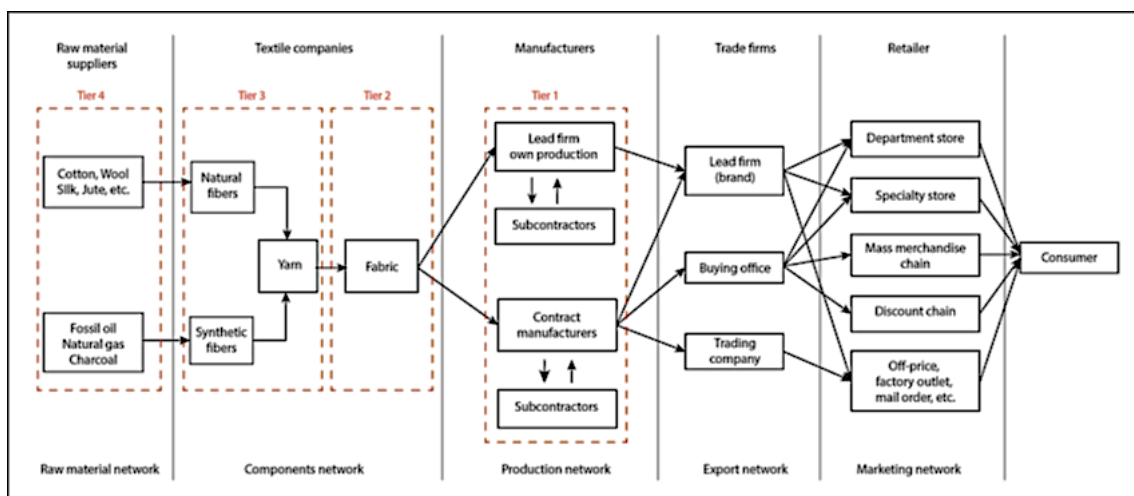


Figure 14 – Appelbaum and Gereffi Global Supply Chain Networks, 1994

If we want to make the whole supply chain process for a piece of garment more understandable, we can divide it into five different networks that go from the beginning, such as the raw material, to the final consumer (Appelbaum and Gereffi, 1994). The five networks are:

1. The raw material network is made up of suppliers who provide raw materials such as cotton, wool, or silk, as well as synthetic fibres to textile companies. The raw material comes from all over the world, from cotton plants in India or China to wool farms in New Zealand and silk farms present in many different parts of Asia. Furthermore, machinery, chemicals, and energy are required to spin fibres into yarns.
2. Yarns are then woven or knitted into fabrics in the next network: the components one. This process can then be enriched by many different processes to provide special physical properties such as increased moisture absorption or water repellence: fabrics can also be dyed, stained, or mercerized to suit a variety of designs and applications. Finished fabrics and sewing threads are then delivered to the contract manufacturer or the apparel company's production facility to be sewn into garments, packed, and labelled.
3. Considering that, some manufacturers in the production network may not have an in-house finishing, dyeing, or printing department, do not offer services such as packaging and labelling, or are having some trouble in handling big capacities of work, a large network of subcontractors supports manufacturers at this stage.
4. In the export network, the finished and packed garments are prepared to be traded among firms such as buying offices, agents, or the domestic apparel venture.

5. Finally, these garments can be distributed to wholesale, stores, or retailers from where they reach the final consumer.

This framework shows how long and complicated the whole supply chain can be for the simple production of a garment, such as a t-shirt. Going deeper into the analysis, all these networks are many times taking place in different parts of the world, in general where it is more advantageous for the company. The problem is that to keep products flowing with customer demand in the coming years, companies must rethink their sourcing strategies while implementing cutting-edge supply chain management and building in greater flexibility, to face a problem such as logistical bottlenecks, rising shipping costs, and various shortages add new layers of complexity. A perfect example of this can be the Ever-Given container ship getting stuck for days in the Suez Canal. The effects on the logistics and the economy have been evident: each day of delay is estimated to cost between 0.6% and 2.3% of the value of goods on board a given ship. Assuming this estimate for the Ever Given, the cost per day lays between 18 to 69 million USD, which means 126 to 483 million USD for seven days. In total, it has been estimated that the Suez Canal blockade cost the global economy between 2 and 2.5 billion euros (McKinsey, 2022).

All the problems linked to this extended and heavy global supply chain have brought many companies to the decision to shorten it and to put into practice some actions to change their organization. It is possible to individuate a few actions that can be put into practice to do it:

1. Modifying the production going through on-shoring and near-shoring processes: very useful behaviours to decrease the impact of a company on the environment. The venture has to shorten the distance between the supply chain's different moments and in this way both reduce the time that intercourse between production and delivery, and develop a product that is more aligned to the area they are working in. If the production sites are closer to the final consumer, we will have a clear reduction in the gas emissions of

the transports, and probably the company will have to stick to more strict regulations in terms of wages and greenhouses emissions. As already said, among the main reasons for offshoring there are a cheaper workforce and a lack of rules in terms of environmental protection.

2. Finding new solutions to transportation problems. Many experts have lately pointed out that to reduce the impact of companies on the environment through transportation it is necessary to adopt digital technologies able to track and analyze the movements. Among all, particularly empathized are tracking and tracing, which should ease delivery issues, and assure more efficient transports.
3. Bring a new approach to labour habits. According to a McKinsey report, companies should invest in digital infrastructure to make it easier for workers to access work, remotely work, and deal with digitalization, and demographic shifts. For example, it may be needed to train again workers, to be sure that they are at their best for their job, and employers will need to certify they have the right employees to work. The recent pandemic has accelerated this process, marking an evident change in the behaviour of the workers. The so-called "Resignation Wave" or "Great resignation", that we have seen culminating last year in the US, demonstrates that people are starting to care more about the work they do, and they aim to do something they can care about.
4. Avoid the creation of anti-competitive practices. In this situation, aggressive antitrust enforcement is required to limit market dysfunctions and competitive abuses. If anti-competitive actions were reduced and less present, companies could work more locally and in the right way, instead to keep insisting on usually a war price where, in the end, it is the final customer paying the biggest price.

5. Consider how the world is changing. One evident example of complicated geopolitics affecting supply chains is the semiconductor industry, where a shortage of processor chips damaged car manufacturers' ability to deliver in short-time vehicles, consumer devices, and mobile phones. Today, a varied assortment of products require computer chips, and production in some areas came to a break due to shortages. Chip shortages emerged as a result of *"high market entry barriers, high geographic concentration, high fab utilization, and long manufacturing cycles"* (Klehinans & Hess, 2021).

## **2.4 Are there possibilities for a sustainable fashion future?**

To conclude this chapter few questions are now needed. Can the future of fashion be sustainable? Can the companies make a change if there is no change in the mindset of the customers?

To answer these questions, it is necessary to begin assuming that consumers are rational animals with controlled and predictable behaviour. However, the rise of ethical consumption has not been mirrored in mainstream fashion. Ethical brands believe that one of the biggest barriers to becoming more sustainable is the consumer: probably both because of a lack of awareness regarding the main issues that regard the fashion and garment industry and an unwillingness to pay the higher price that is necessary to create sustainable products. Ethical fashion consumption, according to psychology and behavioural science, is not so easy to achieve among people. The decision of buying something is based on rational, conscious, and attentive consideration, but considering how complex is human behavior, ethical consumption may not be somewhat that can be accomplished so easily.

Many marketing tools like questionnaires and surveys used to forecast the growth of ethical consumption are problematic: they are effective at predicting purchasing intentions but poor at predicting actual behaviour. Surveys, for example, tend to bring the person who takes the test to answer with the most ethical answer, the one

that paints the participant in a positive light: unethical shoppers will claim to be ethical to protect their image. And the problem is that surveys are reliant on the participant being truthful and knowledgeable about their behaviour.

However, particularly fashion consumption is considered to be highly illogical. Purchases are more likely to be motivated by aspirations for pleasure and excitement. Fashion becomes in this way a social activity for establishing our position but it is also an emotional activity driven by the desire and the constant dream of a more full life. Shopping for clothes is thrilling because of these hedonistic tendencies. They foster a less rational approach to consumerism, reducing the influence of reasonable thinking about ethics and the environmental implications of our choices. Often it has been reported that if customers had more information about ethical issues, they would be able to overcome these subliminal impulses of pleasure and excitement. However, evidence suggests that this has minimal effect on increasing ethical behaviour. Due to the intricacy of the issues, greater information tends to diminish the influence of ethical considerations. The amount of conflicting information supplied by the media and companies themselves adds to the complexity.

An alternative, more radical approach, may be to acknowledge that humans have always used fashion to satisfy emotional and individual desires. So, rather than trying to control these primal, irrational behaviours, the objective should be to discover a systemic and ethical way to embrace them. It may be impossible to change one's craving for new garments. Instead of appealing to the consumer's sense of ethics, marketing and companies perhaps may attempt to employ new technologies and business models to build things that can be recycled or re-engineered into new fashions with little usage of pure materials, water, energy, and chemicals. In this way, they would not try to change thousands of years of evolution in a generation, but would instead use innovation and creativity to twist the current fashion industry to consumers' inherent needs. It is a significant technical and commercial challenge, but shifting to a consumer-driven model may open up new business opportunities while also offering a more sustainable solution.



## **CHAPTER 3**

### **La Caserne and Les Ateliers de Paris: two realities in the heart of Paris**

The focus of this last chapter is on “La Caserne” and “Les Ateliers de Paris”. These represent two different environments: an accelerator and an incubator, maintaining inside their organizations all the main characteristics that have been presented in the previous chapters. These realities are indeed not only simple accelerators or incubators but are indeed much more interesting since they are part of a particular category: the analog one. This happens because they do not specifically rely on the classic model of internet-based incubators, but instead they focus on something material, such as pieces of garments. What they aim to do with their work is not developing or sustain digital realities, but instead their aim goes beyond this and focuses on assisting the necessary transformation of the fashion industry by creating a unique place where the actors of change can imagine the fashion of tomorrow in an analog and concrete way.

