

net.works - it just works: The Social Production Network

Vienna, Austria
Vienna
Dave Balzer

a short overview examples of social partners



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Services

- clothing for men and women
 - made for film & theater
- bed linen
- accessories
 - hand bags
 - shopping bag



Abbildung 1: sewing



Abbildung 2: Wien Work @ work

current customers:



URBAN NINJA
by: Anja Witzels



URBAN ACTIVIST
by: Ruth Rederich



Abbildung 3: current customers, project of the Vietnamese community colleges (VHC)

The main goal of the project is the re-integration and qualification of long-term unemployed people.



Abbildung 4: bags made of vinyl boards



Abbildung 5: various kinds of vinyl boards

"In der TrashDesignManufaktur entsteht anregendes Design aus den Resten unserer Gesellschaft. Wir fertigen alltagstaugliche und hochwertigen Schmuck, Möbel und Accessoires. Unsere Produkte bestehen hauptsächlich aus recycelten Teilen von gebrauchten Elektro- und Elektronikgeräten und werden gemeinsam mit Menschen, die sich

Services

- jewelry
- accessories
 - bags
 - purses
- art objects
- home accessories



- Services
- Foto e accessories
 - bags
 - T-shirt
 - bags
 - jewelry
 - Accessories like bags and shoes



current customers:



Project Stage:

Start-Up

Budget:

\$10,000 - \$50,000

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Project Summary

Elevator Pitch

Concise Summary: Help us pitch this solution! Provide an explanation within 3-4 short sentences.

The project builds the biggest social-production-network for textile and upcycling products that are produced in social organizations.

The goal is the creation of a living network that covers the entire value creation chain (from design over production to delivery) and collaboratively implements big textile productions in Austria.

The project is currently in the conception phase and will be funded as "net.works GmbH" in the mid of 2014.

About Project

Problem: What problem is this project trying to address?

- Lack of big textile productions in Austria; many imports - Increasing unemployment rate: social imbalances, declining textile industry in Austria (Revenue decline 2001-2012: 21%, annual report "Textil" WKO, 2013) - Social organizations are more and more forced to reject orders as the required scale of the production would be too big for one production site (own research and conversations) - High volatility of orders at social organizations inhibiting hiring of new employees - Environmental pollution due to imports (long distance transports)

Solution: What is the proposed solution? Please be specific!

Setup of the production network: + Being able to produce again in Austria (less imports) + Securing and creating new jobs in a shrinking industry + Spreading orders across multiple production sites to be able to fulfill bigger orders + Stabilizing order volatility of the social organizations to ensure additional jobs in the long run + Preserving the environment through shorter routes of transport and production sites closer to clients

Impact: How does it Work

Example: Walk us through a specific example(s) of how this solution makes a difference; include its primary activities.

Example: Greenpeace Banner Bags (for background please see "aha" moment story) One single production partner could not any longer fulfill the

high demand of Greenpeace Banner Bags. To still be able to go ahead with the project, the production had to be spread across multiple social organizations. In Austria as well as many other countries the textile industry is not functioning anymore. This project helps to revitalize a shrinking industry as well as supports social organizations. These organizations offer a real employment opportunity especially to disadvantaged people, long term unemployed persons and teenagers. Current partners (conditionally): Greenpeace, Caritas, Volkshilfe, Wiener Volkshochschulen, die Umweltberatung, and many more

Spread Strategies: Moving forward, what are the main strategies for scaling impact?

Short-term goals: - Setup of the social production network in Vienna and Lower Austria - Successful implementation of one pilot project to detect potential problems early on and avoid them in the later operations - Implementation of 3-5 bigger projects (same volume as Greenpeace Banner Bags) - Foundation of net.works GmbH (limited enterprise) Mid term goals: till 2017 - Sustainable stabilization of orders for all partners to enable them to employ new workers - Expansion of the network across entire Austria (up to 250 sewing workers) - Pilot projects in European neighboring countries (focus on Germany, Switzerland, Netherlands and Hungary) – first international orders already received from the Netherlands and Hungary long term goals - Setup of a flagship store, where products of partners from network are jointly presented and sold - Successful setup of a worldwide network

Sustainability

Marketplace: Who else is addressing the problem outlined here? How does the proposed project differ from these approaches?

Comparison of "die Umweltberatung" and the project "sozial produziert": This EU-sponsored project coordinates among social organizations and corporations (across services and industries) and is limited to Eastern parts of Austria and Western parts of Hungary. Link: <http://www.umweltberatung.at/firmengeschenke-aus-sozialer-produktion> Differentiation: Geography: net.works is focused on Austria as a whole and later on Europe Content: "die Umweltberatung" focuses only on coordination between organizations, but does not take over any control function (hence no buildup of industry specific knowledge possible). Net.works bundles the existing resources and offers a fully fledged service (supervision, control and execution of orders). Remark: In April 2014 Die Umweltberatung and net.works entered a collaboration to start a first pilot project until mid of 2014.

