

# Heart and sole

POZU<sup>®</sup>  
shoes with a good sole



**Company:** Po-Zu

**REBM type:** Product repair

**Sector:** Manufacture and retail

**Company size:** SME

**Product or service:** Repair service for shoe sales customers

## Key Facts

- Po-Zu (Japanese for 'pause') is a manufacturer and retailer of sustainably and ethically-sourced shoes.
- Customers choose Po-Zu for comfort and its ethical credentials. The company was keen to reduce waste and offer customers a repair service to extend the life of their product.
- The REBus pilot demonstrated that repairing shoes was both possible and also offered a robust business case.
- In 2017, Po-Zu will be launching its shoe repair service in Portugal, employing a local cobbler.

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## Introduction

Po-Zu products are designed to give high quality foot comfort using natural materials, and employ a shoe design that can be disassembled and repaired.

Po-Zu manufactures products exclusively in Portugal, where over 70% of the energy required for the process comes from renewable sources. Local workers are employed and high production standards are maintained. Products are sold across Europe, Japan and the US.



## REBM for repair

Po-Zu customers often base their choice on the company's ethical credentials, and Founder and Director Sven Segal has a firm commitment to improving the sustainable footprint of the industry.

Segal actively works to address the levels of waste produced in the conventional shoe-making industry, and launched the Better Shoes Foundation, which helps to share good practice and information that will help the industry to become more sustainable.

For these reasons, the concept of repair is very important to Po-Zu. However, before the company could go ahead, it needed to be certain that the process would work.

The pilot was set up to determine whether Po-Zu products could physically survive a repair process, and to understand the logistics involved. The original trial was carried out on a pair of textile-upper Po-Zu shoes.

The trial repair showed that textile-upper shoes could be successfully repaired and indicated that more durable leather-upper shoes would also survive a disassembly and repair process. This, in turn, would extend the customers' relationships with cherished shoes.

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## Why REBus?

As a small business, Po-Zu had limited time and expertise available to test and develop a strategy for a new repair service.

A WRAP specialist was able to advise on cost modelling, to highlight risks and identify mitigations. The REBus team also assisted with financial modelling and demonstrating a robust business case to back up the environmental principle.



## The pilot

At the original concept meeting, a range of potential business models were suggested. From these, repair and a membership subscription service were chosen as the most likely to succeed. Very quickly, the feasibility assessment narrowed this down to focus on the repair business model.

Location for repair proved a major consideration. Financial modelling of British and Portuguese options helped to identify the break-even repair costs and a comparison of the two models. Higher labour rates in the UK were offset by higher shipping costs to and from Portugal.

Eventually, the decision was forced through due to a lack of a UK repair option. However, surprisingly, the Portuguese shoe manufacturer was unwilling to repair worn shoes since production operatives only handle new, clean shoes in their day-to-day operations. Finally, Po-Zu identified a suitable repairer near the production facility.

Po-Zu uses a third party to undertake the repair. A main reason for this is the high capital cost of buying specialist repair equipment itself and a lack of skilled workers to use such equipment in the UK. In Portugal, Po-Zu could identify skilled repairers with the necessary equipment to complete repairs.

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## Challenges

Driving the process forward took much longer than Po-Zu expected, partly due to working against the nature of the industry.

Finding a provider to repair shoes was a major challenge: the factory was only prepared to repair shoes under warranty, so other repairs are done by an independent cobbler. The disadvantage of this provider is that work is hand-stitched, so there is a limit to the volume he can manage.



Po-Zu is planning to review how it repairs shoes once demand for the model increases and their needs for capacity grow.

However, Po-Zu is moving to a wider product range of side-stitched shoes, for which there will be greater coverage of equipment in the cobbling industry and should be easier to repair.

## Results

A repair business model was created from November 2016 enabling customer's access to a shoe replacement service for their Po-Zu shoes. Shoes typically retail at £85-150, therefore replacement of the sole and foot mattress can be cheaper than replacement. In addition, it is anticipated that Po-Zu's customers are likely to be motivated by ethics, so repair is something they will likely buy into.

## Next steps

In order to find the repair company in Portugal, a production agent was employed. As the repair project scales up, the production agent will be brought in again, and will also help to develop service level agreements.

## Advice to others

Contact WRAP to access expertise and capacity to help develop and implement business model projects. Persevere with the project and give yourself the time to assess options and the customer journey fully.

*Sven Segal, Founder, Po-Zu*



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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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