These realities have specific characteristics that make them completely unique in the actual scenario. First of all, they have a strong bond with the city they work: Paris. Both the two realities work on themes such as fashion and sustainable fashion, art, and design, all areas of interest that have always been representative of the city of Paris. Fashion, as a vital element of tradition for the Capital, has a lengthy history reaching back to the 1670s, when the “Paris Fashion Journal” was founded. Many people believe that “le Roi-Soleil”, or Louis XIV, is responsible for the French's begin of the famous elegant style. The dresses of this era can only be described as flamboyant and opulent - from a time when one's dress reflected their wealth and status. This interest for the fashion quickly declined with the French Revolution, that was aiming to change the status-quo, but it was just a matter of time until fashion made a comeback. Haute Couture then resurfaced in the nineteenth century. With the introduction of custom-fitted clothing inspired by eastern traditions, moving from constricting corsets in favor of liberated, new, and innovative kinds of textiles.

Second, the city of Paris has been named the third largest startup hub in 2020, owing to the city's innovation ecosystem and new technologies, which make the city extremely appealing to companies or entrepreneurs that are looking for an innovative city to make their business grow. Just to give a glance, the community of start-ups in Paris region is now one of the most active in the world: going from 216 between incubators and accelerators, to more or less 250 co-working spaces and labs. Paris is indeed regarded as a powerhouse for innovation in Europe and boasts a thriving startup ecosystem. The city has a long history of entrepreneurship, and there is a strong group of young, energetic businesspeople who are creating brand-new, cutting-edge enterprises. The French government has also made a concerted effort to assist the growth of the startup ecosystem in Paris through a number of initiatives and programs, including tax breaks, investment financing, and mentorship programs. Furthermore, both the realities are strongly linked with associations and the municipality of the city itself, creating in this way a much resilient bond between local professionals and brands, and the administrative organization of the Île-de-France region.

### 3.1 An analog accelerator: La Caserne

#### 3.1.1 Introduction and presentation

The first one to be analyzed is "La Caserne". In June 2021, after a few years of intense renovations, the old fire station, located in the 10<sup>th</sup> arrondissement, at the corner of Rue de l'Aqueduc and Rue Philippe de Girard, changed its destination, stepping into a new environment, and becoming officially an accelerator for ventures that focus on fashion sustainability, spacing from *pret-a-porter* brands to accessories' companies ready to create a sustainable change in the world of fashion.



Figure 15 - La Caserne Logo

The building was disused since 2005 and got today converted into an "ecological transition gas pedal": the 4,000 m<sup>2</sup> of space are now totally dedicated to the fashion and luxury industry. As they report in their manifesto, they believe that the radical change we need can only come about through collective action. This action needs to be taken by three different entities, and only with the cooperation of these three a real change can be seen. They believe also that the actors of change need to meet to collectively imagine the world of tomorrow. The three parts that need to collaborate to bring change are:

- 1- Businesses
- 2- Governments
- 3- Citizens

This reality came to life after a consultation launched by the City of Paris and the “*Régie Immobilière de la Ville de Paris*” (RIVP), and within the framework of the “*Arc de l’Innovation*”. This one, in the specific, is a project going on since 2015, when the City of Paris and approximately twenty municipalities bordering the Greater Paris metropolis have worked to exploit the potential of the unused spaces in the inner city of Paris and on its peripheries to increase their economy, attractiveness, and percentage of local employment. To overcome the economic and social challenges that these areas often face, the Arc of Innovation aspires to place them at the heart of the Greater Paris Metropolis by focusing on innovation development. The Arc de l’Innovation is thus a framework that aspires to stimulate the formation of initiatives that are part of new forms of economy, more collaborative, and more inventive, while also contributing to the balance of greater Paris's west and east. As of today, La Caserne is open to everyone, the accelerator is not only a space for fashion creation and a shared space, but it is also a real place that aims to enrich life inside the *arrondissement*.

The current managing director of this structure is Maeva Bessis, that defines La Caserne as a fashion industry environmental transition accelerator. It is already well known, and everyone should be aware, that the fashion business is a highly polluting industry, and designers now wish to produce more responsibly but, to do that they need to be supported. La Caserne incubates businesses for a period of three years and provides them with formation, materials, and connections so that they can shape their brands. Also, it is today supported by all the major players in Parisian fashion, including the Federation of Fashion and Haute Couture, Paris Good Fashion, and the French Fashion Institute.

The central activity of the Caserne is indeed that of the "ecological transition gas pedal", as defined by Maeva Bessis. The goal is to accompany brands, already existing and attractive, and to completely rethink, in a limited period of time, their production model so that they can become sustainable. In the first year, they will have to take better-sourced materials, which are more qualitative but therefore more expensive. And accept to make some sacrifices, especially on margins, to offer

a better-quality product that is more respectful of our planet. Paris has entered a key moment that it is important to use; people understand that buying a garment is like a mini ballot, we choose the future of our children, perhaps putting a few euros more to have a t-shirt produced in good conditions with fibres, that do not pollute excessively. La Caserne has exactly this as motivation since it has been conceived as a place that wants to touch all spheres of French fashion, from luxury to cutting-edge brands, from industry to sociological theory through textile engineering.

In this context, the need to take into account the intellectual and research aspect of fashion is crucial to consider a sustainable and ethical fashion. The different actors of this intellectual development in Paris are trying to catch up with fashion studies, due to an academic snobbery that has long considered fashion to be too superficial to become a subject of research. Paris must offer a rallying point for the initiatives already present on the territory. Thus, the Caserne is a positive point for the influence and innovation of French fashion, which also dedicates an entire space to the issue of fashion tech (textiles and techniques at the cutting edge of innovation, allowing to limit waste and produce more responsibly).

All the team behind the organization of La Caserne is convinced that Paris, as the capital of fashion, must set an example and influence. The objective is also to demonstrate that it is possible to be green and a responsible brand while doing business. The need to change the image of responsible fashion and the incubator's commitment to changing the model of a brand in three years is also explained making a comparison with the time it takes to make a treated cotton field healthy and regenerate its land. It is an image that proves that it is possible to deeply transform one's working methods. The total surface of the building has been organized to be both a work environment, but also a place where culture and events open to everyone can happen. As of today, there are offices ranging from 20 to 300 square meters where brands can work on their ecological transition and model transformation; one wing is dedicated to high-end labels participating in fashion weeks and another to ready-to-wear houses. While a 100 square meter open space is dedicated to start-ups with offices rented by the month. The whole complex brings

together a complete fashion eco-system with a showroom of responsible raw materials set up with partners, a photo studio, a team of coaches dedicated to the problems of the brands, a FabLab of 100 square meters with innovative tools with Lectra or Tekyn, a press agency, and a commercial showroom.

The Parisian collective "*Le Consulat*" set up a shop on the roof to offer festive activities and to energize the space, and the space can also host a shared library and classrooms, allowing for an important anchoring of activities of the mind and theoretical reflection on fashion. La Caserne has also its restaurant, "Ora", which is a space for meetings and discussions for both the tenants of the space and the neighbourhood. Most of the services offered are currently available to designers and the general public (by subscription), such as a series of "Fashion for Future" conferences. The idea is to inform on the advances and discoveries of fashion and to bring all of the reflections carried out on-site on a larger scale.

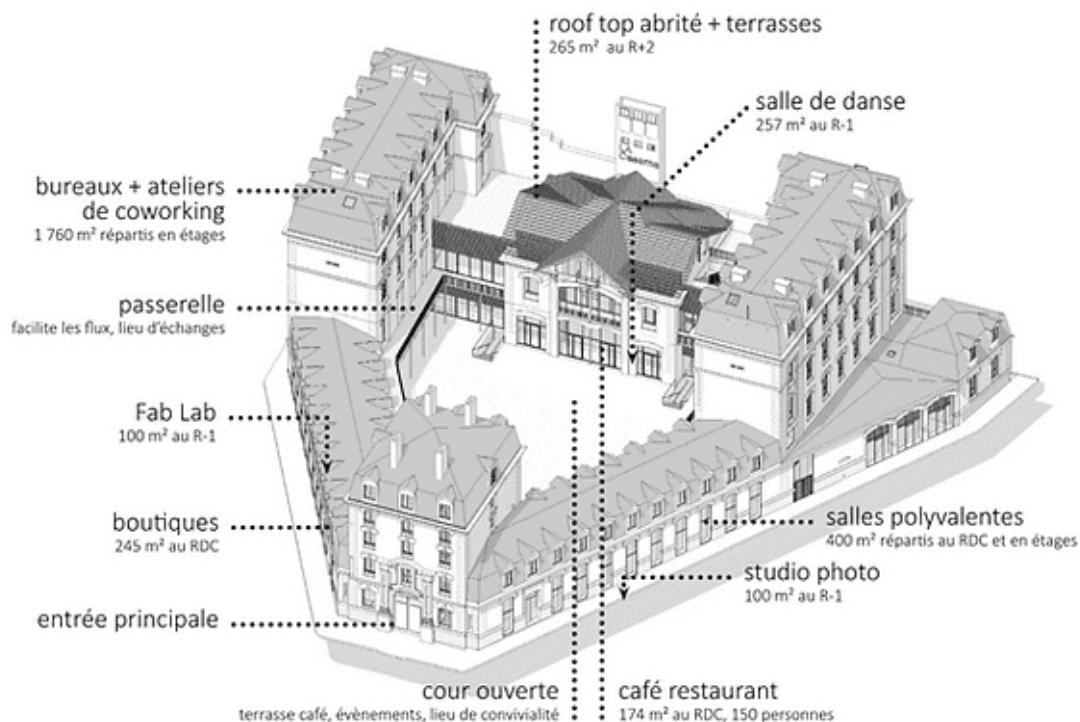


Figure 16 - La Caserne organization plant

The main objective that Maeva Bessis and her team are now trying to exploit is the need to generate a movement that brings them closer to the big brands because if they want to have a large-scale impact, they need to work with those who make a difference on the market. In her opinion, the main success factor is being able to get people in the institutional environment to understand what is important and what is not, and how to make a difference without anyway giving up profits. The final goal, for the good functioning of La Caserne, is being able to attract people, also from big brands, and have them in their environment, also just for an event or for training. The sense of creating a community that aims to revolutionize the way fashion is done today is what they are trying to achieve.