Team

Team

the founding team: More than 6 years of experience in implementation of textile productions, working with big corporations (Google, Coca Cola, Greenpeace, etc), experience in founding, setup and management of a successful startup Dave Balzer (CEO) experience: strategic concept management in several advertising agencies (e.g., Draft FCB), as of January 2013 young entrepreneur and founder of KhadiBAG (social enterprise) Vajo Sekulic (COO) qualification: Bachelor from Vienna University of Economics and Business Administration (Management of Information Systems & behavioral management) Current job: operations manager at payolution GmbH tba (under negotiations) responsibility: organization & control of productions 4 years of professional experience at "Gabarage Upcycling Design" Planned closing of negotiations about entering as 3rd Co-founder: May

About the Lead Co-Creation Partners

Organization:

Die Umweltberatung

[Visit website](#)

LEAD SOCIAL-MISSION ORGANIZATION

Organization Name

net.works GmbH

Type of organization (e.g. NGO, association, not-for-profit, foundation, social enterprise)

Social Enterprise

Total Number of Full-Time Employees

3

Lead Contact First Name

David

Lead Contact Last Name

Balzer

Title

No

Country

Austria

Twitter URL

not yet

Facebook URL

not yet

Website

not yet

LEAD CORPORATE PARTNER

Organization Name

Die Umweltberatung

Total Number of Full-Time Employees

35

Lead Contact First Name

Brigitte

Lead Contact Last Name

Seidl-Brychta

Title

Mag.

Country

Austria

Twitter URL

Facebook URL

Organization Website

<http://www.umweltberatung.at/>

Basic Info

Project Starting Year

2014

Primary European Country where this Project is creating social impact

, WIE, Vienna

Additional European countries where this Project is creating social impact

Germany, Netherlands, Switzerland, Hungary

Select the category that best fits the type of your project:

New products & services: Entries in this category develop and offer essentials product and services that address needs currently unmet, **Last mile distribution:** Entries in this category focus on solutions that enable the physical delivery of life-changing services to people with restricted mobility or restricted access (senior people, people with disability, remote or difficult areas, etc.), **Inclusive supply chains:** Entries in this category implement efficient, sustainable and inclusive supply chains, **Job Creation:** Entries in this category create new jobs for people away from the labor market.

What awards or honors has the project received?

Project Summary

Co-Creation Model: Tell us about your main strategic partners and how the partnership truly create value. For each Partner please include its type (business/social/public), its name, a short description, its key motivation to participate in the co-creation project, and the key contributions it is making in the co-creation project. Please follow the format displayed below:

The Social Production Network has a lot of different partners. The goal is the creation of a living network that covers the entire value creation chain (from design over production to delivery), here some examples of our partners (total number of current partners: 15):

Partner 1: Wien Work

-social enterprise by the city of Vienna

- Wien Work: is an integrative enterprise that facilitates (re-)entry in the job market for disadvantaged persons, long term unemployed people and teenagers.

- Stabilizing order volatility to ensure additional jobs in the long run

-Wien Work is our Premium Production Partner: producing prototypes and normal products

-Partner 2: "Die Umweltberatung"

- social

-This EU-sponsored project coordinates among social organizations and corporations and is limited to Eastern parts of Austria and Western parts of Hungary.

- increase their service-network and their qualities of their networking-partners

-"Die Umweltberatung" is our Main-Networking-Partner: they bring us together with other social companies like tailors in other parts of Austria/Hungary

Partner 3: Greenpeace Austria & CEE

- NGO

- its goal is to "ensure the ability of the Earth to nurture life in all its diversity" and focuses its campaigning on world wide issues such as global warming, deforestation, overfishing, commercial whaling, genetic engineering, and anti-nuclear issues.

- Greenpeace is supporting The Social Production Network because they support good ideas and projects to fulfill their goals

-Greenpeace is helping us with know-how about sustainability and gives us feedback about possible customers (no greenwashing allowed, we only want trusted companies as our customers)

Partner 4: Caritas Austria

- NGO

- Caritas Internationalis is a confederation of 164 Roman Catholic relief, development and social service organisations operating in over 200 countries and territories worldwide.

- Stabilizing order volatility to ensure additional jobs in the long run, increase their services and products (exchange of know-how)

- Caritas will produce simple products for the social production network and will help in logistics and shipping

Partner 5: Lebenskleidung

- social Business

- Lebenskleidung is based in Berlin and is one of the biggest wholesalers of eco-certified cotton in Germany, Austria & Switzerland. It commits to only use sustainable materials.

