



## **Ecolã Portugal**

### **PART A. BUSINESS PROFILE**

Ecolã is an artisanal textile micro company established in 1925 in the heart of the glacial valley of the Serra da Estrela in the town of Manteigas. This town is characterised by the craft industry of weaving, an ancient tradition that has been passed down from generation to generation. The company has used the Ecolã brand since 1992 and has Portuguese certification as an artisanal production unit.

The raw material of Ecolã is a typical product of Portugal – burel – it is 100% sheep's wool of medieval origin which has always been associated with the Serra da Estrela, the mountain, the shepherds and their capes. Burel has unique characteristics, being the most resistant fibre of animal origin, 100% natural like human hair, and containing a protein called keratin. Also it is biodegradable and renewable, as year after year the sheep produce wool that is sheared. Another differentiating element is that this product is naturally elastic and comfortable so it is used as a natural thermal insulator.

The company has an artisanal manufacturing process including the following steps:

1. **Shearing:** Spring is the right time to shear wool from the sheep to ensure its growth till the following winter. Starting with the legs the wool should be removed in one go. Approximately six kg of wool is obtained from each sheep of which only three kg are fine wool.
2. **Selection:** For textiles, only the best quality wool is used, coming from the animal's back which is the longest and cleanest part. The wool from underneath is very short and the rear area is very dirty.
3. **Spinning:** Spinning can be done with a manual or electric spindle which transforms the wool into yarn, twisting it to obtain yarn of the desired thickness.
4. **Weaving:** Cloth is made by interlacing weft yarns with warp ones. This method of weaving was known in Palaeolithic times.

The products manufactured by Ecolã are diverse and include items such as burel fabric, throws, blankets, bags, backpacks, accessories, products for women, men and babies. The company makes a very important contribution to the national economy and regional development. The introduction of new product categories (e.g. tailor-made clothing), all design pieces, allows the company to reach new market niches.

Facing problems to find qualified workers to work in the factory, the owners are always ready to receive people for internships or to participate in exchange programmes (the company receives foreign students for short-term internships in the textile area).

In Portugal, Ecolã has been developing a strong commercial and internalization strategy, and currently it has four stores: one in Manteigas, another in Lisbon and two others in Porto. The company exports its products to several countries (Japan, South Korea, Italy, Germany, France, Belgium and Norway).



## **PART B. THE FAMILY DIMENSION OF BUSINESS**

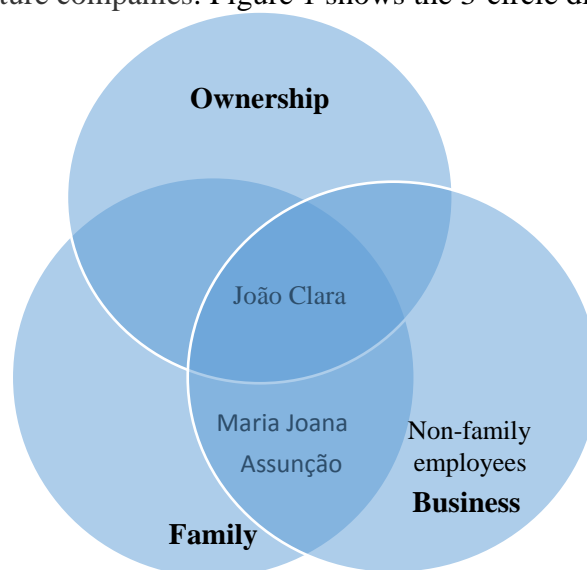
Ecolã is a family business with three generations of wool experts since 1925. It is the oldest family-owned certified artisanal company of Portuguese origin. More than a textile factory, it is a company that ensures the quality and continuation of traditional know-how, emphasizing a natural mountain lifestyle.

The company was founded by João Clara's father who began to manage and then expand the company, and under João Clara's direction the company has considerably improved its performance, competitiveness and productivity.

Previously, the company sold burel by the metre and with João Clara's contribution the company has created several partnerships with other companies in order to diversify the product range. João Clara works and manages his team with a future perspective always bearing in mind the family tradition.