The first intake of companies, which took place in 2021, concerned twenty-one ready-to-wear brands, the first integrating the space for a residency: Awake Concept, Benjamin Benmoyal, Cahu, Caval, Circle Sportswear, Coltesse, Domestique, Flair Bodysuits, Katia Sanchez, Kiplay Vintage, Le Petit Dakarois, Le Slip Français, L/overs, Loom, Noyoco, Peulh Vagabond, Salut Beauté, Thierry Pietu, Paired Earwear, Walk in Paris and 17H10 (FranceInfo, 2021). In addition, there are also fifteen leather goods brands: Alice Watier, Ann/so, Armaille, Aswad, Atelier Baltus, Karen Vogt, Larfeuille Paris, Leon Flam, Lironie, Louvreuse, Maison Edele, Maison Peaux Neuves, Maka Devall Paris, Phi 1.618 and Valet de pique, that share a workshop. The work that they conduct at La Caserne is individual, but they also meet regularly on Mondays, as explains Anne-Sophie from Biseau of Annso Paris. They move forward collectively, exchanging on the technical aspects, but also the daily organization of problems. Many teams also get the possibility to present together at Printemps on an ephemeral space. This can give them new visibility, also because, each of them taken singularly, would certainly not have been put forward like that in one of the biggest and most iconic department stores in France.

Also, for textile brands, the recurring exchanges are presented as an asset when joining La Caserne, which is also a meeting place for brands that are not in residence, but which, for a monthly subscription, meet and benefit from the services and training of the Caserne. This is notably the case for labels like Basiques, Beyo, or

Leftovers dits Lovers. In fact, for a monthly budget, they can get the support that allows them to train, meet industry players and gain visibility. Whether they are based on site or members of the club, the ambition is to accompany the growth of these names in French fashion and if possible to create a ripple effect, to grow the ecosystem the best they can.



Figure 17 - La Caserne stand on the last floor of Printemps Haussmann

### 3.1.2 Financial and Political aspects

At the base of the project is important to remember that, to create a melting pot of energies dedicated to the creation of a more socially and environmentally responsible fashion, determinant huge investments are needed. To achieve the ambitions behind this new project, in 2018, the entrepreneur Jacques Veyrat of



Impala joined Maeva Bessis in this job. From what is known, approximately a few million euros were invested for the restructuring of the area and the beginning of the on-site activities. Although not all the details are specified, the refurbishment cost more than €5 million.

Impala SAS is a responsible investment holding company with a long-term commitment to different fields, such as energy transition, responsible fashion, digital traceability, innovative cosmetics, and several other sectors with strong growth potential (Impala SAS, 2022). More than 80% of La Caserne's investments come from this group.



Figure 18 - Impala SAS logo

Founded in 2011 by Jacques Veyrat, engineer and entrepreneur, Impala invests in projects that promote a sustainable and suitable future. Impala aims to be the shareholder of the majority, an active shareholder that does not take minority stakes. It does not use debt for its acquisitions, to not impose some constraints on its development. As of today, it is a 100% family-owned company that was founded recently, in 2011: since then, Jacques Veyrat has been Impala's chairman and Fabrice Dumonteil has been its managing director. The group's net asset value is approximately 3 billion euros and employs over 2,000 people (ibidem, 2022).

Furthermore, La Caserne is supported, in different ways, by companies like LVMH, Kering, and Woolmark. For example, for the reuse of deadstock fabrics, they have a new company named Nona Source, since creating fabrics is where the majority of fashion pollution originates, sourcing fabrics are a major today issue for brands. Major fashion businesses possess a lot of materials that get never utilized. Nona

Source is the first online marketplace for retailing extraordinary materials from its fashion and leather goods, Nona Source was introduced by LVMH in 2021. A major breakthrough in the field of sustainable sourcing, Nona Source provides young designers with high-end textiles and leather at cheap pricing. The company was developed by Group workers as part of the DARE (*Disrupt, Act, Risk to be an Entrepreneur*) program. Experts in material sourcing and digital transformation have created a ground-breaking platform to reassess the stockpiles of the key fashion and leather goods brands owned by the LVMH Group. Deliveries are currently restricted to Europe and the UK because the stockpiles are kept in France, being in this way a great asset for realities such as La Caserne, which can access their services in a prioritized way. Thanks to online access to a large selection of materials, including lace and leather, as well as composition, weight, colours, and patterns are made possible by the respected and extensive catalogue. Brands hosted by La Caserne can buy straight without cutting or sampling based on the quantity available and the incredibly true-to-colour composition of the materials for sale.

The Kering Group is also involved as a finance partner. Since the beginning, Kering has assisted La Caserne in developing learning activities, a great deal for the business and an incredible to create more effective working practices. In particular, Kering supports the planning of awareness-raising activities targeted at both industry insiders and the general public and centred on major fashion industry concerns. They also take care of the organization of some main events of La Caserne, such as The Conscious Festival, an educational and entertaining eco-event, or the event "Fashion our Future" organized by Kering in collaboration with the famous magazine Marie Claire. The initiative, which the Marie Claire group claimed aims to boost a new dynamic in ethical and eco-responsible fashion, focusing also on female entrepreneurship. Furthermore, as a funding partner, Kering has two people inside the selection committee of La Caserne: Marie-Claire Daveu, Chief Sustainability Officer, and Andree-Anne Lemieux, Head of Sustainability. This not only guarantees the group the possibility to select the companies that access the services of La Caserne, but it also gives them the chance to keep an eye on the innovations brought by each brand accelerated there.

Finally, La Caserne works closely also with The Woolmark Company: an international expert on wool and nonprofit organization. With the help of 60,000 Australian wool growers, Woolmark works with all participants in the textile industry to provide access to and marketing for this sustainable fibre. It assists with wool sourcing and educational training, in particular:

- Ensures the wool fibres' quality.
- Creates partnerships with global brands.
- Promotes the benefits of wool fibre for the environment.

Today, The Woolmark Company's creative and sustainable fabrics showroom is hosted by La Caserne, which aims exactly to help businesses enhance their sourcing and traceability capabilities. The specialized showroom provides knowledgeable insight into the environmental and circular advantages of Merino wool.

We do not only take into consideration financial investments when we discuss La Caserne, but it is also important to account for the political presence inside the organization, and how the political choices of the city of Paris influenced the realization of this place. As already stated before, The "Régie Immobilière de la Ville de Paris" (RIVP) and the City of Paris, in conjunction with the "Arc de l'Innovation," conducted a consultation that led to the creation of La Caserne. Spurred on by Anne Hidalgo, mayor of Paris, this initiative has been supported since 2015 by the Paris City Hall, and other municipality organizations like *Est Ensemble*, *Plaine Commune* and *Grand Orly Seine Bièvre*. The objective of this project is to develop innovation in the terroirs of the City and the east of Paris, to maximize the potential of the underutilized areas boosting their economies, attractiveness, and local employment. To choose the best ideas to develop and finance, the City has launched a call for ambitious projects, targeting creative individuals with a plan to have a positive local influence: among these, there is La Caserne.

Therefore, it is thanks to the direct intervention of Anne Hidalgo, as mayor of Paris, that the project of La Caserne and many others could start their path. This is interesting because again the link between the institutions and the possibility of

developing long-term sustainable choices that can change the way society lives is intensified. This has an association with the political nature of choices made on long-term policies to guide transitions in sizable sociotechnical systems. Political decisions must be made when allocating public funds to encourage projects that aim for technological advancement and in our case a sustainable one. Likewise, the ongoing decisions that governments at all levels make about the upkeep of the infrastructure as well as the regulatory and financial structures can have a significant cumulative effect on the subsystems of society. Transition management can aid in the process by expanding the range of options, forming new coalitions of actors, and promoting public awareness of potential solutions. It may offer assistance methods that are suitable for a specific stage of the change process. Additionally, its ideology of promoting "variation" and letting "selected" influences (both political and economic) dictate outcomes is a beneficial counterbalance to "rational planning" methods. (Meadowcroft, 2009)

If we get to analyze it deeper, we can find out that politics is not only at the source of the birth of this project, but instead is ongoing continuously. Alexandra Cordebar, as mayor of the 10<sup>th</sup> arrondissement of Paris, has a permanent role in the company selection board and has followed the project since the beginning. It is important to remember anyway that the spaces of La Caserne are property of the city of Paris since 1849, so the team of La Caserne is only making use of the spaces without actually owning them. All these actions taken in favour of sustainable projects both for the environment and for society are part of a bigger plan to bring Paris to a new level in terms of respect for nature and improvement of the society. The city's most ambitious goal is to change how its two million citizens interact with the city they live in, with an emphasis on lowering vehicle use and increasing walking and public transportation use by 2030. Carlos Moreno, a professor at Sorbonne University and one of the main proponents of the "15-minute city" idea, is one of Hidalgo's consultants. In his idea, residents would be able to access all essential services (public transportation, retail establishments, and schools) from their homes within a quarter-hour in this city model. (Time, 2020).