- Lebenskleidung is our main wholesaler of eco-labeled-fabric which is used for the network.

Impact

Impact: What is the impact of the work to date? Also describe the projected future impact. Please specify using qualitative and quantitative data (e.g. # of indirect and direct beneficiaries); help us understand how this solution truly makes a difference.

Example „Greenpeace Banner Bags“:

- Project duration: December 2013 – February 2014 (to be continued soon)

- Production volume: 10.000€ to 20.000€ for social organizations

- Revenue volume: up to 40.000€

- Currently available sewing workers: up to 60 people

Future impact until 2017:

- Planned production volume until 2017: >300.000€ (extrapolated based on project “Banner Bags”)

- Planned revenue volume until 2017: >600.000€ (extrapolated)

- Secured jobs: the network is expected to employ ~250 sewing workers in Austria until 2017

- Created jobs: up to 4 new jobs per partner and per year

Sustainability

Funding: How is your project financial supported? [select all that apply]

NGOs, Businesses, Regional government, Investments.

Sustainability Plan: Has your project already reached financial sustainability? If not, what is this solution's plan to ensure financial sustainability? Do the main partners have enough stake to sustain the solution? If this project requires limited budget, how will other resources be secured to maintain or grow this work?

The project is not yet financially sustainable as it is still in the foundation phase.

Planned measures – revenues:

The newly funded enterprise takes over an intermediary role. It bundles existing resources of network partners, organizes the network and offers the fully combined service to other businesses (B2B). This will generate the revenues for the enterprise.

To ensure financial sustainability:

As all required resources (employees, machines) are already provided by the network partners, the expenses of the enterprise “net.works” are expected to be minimal (only 4 people required to lead the enterprise). Other expenses for material or mailings will be taken over by the business partners/clients.

Team

Founding Story: Share a story about the "Aha!" moment that led the Partners to get started and/or to see the potential for this to succeed.

Initiator of this project is the enterprise KhadiBAG (founded by Dave Balzer). The idea of a social production network started in December 2013 during a joint project of KhadiBAG and Greenpeace (“Greenpeace Banner Bags”, Link: <http://bannerbags.khadibag.com/>).

End of 2013 KhadiBAG faced a production shortage based on too high demand (>400 bags sold in first 2 months of production. Demand was too high to be met by one production partner alone.

To compensate for the production shortage, several conversations with social organizations in the textile industry were initiated. These led to the insight that there was almost no collaboration among these organizations (too big of a hassle).

After Vajo Sekulic joined as supporter of the project, the decision was taken to separate this project from KhadiBAG and jointly found a new independent enterprise (net.works GmbH).

About the Co-Creation

Barriers: What main barriers may you have encountered to co-create during the creation and implementation of the project and how did you try to overcome them?

Barriers:

- 1) Inconsistent price and qualities of productions of network partners
- 2) Limited production capacity at partners (spontaneous employment of additional workers is not possible)
- 3) Cheap and strong international competition (China, India, Poland)

Solutions:

- 1) A first pilot project with all partners sheds light on the differences
- 2) To avoid production shortages: quick expansion of the network across Lower Austria (3 times more production sites than Vienna – already started and under negotiation)

3) Compensation of weaknesses through additional services and close vicinity to clients (full coverage of entire value chain)

Pilot project:

Implementation of a first pilot project with all network partners to precociously detect potential problems and avoid them in the future & to identify the respective strengths and weaknesses as well as the varying pricing strategies.

Governance: What is the type of the relationship between the partners? (e.g. joint venture, contractual relationship, joint project...)

The social production network is a free network: the partners are not obliged to cooperate and there are no costs for joining.

The orders will be acquired, coordinated and distributed across network partners by "net.works". Goal is to utilize those production partners that have free capacity at the time of order receipt.

For each signed sales order there will be a new purchase contract signed.

Interaction model: How is the project a transformative partnership? How is the interaction transforming the partnering organizations and their employees/ leadership in terms of creating a new vision, new management practices, new skills and new organizational structures? Please provide for concrete examples

Exchange of know-how: the exchange within the network increases not only the quality of the products but also the efficiency of production. This is also an additional qualification for the employees and facilitates an easier subsequent placement at other companies.

Joint public presence: a joint public presence allows to share and jointly use marketing and PR activities (wider spread at split cost).

Sustainable growth: a more stable order situation enables the partners to grow sustainably and employ new disadvantaged workers. In addition there will be no need to decline future orders as they can be handled by the network.

How did you find out about this competition?

internet & Ashoka Austria

Source URL: <https://www.changemakers.com/discussions/entries/khadibag-social-production-network#comment-0>