Maria Joana Assunção (third generation) has been working at Ecolã since 2014 in administrative support. Since she was a child, she has followed the family business and her main motivation is to keep the Portuguese tradition and her family heritage. Since Maria Joana Assunção joined the family company there have been new strategies to promoting it and increase turnover.

João Clara and his daughter are active at national and international fairs in order to make contacts to internationalize their products and extend their partnerships, e.g., partnerships with footwear and furniture companies. Figure 1 shows the 3-circle diagram of Ecolã.



**Figure 1 – Ecolã 3-circle diagram**



## **PART C. CHALLENGES & OPPORTUNITIES OF BUSINESS GROWTH & SUCCESSION**

This is an original and innovative business that uses an ancestral material to create fashionable, well-designed products adapted to the new times and to several segments. Despite the added value of the product, it is necessary to convey the message and promote the product appropriately, and that is a great challenge! It is necessary to convince consumers about the utility, originality, quality and durability of the product. As the price is usually high, and the consumer is surrounded by cheaper alternatives and imitations by some competitors, it is crucial to show the advantages of the material to the market.

The third generation, namely Maria Joana Assunção, came to seize new opportunities for the business by developing a new way of communicating/promoting the company. At this time it is possible to visit the factory (both national and international visitors) and see all the steps in transforming the burel. Naturally, this is only possible with a good network of partners available to promote the company and to direct tourists to the place. Thus, a new opportunity could be to form new partnerships and increase the number of stakeholders.

Exporting to some market niches is also an opportunity that should be continuously monitored. Markets with a cold climate can be better explored (e.g. Iceland, Canada), as well as markets with high purchasing power and an interest in originality (e.g. Japan).

Co-creation is a trend that can bring great opportunities to a small business located in the heart of the glacial valley of the Serra da Estrela, far from big city centres. Thus, collaborating with experts (e.g. well known designers, artists) can create further market niches and help promote the concept. Currently, Mr. João Clara is trying to develop new partnerships, for instance with a Dutch interior designer, for the development of decorative pieces.

Expanding the number of points of sale should also be taken into consideration. Due to the product's characteristics this is a decision that cannot be taken lightly, to avoid inefficient investment and a lack of focus on the client that really wants this product.

Investment in the tourism sector is the next challenge for this family of entrepreneurs; they are opening a themed hotel, where the decoration will emphasize the wool cycle. At the same time they intend to improve some tourist activities: to continue the programme of visits to the factory that Mr. João has been developing in order to publicize the origin of burel and all the products that can be manufactured with this raw material.

The next generation will surely be up to the challenge!!!



## **PART. D THE ENTREPRENEURIAL DIMENSION: OUTCOMES & BUSINESS MODEL**

Ecolã is a textile business producing a specific product – burel, with a high growth potential in terms of the market. This company is an interesting case where the business's entrepreneurial dimensions are highlighted. The founder always had in mind to assimilate new knowledge and take up challenges to create interesting pieces in the area of textiles and decoration.










The company's entrepreneurial orientation is clearly visible when we look at the various business opportunities within this sector which are possible mainly due to João Clara's entrepreneurial vision:

- **Unique features of the Burel:** Its biodegradable and renewable characteristics give the product an interesting and very competitive essence. It is a perfectly differentiated product in the market.
- **Creativity and Design:** The constant innovation, creativity and even exclusivity of artisan-designed products enhance their acceptance and growth in demanding and sophisticated markets.
- **Diversification of Product/market:** The development of new and complementary products strengthens the entry to new market niches.
- **Partnerships and Participation in International events:** Collaboration with local companies, designers and universities aiming to identify potential customers, distribute products and find new business opportunities at home and abroad.
- **Fostering knowledge sharing:** welcoming foreign students for short-term training in the production section: weaving. This creates an opportunity to develop exclusive products and contact with new “design thinking”.