So, it is right to say that the location of La Caserne was desired by the mayor of Paris for creative professionals. The municipality adored the project submitted after a competitive presentation. In the opinion of Maeva Bessis, Paris has to demonstrate that the fashion industry can be both ethical and successful.



Figures 19 and 20 - Anne Hidalgo (left) and Alexandra Cordebard (right)

Part of the revenues that the Caserne has, other than private investments and the rents of their spaces to the companies they host, it is coming from:

1. The privatization of some of their spaces to private entities.
2. The sale of tickets to participate in the so-called "meetups".

First, La Caserne has been created as a place for sharing and meeting. Therefore, it has been a natural, and necessary decision, to allow private entities and citizens to rent parts, or also just a single room, of La Caserne. This gives the possibility to the citizen of Paris, and more, to make use of the spaces created, strengthening, even more, the connection that this place wants to create with the external community. At the same time, from La Caserne's point of view, this is a great opportunity for revenues, needed for its survival. The spaces offered are articulated around the central courtyard that allows the creation of dynamic and innovative events.

They are modular, allowing the renter to have enough room for the most creative ideas. In the spirit of the place an environmental chart, with multiple points to be respected, is presented to anyone interested in hosting its event at La Caserne. This event charter defines the principles and values to which La Caserne adheres, and which must guide the actions for the organization of the event. For example, it is required the use of eco-designed materials with recyclable elements, the use of eco-designed and reusable signage commitment to sustainable development or the dematerialize of communication by using the maximum extent internet to send plans, newsletters, and information about it. Furthermore, they must commit to limiting the use of disposable packaging and recovery of waste for recycling (such as 100% plastic-free buffets and trays with disposable tableware, 100% biodegradable and/or 100% reusable) and commit to a "zero waste" approach, also selecting local suppliers and channels that respect sustainable development.

On the other hand, La Caserne, supported in this case by the luxury group Kering, offers every week meet-ups that have the function to invite consultants, brands, and experts to exchange on topics related to entrepreneurship, fashion, and sustainable development. These events are open to everyone, and they cost €20 for each meetup: the owners of the companies hosted in the accelerator are free, and also for those that decide to enter "La Caserne Club", a sort of subscription to access the spaces of La Caserne and the meetups behind the payment of a yearly fee.

The meetups organized are always concerning 4 main areas:

1. Corporate Social Responsibility

Companies, big groups, and industry specialists can start or present their CSR strategies through these special CSR gatherings. The majority of the subjects discussed are geared toward lessening their negative social and environmental impacts. This kind of meetup starts the conversation about the important transformational levers and offers the resources to implement practical internal action plans, from the measurement of their business on society and environment to the traceability of their products and the creation of CSR reports.

## 2. Raw Materials

To present companies as examples of environmentally devoted brands, obtaining raw materials is a crucial component. The Raw Materials meetings bring up important issues about the durability and effectiveness of the materials chosen to work with. The goal is to make it possible for businesses and industry experts in fashion to effectively improve responsible sourcing for many materials, from wool to linen, denim to hemp. Additionally, it is to assist them in finding solutions that allow for the revaluation of dead stock.

## 3. Tech & Innovation

These meetups are designed to raise awareness of business ideas, startups, and solutions that have the potential to revolutionize the fashion and luxury sectors. Giving brands access to more common development tools is another goal. This kind of meetup intends to empower fashion industry experts in their digital transformation, from on-demand production to the knowledge of important tools, much needed to survive in the digital era, such as Shopify or Airtable: two of the most used tools by companies present at La Caserne.

## 4. Brand Communication

One of the essential concerns for all fashion firms is communication, regardless of the customer you are facing, that can be institutional, B2B, or present on a social network. The communication meetings raise a lot of queries that brands may have regarding their communication practices. Giving fashion industry experts, huge groups, or consultants the tools to create an ethical and effective communication strategy is the goal, whether it be through transparency, influence strategy, or pre-order launch.

### 3.1.3 Accelerating sustainability at La Caserne

When we get to consider how sustainability is accelerated at La Caserne, and how it is possible to accelerate companies and brands that work with physical garments and not a digital reality, we can summarize all in three main points:

- As an analogic accelerator, it is very important to the whole supply chain and how can start-ups and companies get and deal with the materials. For example, as discussed also in the previous paragraph, Nona Source is the LVMH-owned start-up that supplies deadstock fabrics and materials to the young designers working at La Caserne. It is also possible to find on-site the work of Techtera, and the offers of providers such as The Woolmark Company, Chargeurs, Close to clothes, or Dorlet. The ambition there is clear: to allow all these players to grow together most sustainably. The company Fairly Made is counting on the premises to consolidate its rapid development, as well as the labels Salut Beauté and Circle, which are young start-ups with exciting concepts: they all joined La Caserne to grow and to have the possibility to accelerate their work, always keeping the focus on offering a sustainable product, whether a piece of garment or an accessory.
- Sustainability is not only about start-ups, but also about public awareness, culture, and sociality. It is for this reason that La Caserne organizes weekly and monthly events, workshops, and open days to talk about fashion sustainability and how the start-ups inside the accelerator can grow and innovate. Public awareness: Increasing public awareness about sustainability issues and encouraging individuals and organizations to take action to reduce their environmental impact. Incorporating sustainable practices into the culture of an organization or community, such as through education and training programs, can help to ensure that sustainable behaviours and attitudes become ingrained and long-lasting. Also, community engagement is an important aspect of sustainability. Incubators that involve the community in decision-making and problem-solving can



help to promote sustainable practices that are tailored to the needs of the community.

- If we want to have an international scheme for looking at it, we can deep into the Global goals of the United Nations. La Caserne focuses principally on Goal 12. This Goal is divided into eleven targets to create action for responsible consumption and production. In particular, La Caserne focuses on the following targets:

- Target 12.2 - Realize sustainable resource management and effective usage by 2030.
- Target 12.5 - Through prevention, reduction, recycling, and reuse, significantly reduce waste creation by 2030. This is something that is required of all the companies welcomed in the accelerators, but also to everyone that wants to privatize areas of La Caserne for their events. As cited previously, the organizer of the event needs to sign an environmental chart to accept the limited use of disposable packaging and to put into the organization a recovery of waste for recycling.
- Target 12.6 - Encourage businesses to implement sustainable practices and to include sustainability reports in their reporting cycle, especially large and international businesses. La Caserne organizes frequently masterclasses and conferences, open to the companies inside the accelerator but also to anyone interested in the argument. These conferences need to help companies to create a complete CSR report, which has evolved into a requirement for businesses to report on their actions and results in terms of social and environmental responsibility. For some, it is a legal requirement; for others, it is a reflection of their true principles. The purpose of the CSR

report is to inform consumers about businesses' commitments and to highlight areas in which they might perform better on the social and environmental fronts.

- Target 12.8 - By 2030, make sure that everyone has access to the necessary knowledge and is aware of sustainable development and environmentally friendly lifestyles. La Caserne aims to be open to the neighbourhood, to become part of the life of the citizen of Paris, and not to just be a close space for the companies accepted to work there. That is the reason why multiple events including the citizenships are organized during the year, their restaurant is open every day for everyone, and it is possible to visit the showroom inside La Caserne where the brands can expose their products and collections to the public.

Maeve Bessis also stated that when choosing a designer, they seek those who are shaping the future and designers of the future who are capable of handling concerns like recycling, environmental responsibility, disruption, etc. Future designers must understand that limitations force the use of inventiveness.

Among all, it is interesting to take into consideration the case of Noyoco, a young Parisian brand that has been hosted at La Caserne and that is today developing its company and concept in the city of Paris. The company has been part of La Caserne since its opening, so it got the opportunity to deep into this accelerator among the first. Their case is interesting to understand which kinds of companies are taken into consideration at La Caserne, and how the accelerator had the chance to help them in the process of accelerating the brand's sustainability.

The Noyoco experience began in 2014, thanks to Louis Goulet. The obtaining of materials is at the centre of this ultra-hip, minimalist, classic, but above all ethical brand's creative process. Noyoco contends that using repurposed materials, which

already exist, is the greatest method to lessen a brand's environmental impact because a garment's materials define its impact. Their eco-friendly fabrics are based on three main pillars: upcycling, low impact and biodegradable.

First, since 2017, they have established an upcycling network that enables Noyoco to repurpose "deadstock," or premium natural resources, for new products. They primarily originate from large Italian fashion houses that are no longer using them, mainly because of overproduction, designer cancellations, and stock-out situations. In this way, no new waste was produced as a result: fewer pesticides, fertilizers, water, CO<sub>2</sub> emissions, and garbage were produced. Depending on the season, 50 to 70 per cent of their clothes are created by upcycling deadstock fabrics. Second, the rest of their supplies are provided by our preferred weavers, primarily from Portugal and Italy. They refer to them as low impact: compared to 95% of the materials used globally, they are natural and have a significantly better ecological balance. They each have distinct qualities and use fewer natural resources, emit less CO<sub>2</sub>, do not need pesticides, discharge toxins into the environment, and are recyclable and biodegradable. Examples include linen, hemp, lyocell, virgin wool, and organic cotton. Third, all their garments are biodegradable. A garment made of synthetic material (polyester, polyamide, nylon, etc.) emits hundreds of thousands of plastic microparticles during machine washing that the filter is unable to catch. They, therefore, enter the oceans together with the effluent. It is calculated that 65% of all fibres used worldwide are these synthetic fibres, and according to a 2014 calculation by Green Peace, this amounted to 50 billion plastic bottles in the oceans. Because of this, Noyoco decided to only carry biodegradable fibres.



Figure 21 - noyoco logo

Furthermore, their factories are all located in Europe, and they pick their production partners carefully, considering their skills and dedication to do the work in the best possible way, both for their employees and for the environment. As of today, the vast majority of their clothing is produced in Romania. Their components are put together in collaboration with several factories, and they have a crew on site to assure quality control. Through their website, it is possible also to know more about their work in Romania, and how for them it is important to be open about their suppliers so the final consumer can see who makes his clothing.

### **3.2 The Parisian incubator for fashion, art, and design: Les Ateliers de Paris**

#### **3.2.1 Introduction and presentation**

Contrary to La Caserne, “Les Ateliers de Paris” is an incubator, and it recently became part of a larger entity, the BDMMA, or “Bureau Des Arts, Métiers, Mode et Arts”. Les Ateliers de Paris is defined as an incubator for business projects and is dedicated to the development of creative businesses in the sectors of Artcrafts, Fashion and Design.



Figure 22 - BDMMA logo (left) & Les Ateliers de Paris logo (right)

The incubator welcomes creators in three main sectors, who have a business creation project or who have created a business within the last three years. The companies should focus on, at least, one among arts and crafts, to define if a company can be part of this sector it is necessary to refer to the list of arts and crafts, set by the decree of the French government, fashion, that can be both clothing and

accessories, having at least already produced few prototypes of their collections and, design considered in many different forms such as graphic, service, product, set design, scenography, culinary, etc. Founded in 2005 the incubator has today two main locations, both owned by the city of Paris: one at 30 rue du Faubourg Saint-Antoine (75012), and the other one at 28 rue de Faidherbe (75011).



Figure 23 - The "Residence" of Les Ateliers de Paris at 30 Rue du Faubourg Saint-Antoine (75012)

The project was initially supported by the political intention of Lyne Cohen Solal, who was a great passionate about fashion, arts, and design. She noticed that the city of Paris had both great schools in terms of education and a very attractive market, able to bring to the city students and experts from all around the world. The missing piece between these two considerations was the missing of a suitable structure where all these students could put into practice what they learnt without leaving the city. She was successful in persuading the City of Paris to address this gap and establish a resource centre to encourage and support creativity. Without a very

strong planification, and with a lot of improvisation, they began working on this project in 2005. It is important to remind that they decided to bring on this project 15 years ago when the industry and these realities were very broad, complementary, and poorly defined. They began by considering what they could provide for these young creatives, what they were missing, and what they required: in brief, what were their needs. The incubator was established the following year, in 2006, with six slots for six enterprises for 12 months. At the time, they used the term "incubator" to describe the service because it was non-standard and gave them more flexibility.

To accommodate more requests and also to improve the dynamic within the incubator, the number of workstations had been brought up to thirteen in 2012. The following year a second facility with 35 workstations was created thanks to additional funding. As of today, Les Ateliers de Paris has advised thousands of professionals and welcomed more than 25,000 visitors to its gallery. For 16 years, nearly 80 designers have been hosted in the Ateliers and most of them are still active today. This unique and innovative device, whose mission is also the transmission of know-how, is part of a project launched by the Economic Development, Employment And Higher Education Department (DDEEES).

The incubator of Les Ateliers de Paris includes, for a period of one year renewable once, a personalized accompaniment with professionals to develop its activity and the provision of a room. The residents commit to dedicate at least 3/4 of their time to the development of the project for which they have been selected. The stay of the companies at the incubator allows them to access a series of personalized accompaniments that can make a difference in their permanence. For example, they have unlimited access to Les Ateliers de Paris team of experts, which has a variegated background to be able to support in the best way possible each brand. They are also provided with free training courses, and six meetings with experts per year of residency to discuss more deep themes such as communication, strategic positioning, management, search for financing, legal, and export of their products.

As known, one of the best opportunities for brands that are accepted into the incubator is the development of their network. To provide that, the brand will obtain integration into the Ateliers de Paris network, collective exchanges among the companies, to develop and strengthen the flow of ideas and innovation and finally recurring meetings with professionals in the sector. As part of networking, it also included support for visibility and communication, such as promotion, communication through the creation of the resident file, and receiving visibility on the website of the BBDMA and in their social networks. Finally, residents can participate in events of the sector that are annually organized and to whom the BBDMA attends as the main sponsor. These occasions are indeed great opportunities for brands to showcase their work and also create important connections.

Residents get also individual workshops or shared workspaces from 10 to 35 m<sup>2</sup>. Available 24 hours a day, and also the access to meeting and appointment rooms. On the other side, the monthly incubator fee is calculated on two variables: the actual space made available to each resident, based on a price per m<sup>2</sup> (subject to changes voted by the Paris Council) that can vary between 9€ and 14€ based on the area where the workshop area is located and a monthly incubation fee of 125€ per person. In general, the price range varies from 197€ to 436€ for the first year of stay at Les Ateliers de Paris.

For what concerns the selection process, the applications are evaluated by qualified personalities and a multidisciplinary jury, who base themselves on the creative uniqueness, commitment, and innovative approach of the project the technical mastery, evaluated by professional experts. In particular is taking great care of the quality of the professional project, validated by the BDMMA support services, and of the motivation of the candidates, evaluated during an interview with professionals coming from the three sectors the incubator focuses on. Once they got chosen, they have an initial interview, with the team of Les Ateliers, to assess the creator's needs, which are typically crucial for business management. During this interview, it is established the activity's scope, which is frequently a delicate matter. Young

professionals in particular enrol at the residence to foster their creativity, knowledge, and talent rather than to create a specific good or service. After this initial interview, priorities are established for objectives, and a base of 10 diversified training courses is suggested. The brands are connected with important specialists based on their needs, such as trade show organizers, agents, professors, etc.

After the first year, the resident, surrounded by the team, creates an evaluation of the journey completed and projects himself into the possibility to remain for a second year. The validity of this assessment will be determined after this period of exchange, and the vast majority of companies remain for two years. The choice of remaining for a second year is justified by the fact that the fashion and design industry is in continuous expansion, and the many different challenges that build up every year may require more time for preparation. A lot of time is spent looking for properties during the second year. The last interview, at the end of the second year, enables the team of Les Ateliers to find out what worked and what didn't and to provide some ideas for the future. Many companies remain very devoted to the incubator, they form a solid sense of belonging, and they come back frequently to discuss accomplishments and disappointments.

### **3.2.2 Financial and Political aspects**

Les Ateliers de Paris actions' general functionality is mostly dependent on public investments. Each year, the City of Paris allocates more than 1 million euros to their project and missions. They also decided to establish an endowment fund in 2011 to gather private donations at the same time. Through this fund, the Daniel and Nina Carasso Foundation has financed a program of accompaniment for artists whose careers have stalled after three or four years of activity. This program included 30 hours of individualized follow-up from various donors. For approximately 10 years, the incubator could also profit from AGEFOS-PME Ile-de-France Assistance in funding a sizable portion of the training program, and in 2018 they started looking for a new source of funding.



To keep track of all the funding and investments, and also to be completely transparent, they created an activity report each year that first and foremost displays the number of project leaders they have monitored, along with their profile and development. Les Ateliers de Paris stands out among incubators as a bit of a cultural anomaly for the City of Paris. Because the incubator supports creative people, a crucial industry for Paris in terms of image, they are not constrained by the same financial concerns. However, they have a rate of sustainability that startup incubators do not: almost 80% of the 200 initiatives that have gone through the Ateliers de Paris have experienced sustainable development.

Furthermore, since 2012, another fund has been created to support the everyday activities of the incubator. The “Fonds pour les Ateliers de Paris” is an endowment fund established by the City of Paris to bolster and accelerate the support measures carried out by the Office. A 10-member Board of Directors oversees its administration, and 1 expert provides guidance. It supports and stimulates the professional growth of creators, promotes employment growth, makes it easier for seasoned experts to share their knowledge with up-and-coming talent, and enlivens the professional networks of the creative industries both domestically and abroad. The Fond raises the quality of Parisian know-how and creators by intensifying its support activities, endorsing innovation and a sustainable professional environment, and promoting a sincere dynamic between public and private actors.

Each year, the Fond pour les Ateliers de Paris establishes a sponsorship program, that usually includes:

- Increase of the grants for the Grands Prix de la Création de la Ville de Paris.
- Creation of new Savoir-Faire awards.
- Educational initiatives, global initiatives, and creative workshops.
- Support in the organization of industry-focused events.



Figure 24 - Fonds pour Les Ateliers de Paris logo

The Fund has supported approximately 400 beneficiaries as a result of the dedication of its sponsors, including 128 participants in creative workshops, 70 professionals who have benefited from collective training, and 53 winners of the Grands Prix de la Création de la Ville de Paris. It also supported the funding of 3 foreign exchanges with realities in Belgium and the Netherlands, and 38 additional Savoir-Faire awards (BDMMA Paris, 2022).

Les Ateliers de Paris, and broader the Bureau that includes the incubator, have a strong connection with the city of Paris. It is thanks to the founder of the incubator Lyne Cohen Solal that today all its activities can roll out in the centre of Paris. She succeeded in convincing the officials of the City of Paris to create a resource centre to support and promote creativity. The first, and still one of the locations of the incubator is the former emblematic workshops of Jean-Paul Gaultier, located at 30 Rue du Faubourg Saint-Antoine, which the city bought in 2014. A symbolic choice that gives the project its full meaning. Furthermore, about fifty professionals that join the Bureau receive assistance from the office each year in their research for a real office. The City of Paris has created a platform specifically for listing vacant properties owned by social landlords, as well as a form for requesting properties from GIE Paris Commerce, which is accessible from the Bureau's real estate section. Additionally, the City of Paris gives social landlords financial assistance for the renovation of spaces for creative professionals. Several real estate initiatives have been started, including Métropole 19, where the rehabilitation of 3,000 m<sup>2</sup> has made it possible to accommodate about thirty firms, and the Villa du Lavoisier, which has 1,000 m<sup>2</sup> and accommodates more than twenty creators.