Two entrepreneurial actions are of particular relevance in this context: Sensitivity to the business, design and knowledge of the material to create interesting pieces in the area of textiles and decoration. There is a business opportunity foreseen for the short term which is the creation of a hotel unit (to be created in the same town of Manteigas). The objective is to create complementary projects, as the tourists who visit Ecolã will have the opportunity to stay in the hotel and enjoy experiences related to Ecolã from the hotel.



Figure 2 shows the company's business model.

<p><b>Key Partners</b> </p> <ul style="list-style-type: none"> <li>- Suppliers</li> <li>- Accountant</li> <li>- Exporters</li> </ul>	<p><b>Key Activities</b> </p> <p>Production of products in burel</p>	<p><b>Value Propositions</b> </p> <ul style="list-style-type: none"> <li>- High Quality products</li> <li>- Innovative products (e.g. decorative objects with burel)</li> <li>- Differentiating products (e.g. dressmaking products)</li> <li>- Innovative services (e.g. visits to company)</li> </ul>	<p><b>Customer Relationships</b> </p> <p>Strong Inter-personal relationships with business clients (Portugal and abroad) and final consumers (Portugal and abroad)</p>	<p><b>Customer Segments</b> </p> <ul style="list-style-type: none"> <li>- Business clients (e.g. Retailers)</li> <li>- Final consumers (Portugal and abroad)</li> </ul>
<p><b>Key Resources</b> </p> <ul style="list-style-type: none"> <li>- Premises</li> <li>- Expertise/ knowledge</li> <li>- Human Resources</li> <li>- Unique raw-material</li> </ul>		<p><b>Channels</b> </p> <ul style="list-style-type: none"> <li>- Stores in Portugal</li> <li>- Participation in international and national events</li> <li>- Social media (e.g. website, Facebook page)</li> </ul>		
<p><b>Cost Structure</b> </p> <p>Raw-materials, suppliers, production, salaries, maintenance, etc).</p>			<p><b>Revenue Streams</b> </p> <p>Sales in Portugal and Exports</p>	



## **PART E. FAMILY ENTREPRENEURIALISM: LESSONS & CONCLUSIONS**

Ecolã is a company in the 3<sup>rd</sup> generation. According to João Clara, “readiness” “determination” and “creativity” are prominent aspects of an entrepreneurial behaviour that he aims for permanently. He makes an effort to be entrepreneurial every day.

He says: *“With many years of experience, we go from tradition to modernity, creating a unique heritage, an unforgettable project, timeless and proudly Portuguese. For the company, a high standard of quality, innovation and design is mandatory nowadays. Thus, it is important to be aware of the market and the environment and to know what the demand is and to know the resources and capabilities to find entrepreneurial opportunities. That is why it’s so important to collaborate with other stakeholders and to learn from them.”*

There are many lessons that other artisan family businesses can learn from the case of Ecolã:

- To create conditions for sustainable development. This is possible through a learning philosophy within the company and outside; to be aware of opportunities and new projects.
- To know how to take advantage of the traditions left by the older generations and apply them to the challenges of the new times with innovation, creativity and design.
- Motivation to maintain the Portuguese tradition and family heritage with the eyes set on the future and modernity.

According to the entrepreneur João Clara, it is important to distinguish “businessman” from “entrepreneur”. The challenge is to put entrepreneurial actions into practice, and what is necessary is total availability to be engaged in projects and enormous work capacity – to be an entrepreneur. And when is it necessary to be an entrepreneur? When the company faces difficulties and problems (at the beginning, everything is easier), but the readiness and ability to work hard are fundamental characteristics for business success.

Many businesses have failed because they have not been aware of what it takes to be an entrepreneur. A businessperson who is not an entrepreneur has their days counted! To overcome obstacles it is necessary to have entrepreneurial spirit, be resilient and persistent. To be ready for work and be committed to achieve results and success. Furthermore, João Clara highlighted that: *“I’m always willing and willing ... and embracing projects and constantly striving to carry them out and successfully emphasizing myself in relation to others. Dynamics have to exist and in the business world there are also differences in performance and business postures.”*