Since June 2019, a large number of artists have occupied the brand-new studios of the Villa du Lavoir, a true artisanal city in the 10th district devoted to the creative industries, fashion, and crafts. They work in different sectors, as designers, printers, textile designers, jewellery designers, stylists, set designers, etc. sharing the spaces of this renovated building. There are also available seven social dwelling units and workshops with a combined usable area of 950 square meters. Together, the 10th arrondissement of Paris City Hall, and the *Arc de l'Innovation Grand Paris* issued a call for submissions that resulted in the selection of 12 winners. This project is also really interesting because it has born in the same conditions as La Caserne, thanks to the intervention of the *Arc de l'Innovation* project, already discussed previously. It is fundamental to remember that most of these buildings are city-owned or are rented to artists thanks to the financial benefits for the owners, given out by the municipality of Paris.

### **3.2.3 Incubating sustainability at Les Ateliers de Paris**

If we want to analyze deeper how sustainability is incubated at Les Ateliers de Paris, we can have a broader vision of everything considering one by one the main areas of work of the incubator. In fact, through the many activities and initiatives that are periodically organized, sustainability can be at the centre of attention in different ways, considering also different aspects of it.

First of all, it is interesting to see how Les Ateliers de Paris is involved in the improvement of the local area and the collaboration with local realities. Generally speaking, we are considering their participation in the animation of the sector creating relations with the professionals, in particular with the associations involved in bringing the territory to life around emblematic sites of the City of Paris. Also, for the incubator is important that the communication, among the various brands present inside, is constant and always active, to enable exchanges of ideas and support in terms of innovation. All of the acts of territorial animation find their

way straight into their missions of activity development. When they encourage the incubates to meet with professionals and other experts that may help them in the development of their companies, their activity and turnover increase. All of these acts, which may appear unrelated to company incubation, are crucial, and they are consistent with our incredibly complex and dynamic environment. If the young professionals they help in the incubator want to join Les Ateliers de Paris, it is primarily to find a position in this ecosystem, but this is also what will assist them not only to start but also develop and sustain their activity. The Ateliers de Paris are open to all professionals in the region looking for advice and support. Aside from residents, they also have accompanied thousands of professionals through training courses or consultants. Some of them are direct products of Les Ateliers de Paris, having completed training courses that assisted them in getting started. They have received services without necessarily being housed, sometimes because of a shortage of room or an incompatibility of their activity. This flow enables interaction with the residents; they can meet and take training courses together, and exchange ideas and all of this contributes to the ecosystem that is the Ateliers de Paris community. Finally, each year, the Bureau of Design, Fashion, and Art gives human, logistical, and financial assistance to associations with a territorial reach or that participate in recurrent events. Initially, €70,000 was distributed to 15 industry organizations. The health crisis seriously harmed businesses, drastically limiting their economic options. Professional organizations play a vital role in organizing events that allow consumers with a taste for excellent craftsmanship to meet. As a result, it was deemed reasonable to provide these associations with an additional one-time payment of €42,000. At the base of this is strong the idea that the creation of moments to share ideas, projects and opinions is fundamental for the sustainable progress of all the companies or professionals that decide to look for help in the incubator.

Furthermore, the incubator is at the centre for the creation, organization, and participation of many different social events help to increase public awareness. The incubator Les Ateliers de Paris not only organizes events and contests, but it also always participates in the main events of the city of Paris. It is affiliated with several

events throughout the year, including the “*Journées Européennes des Métiers d’Art*”, la “*Biennale Révélation*”, the “*Carrousel des Métiers d’Art*” or also the “Speed Dating Design Espace et Métiers d’Art”. As a result, the Bureau emphasizes to Parisians the diversity of these industries and the people that work in them. Also, as a partner of Paris Design Week, the Bureau strives to guarantee that Parisian venues participate in the event each year. The Paris Design Week, a prominent cultural event of the fall season in Paris, collaborates with “*Maison & Objet*” to activate the French and international design communities. It turns the capital into a whirlwind of exhibitions and events. All the incubatees have the chance and the possibility to join in these events that not only are a great networking opportunity but are also a great occasion for sharing ideas and opinions and having their work well-exposed to the eyes of all the participants.

Another mission is the development and sustainability of the Made in Paris label and the creation of prizes to highlight the best talents. The “*Fabriqu      Paris*” label seeks to highlight the range and quality of Parisian craftsmanship. It has rewarded and labelled particularly Parisian craftspeople and products since its inception. Just for reference, the 2020 edition received 365 applications, and the label was awarded to 331 products and product groups. The main sectors interested in taking part in this initiative are fashion and accessories, food crafts, home design and manufactured products. The City of Paris established the “*Fabriqu      Paris*” label in 2017 to highlight the richness and diversity of the Parisian industry. The label is a token of appreciation for the dynamism of Parisian craftsmanship, which has been able to adapt its *savoir-faire* to changes in society and the evolution of production techniques. It is a visibility tool for the product and its creator. It is also a quality guarantee, showcasing virtuous sectors, job creators, and responsible consumption that considers environmental, social, and societal challenges. As a result, the label is in high demand among Parisians and created much interest in visitors, who are increasingly seeking significance and authenticity in their purchases.

Having the possibility to receive this label is a great opportunity for a company since you will benefit from enhanced awareness as a result of a dedicated communication kit and advertising at the annual label award ceremony hosted at the Hôtel de Ville. The possibility to participate in events and points of sale such as the “*Foire de Paris*”, the “*Paris Rendez-Vous*” store, the Christmas animations on the forecourt of the Hôtel de Ville, and so on and also join the network of label holders, created to spread the sense of community and to gather together many Parisian entrepreneurs that still want to work in the city of Paris and want to keep a strong connection to the city. The fact that this label has been created by BDMMA is another proof of how Les Ateliers de Paris is an environment where companies get the possibility to keep working in the city of Paris. They can build their brand and at the same time strengthen the link with the city that is hosting them, a city that has a long tradition in the industries the brands incubated are working in.



Figure 25 - "Fabriqué à Paris" Logo

### 3.3 The future of these realities and their implications

As of 2022, also these realities are facing many challenges such as inflation, the rise of prices, the accelerated digitalization process, and many others. Business incubators and accelerators assist firms in expanding and surviving during the start-up phase when they are most vulnerable, and since incubators are known as providers of support to entrepreneurs, their effectiveness and success ultimately depend on how many entrepreneurs or clients they have helped and how well they can provide services and support in the growth process.

A balanced viewpoint is thought required to have an informed understanding of the different scenarios that accelerators and incubators programs can face in the next future. A variety of difficulties can be identified and analyzed, but the reasons for the success or failure of one of the realities may not be included below there, having seen the great number of different actors and factors on which they depend on. The most important aspects to consider are:

1. Geographic area. Since entrepreneurs are spread out geographically, it can be difficult for incubators to reach some of the clients who need their services. Additionally, some of these survivalist business owners are situated in outlying and rural locations (InfoDev, 2010). A good place for company incubation has easy access to scientific and technological information, products, and services, as well as a supportive infrastructure. In our case, both La Caserne and Les Ateliers de Paris are located strategically in the city of Paris, which is today one of the biggest centres if we consider sectors such as fashion, art, and design. Also, for them is beneficial that the city is famous for these aspects because this attracts to the French capital not only investors and capitals but also talents and entrepreneurs focused on these sectors. Finally, in the city are present some of the biggest companies that work in fashion (such as LVMH or Kering), art and design.
2. Skills and capability to grow them inside accelerators and incubators. Some business incubators lack the ability to adapt to the demands of entrepreneurs, therefore they provide educational programs based on what they have to give rather than what the entrepreneurs need. In the same vein, Wilber and Dixon (2003) noted that the difficulty faced by business incubators is to provide small business owners and managers with the skills required to compete in a cutthroat market. This issue is something both La Caserne and Les Ateliers de Paris are trying to focus on a lot: both realities organize recurring training and meetings with experts and professionals that can help them grow in the right way. Thanks to that the companies in the programs are not only hosted and financially supported, but they are trying

to offer them the instruments for being able to survive once the incubating or accelerating process is over.

3. Consumer education and raising of public awareness. This is another factor that could contribute to the failure of many of the sustainable business models we have evaluated. On one hand, numerous sustainable and creative business strategies have fallen short in their attempts to persuade customers of the advantages of sustainable fashion items. For instance, empirical study suggests that most of the slow fashion movement's defining characteristics are simply not valued by their consumers. Consumer education regarding these possible advantages can be the first step in developing this approach-based business model that is viable. On the other side, consumer education can spur a shift in consumer behaviour toward more environmentally friendly, personal fashion practices. Convincing customers that it is desirable to invest efforts in boosting the value of pre-existing clothing by extending their lifespan and utilizing them in novel ways is a crucial aspect of this difficulty (Wang & Song, 2010). To reduce consumption quantities, consumers might be encouraged to participate in more sustainable consumption lifestyles, making better use of collaborative consumption solutions like popular growing processes such as upcycling and recycling. In these terms it is remarkable the work done by both the environments considered in this thesis: most of their events and meet-ups with experts and professionals are open to everyone, giving the chance to any private citizen to attend these classes. Furthermore, the organization of events that focus on sustainability and the environment are always open to the public: a great way to include the citizens and to involve them in adopting a more responsible way of living.
4. Inconsistent stakeholder support. Stakeholder support is important for business incubators because it can provide the resources and funding necessary for the incubator to operate and support startups. Additionally, stakeholder support can also help to provide credibility and legitimacy to the



incubator, which can make it more attractive to potential clients and partners. Some areas where important stakeholder support is:

- Financial support, as discussed before, it is usually necessary to keep most parts of the incubator running.
- Mentorship, because stakeholders can provide valuable mentorship and guidance to companies in the incubator.
- Networking can help brands to gain traction and secure funding, and credibility, since having the support of stakeholders can help to establish the incubator's credibility and reputation in the community, which can make it more attractive to potential clients and partners.
- Community support, since incubators are often part of a larger ecosystem and have support from stakeholders such as local government and other institutions can help to ensure that the incubator and its startups are integrated into the community and able to access the necessary resources.

5. Presence of supportive institutional measures. Local policies should promote incubator services and not restrict their operation to fully help entrepreneurs. The success of business incubation services towards entrepreneurship is primarily dependent on favourable economic and industrial policies. In our case, the city of Paris, and more largely the whole region, has been very supportive and interested in the birth of these entities. Both projects are the result of the municipality's intention to give local entrepreneurs new places where to develop their sustainable ideas and business, always keeping a strong link with the city they are working.

6. Integration of sustainability values into the supply chain. For a definition, a supply chain that completely incorporates ethical behaviour and consideration for the environment into a competitive and fruitful model is said to be sustainable. This is a very important barrier that companies and

new brands need to face, that is the ability to integrate these new values inside their value chain. Because supply chains account for 50% to 70% of operational expenses and more than 90% of an organization's greenhouse gas emissions, supply networks must be the focus of overall environmental, social, and governance (ESG) activities (US Environmental Protection Agency, 2022). Among all, as also a topic really important for the final consumer, companies should increase the supply chain's traceability, and make use of technology to enhance visibility and supplier interaction. Utilize more extensive data sharing and collaboration platforms to regularly communicate with stakeholders. This is fundamental since consumers are becoming more and more attentive to the products they buy: they want the best products possible, but at the same time they are interested in the origin of your garments, who produced them, in which country and in which conditions, etc. Furthermore, it is necessary to reap benefits throughout the whole supply chain and go beyond a sourcing and procurement-focused approach. In this way, they can reduce delays and identify any problems in the supply chain, improve interactions with consumers and suppliers, forecast and plan for market changes, decrease risks, and reduce expenses for materials and labour by getting rid of waste during the process.

### **3.3.1 Analysis of the new business models**

Considering the business model of the new companies that get incubated and accelerated, we can observe that are usually organized with a new business model, that in consequence need to be present also in the organization hosting them. All the new features that emerge in the business models are based on the macro trends that are today shaping the competitive market for businesses that decided to focus on fashion sustainability. The most significant factor influencing the evolution of fashion businesses is probably the alteration of consumer needs, and those who do not adapt rapidly enough run the risk of falling behind. Customers who care about social and environmental issues now want ethical and sustainable clothing. Young

consumers want unrestricted access to new fashions, while others are looking for sites where they may trade in luxury and vintage clothing. The market must adapt to these expanding client groupings. The players of the fashion value chain must self-analyze their own identities and the foundations of their prior success, according to a 2019 report from McKinsey & Company, to implement innovations that attract new client generations. Furthermore, in addition to providing new business potential, a circular economy has opportunities that can assist the fashion sector in meeting changing consumer needs. The fashion industry will need to undergo a fundamental overhaul to do this, moving away from a take-make-waste approach and toward a reuse-based model. Among all, the following aspects would need to be taken by the companies into their business models to be able to survive in the market and to take into serious consideration the sustainability of their products.

First, it is important to develop innovative business strategies that promote the reuse of garments. The thrift market is not a brand-new idea. In actuality, the traditional thrift and donation sector's sales are still more than twice as large as the young internet resale market. (ThreadUp Report, 2022). Despite the recent expansion of the industry, during the past 10 years, the average amount of carbon emissions avoided as a result of resale amounts to much less than 1%. (Patagonia, 2022). Today, the situation is changing, and the brands' reputation is proportionate to their ability to reuse and limit waste to the greatest extent possible. On many occasions, luxury brands produce specific collections made up of a few models that are only available in certain places to make such products desirable and valuable to clients looking for unique and original pieces. The trend is becoming very popular within the sector due to its actual turnover and its constantly increasing growth margins. It is not a case that many brands are starting to upcycle their collections, focusing on the sector's changes and the emerging future trends that value more the quality and sustainability of the products rather than the amounts able to produce or sell. This concerns all the recycling but also upcycling processes that can incur when a piece of garment gets discharged. Circularizing fashion is anyway not an easy task: the "take, make, and discard" mentality has been the foundation for many years of the procedures, incentives, and systems in use today. A redesign of the textile

value chain's design is necessary to steer the fashion sector in a more constructive direction. Designers may ensure the concepts of a circular economy are taken into mind from the start by considering how the product will be manufactured, how it will be delivered and used, and what will happen to it afterwards. With this new business model, companies may buy unwanted clothes from customers and use them as raw materials for new creations, lowering manufacturing and transportation expenses, which have risen dramatically due to inflation and the latest rising fuel prices. It is a critical opportunity for small and local businesses since without such ways, they would not survive and will be unable to compete with the largest corporations.

It can also be the right choice to use only secure, regenerative inputs and empower the workforce. In this case, we refer to clothing produced in ways that encourage circularity, such as through regenerative agriculture's soil-to-soil cycle or the secondhand economy's upcycling of materials that would otherwise be discarded. Sourcing raw materials are still very significant: choosing the right sources, following upcycling tendencies, decrease reliance on raw materials from foreign nations by leveraging domestic manufacturing and local firms. Furthermore, this also concerns the workforce and all the issues that today are characterizing the fashion industry such as too low wages, abnormous working hours, extremely poor conditions of work, child work, and many others. As noted also in the previous chapters, after the Rana Plaza incident, customers have increased their interest in who is producing their clothes, and a rising awareness has characterized the latest years in the fashion industry. When we consider working conditions, we mean all stages of the process, beginning with raw material cultivation in developed countries. For example, organic cotton cultivation is beneficial not only to the environment but also to the people who work in those fields because they are not exposed to toxic substances and their working conditions are respectful and dignified, in line with the main values of organic and biologic cultivation.

Finally, we have to consider that design and production are typically time-consuming and inefficient processes. It can take up to a year to plan and market a

product. Start-ups, in particular, are part of the solution because they can respond rapidly to product procurement and development, cut production timelines, and maximize sales. Smaller businesses may be driving the growing desire to make or personalize things on demand. A new wave of start-ups offers custom-made products that, due to their uniqueness and perfect fit, contribute to improved sustainability. Larger corporations could accomplish this through pilot initiatives. A few brands also started to take pre-orders on some of their clothes to avoid excessive production. Through this technique, companies can give consumers control: pre-ordering tells brands what they want and what they should create more of, without them having to put a large number of pieces into production first. Furthermore, it also prevents overproduction and waste since brands will manufacture in response to demand rather than over-supply. As seen previously, overproduction is still a problem, with both high-street and luxury businesses such as H&M and Burberry burning extra stock in the past years. This can become expensive for the brands that cannot rely anymore on huge scale economies and economies on the price of the single garment produced. On the other hand, anyway, pre-orders assist smaller businesses in securing the money required to proceed with the manufacturing of the products. Factories also may require a minimum order quantity, before they will begin manufacturing a product. Usually, it is needed to pay half of this upfront, which is where your pre-order sales will come in handy.

### **3.3.2 The aim beyond a pure economic goal**

When considering realities such as La Caserne and Les Ateliers de Paris, we are taking into analysis realities that were not born simply to help companies in generating profits and revenues, but we are closely looking at realities that also work going beyond the pure economic goal. The spectrum of functions and activities that these environments bring on every day is remarkable in terms of social impact, community development, increasing awareness, job creation and empowering local entrepreneurship. All of these features become at this point part of their structure and organization, remarking how, despite the necessity to focus on revenues, many

other initiatives can contribute to the transformation of society. In our specific case, it is the city of Paris and its citizens to benefit the most from these realities that, as already shown in the previous chapters, keep a strong connection to the region they are located in, contributing in a continuous way to its development.

In reality, it is at the base of many theories for sustainable development the idea that GDP, today one of the most used utils to evaluate a business, was never intended to be the system's primary goal. The GDP (Gross Domestic Product) has indeed various limitations, that may not allow us to give the best outlook of a brand or a company, in particular, if we care about how sustainable this is. For example, the calculation of the GDP counts the number of cars produced by an economy but not the pollutants they emit. GDP is a rough indicator of a society's standard of living, but it does not directly take into account leisure, environmental quality, levels of health and education, activities carried out outside of the market, changes in income inequality, advances and progress in technology, or the value that society may place on particular types of output, whether positive or negative. This is the reason why, for example, the OECD is experimenting with a new “well-being indicator” that incorporates social, environmental, economic, and human capital, to properly balance society's progress.

At the European level, it is interesting is the TPI Index. The TPI is a scorecard that tracks and ranks nations according to their 4 transitions to equitable and sustainable prosperity:

- Economic (including aspects such as instruction level, income, labour productivity and R&D intensity, and industrial activities).
- Social (health life, work, and inclusion, free or non-remunerated time, equality).
- Environmental (GHG emissions reduction, biodiversity, optimization of material utilization, energy productivity and diversification).
- Governance (basic rights, security, openness, solid public finances).

This new index design that prioritizes sustainability, inclusivity, and resilience complements the EU's 2022 Annual Sustainable Growth Strategy. As cited above, incubators and accelerators in particular can bring interesting support to the communities they work in, depending on which kind of approach they want to have with the local communities. First of all, they can have a strong social impact. Business incubators in general may have a mission to support companies and professionals that are working to address social or environmental issues (EU Reports, 2022). For example, La Caserne has very strict entering requirements that need to be satisfied to get a place in the accelerator: they put a lot of focus on how much sustainable the project is presented and how it can remain sustainable also in the future.

Then we can take into consideration community development. Incubators may aim to support the development of a particular community or region by fostering the growth of local businesses or giving them the instruments to build up their brand in the best way possible. Both La Caserne and Les Ateliers de Paris are open also to external brands that look for help or guidance for a certain period of time or on a determined matter.

Third, we have the creation of environments suitable for innovation. Incubators and accelerators may aim to support the development of new technologies or business models to drive innovation in a particular industry or field. In our case, the aim is to develop brands and companies in the fashion, design, and art sectors, pushing them towards sustainable innovation that can bring a positive impact on society. Linked to this it is also necessary to consider the possibility of job creation that these realities may bring. Finally, as cited before, business incubators want also to promote entrepreneurship and help individuals to start and grow their businesses, in our case keeping a connection with the territory they work on.

It is important to note that many business incubators may have a combination of these aims along with the economic goal. This can help them to have a more holistic approach and make a greater impact in the community.

### **3.3.3 Limitations and concerns**

Many of today's industries brag about their commitment to sustainability more than the fashion industry. Products labelled as carbon-positive, organic, or vegan and terms such as recycling, resale, leasing, reuse, and repair are promoted as environmentally friendly business methods. Unfortunately, there is also sometimes a sad reality that all of the fashion industry's experimentation and innovation over has failed to reduce the sector's impact on the environment. Consider for example that the production of garments, which has more than doubled the number of items produced in the last 20 years, with an industry growth of 8.3% in 2022 (Ellen MacArthur Foundation, 2022). It is shocking to think that approximately 85% of all textiles discarded in the United States, more or less 13 million tonnes in 2017, are either disposed of in landfills or burned (EPA, 2018). Every year, the average American is expected to waste away 37kg of clothing. The reasons for the industry's lack of sustainability are many: pressure for unrelenting growth, combined with customer demand for cheap, rapid fashion, have all played a role. The fact that real prices for footwear and clothes have halved since 1990, with the majority of new items produced from non-biodegradable petroleum-based synthetics, is also significant.

To truly comprehend how the fashion industry is failing in the process of becoming more sustainable, let's examine why this happens. First of all, it is indeed necessary to start with environmental implications. The specific environmental impact of the fashion business is unknown, although it is significant. The borders of the sector have grown globally, and as a consequence also its supply chain, which today involves so many different actors and entities remains complex and opaque. As a result of extreme trade liberalization, globalization, and persistent cost pressures, relatively few brands are vertically integrated with their upstream factories, and the majority of corporations outsource most production processes, often trying to get these services for the lowest price possible. It is therefore worrying that there are only a few brands that know exactly where their material comes from in the supply chain.



Because of the industry's complexity and lack of transparency, estimates of its carbon effect range from 4% to 10% (United Nations Fashion Report) of total global carbon emissions. The fashion industry, like all industries, is part of a larger system, a system based on expansion. This persistent desire for growth drives fashion industry-specific methods. The industry promotes change since it is difficult to create a better-performing or more efficient shirt, handbag, or pair of socks to motivate consumption. Not better, but different, less expensive, or faster. Overproduction is unavoidable when the necessity of growth is combined with fast product drops, long lead times, and worldwide supply chains. Regardless of technological and communication advances, forecasting demand for tens of styles issued seasonally is considerably easier than forecasting demand for thousands of styles produced monthly. As a result, fashion stocks unavoidably build up, and 40% of fashion goods are sold at a discount. Clothes have a relatively short life cycle and eventually end up in landfill. This trend is unfortunately increasing exponentially. A McKinsey report also noted that shorter production lead times provided by technology and updated business procedures enabled brands to launch new lines more often. If we take for example Zara, we can see that the company can release more than 20 new apparel collections each year, while H&M releases 12 to 16 collections and updates them frequently with new products. This continuous necessity for new clothes and collection generates a constant attraction to bring customers to return to websites and businesses.

The problem is that this degree of speed already appears old when compared to a new huge player in the market of cheap fast fashion: Shein. As of today, it is presently the world's fastest-growing e-commerce company. The prices offered by Shein, and the number of clothes that are updated on their website almost every day, make the company a giant in the sector. Firms like this, rely on fossil fuel-based synthetic materials that are cheaper, flexible, and more readily available than natural materials to deliver low price points for rapidly changing fashions. As a result, polyester has risen to become the most popular synthetic fibre, accounting for more than half of all global fibre production. Polyester is not biodegradable, and its

production results are also highly polluting: it requires large energy consumption, and high CO<sub>2</sub> emissions, and it can cause the dispersion of harmful substances.

The fashion sector is meant to rise over the next decade. Unit growth will continue to be concentrated in lower-cost, more harmful synthetic fibre goods, increasing a slew of other environmental issues such as water scarcity and the proliferation of microplastics. It is interesting to notice how some companies decided to stop using the word "sustainability" in their reports, such as Patagonia. At the same time, it also can be confusing for the customer when fashion firms profess their dedication to sustainability while opposing regulatory ideas that achieve the same result. The problem is also linked to the fact that many brands, that publicly have committed to science-based targets, receive every day a low rating for their measures to address climate change. To demonstrate success, their sustainability reports should become mandatory, more quantitative, thinner, more in touch with global thresholds, and subject to annual external audits. For many experts, it is time to regulate the market after noticing that for years the theme of sustainability has been considered as voluntary experimentation, a sort of market-based win-win approach to fashion sustainability. As has been already stated by many studies, demanding that consumers act on their intentions and buy more expensive, ecological clothing isn't working. Sifting through claims, labelling, and complexity is too much to expect if consumers are truly willing to spend more. Fashion is frequently said to both reflect and drive culture: the industry now has a unique opportunity to demonstrate how creativity and respect for boundaries can lead to real sustainability.

While sustainable fashion is anyway a good start to achieving the best results, its impact is limited. Among these limits, there are production costs, limited availability to the pool of customers, limited design alternatives, materials scarcity, limited recycling infrastructure, lack of a worldwide regulatory framework for sustainable fashion, etc. It is important to work now on this issue to be able to provide a better fashion industry, both for the environment but also for society.

## **Conclusions**

As stated at the beginning of this thesis, the objective was to investigate new accelerators and incubators realities that are aiming to differentiate themselves from the traditional ones. The massive evolution of the fashion industry in the last decades has certainly had an impact on the rise of these environments, and also the changes in the social and demographic tissue had been fundamental for the creation of centres that aim to help smaller and local professionals. These are today's points of interest not only for the companies they decide to help but also for society, integrating into their organization a huge contribution to the local municipality. Starting from the analyses of the literature about these environments, we could assess a starting point for the whole work. The understanding of these realities helps to better define them and understand which are the strong points on which both La Caserne and Les Ateliers de Paris are today based.

The research then moved on to a study of the current state of the fashion industry to better understand where the need for incubating and accelerating fashion companies is coming from. The model on which is based today the majority of fashion companies shows how the sector is highly polluting, disaggregated, and hard to manage to see the long supply chain that characterizes it. It is not a case that processes, such as on-shoring and near-shoring, are today coming back very strong, especially after the pandemic situation that showed how the current standard is friable and influenceable by sudden events. Furthermore, it is having been necessary to ask if there is an actual future for fashion sustainability and if this is something that can be put in place in the current society. Many are the issues that are characterizing today the market, and it is also now the task of the companies to sensibilize the consumer to make more rational choices and to be able to create consciousness in the customer when a purchase is made. It has been possible to explore a few alternatives and features that companies should focus on to act better in terms of environmental care: up-cycling, recycling and circularity are terms that need to be part of the fashion sector of the future.

Finally, the third and last chapter aimed to combine the first two, taking a close look at two particular environments: La Caserne and Les Ateliers de Paris. These environments are the result of what can be considered an answer to the issues that have been identified throughout the thesis. In the specific, Les Ateliers de Paris was born to give space to small professionals and to help them grow inside the city of Paris, offering them the tools to succeed in the fields of fashion, art, and design. On the other side La Caserne, which focuses only on fashion and accessories, is the result of the necessity to create a place for fashion companies that aim to change and be the change of their sector, bringing on their innovations and ideas to create a more sustainable and better market. Despite being quite recent realities, born in 2005 and 2021, their impact has already been visible. Their work in helping and supporting non-digital realities, making them analog environments, has been clear: as of today, Les Ateliers de Paris has helped thousands of professionals, every year it keeps organizing national and international events to showcase the work of their incubatee, giving them the chance to be exposed to everyone, and it still offers all the mentoring and help services to help growing brands. La Caserne, even if much more recent, has become a centre not only for the companies it helps but also for all the citizens of Paris. Additionally, it helps in supporting companies through the many partnerships they have, and their weekly meetups have been fundamental for the development and acceleration of a few businesses. In both cases, the strong link where the city of Paris is more than evident: not only they are based in Paris, but the municipality itself is fundamental for their work, and what they do aims exactly realities that are present in the region of Paris and that aim to work there in their future.

In conclusion, the future of both will probably still see a lot of changes as they will need to adapt to the needs of the market and the future consciousness of society. Also, the increasing attention of the customer to products locally made and sustainable is a clear mark that these realities are working in the right direction: as an example, the great interest in ESG principles for the companies and the creation of labels such as "Fabriqué a Paris".

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