



## ARTICLE

# SOLVING THE SUSTAINABILITY PUZZLE THROUGH OPEN INNOVATION

## LECTRA'S INNOVATION TEAM JOINS FORCES WITH CUSTOMERS AND PARTNERS TO OVERCOME FASHION'S BIGGEST CHALLENGE

There's no denying that environmental sustainability and supply chain transparency have become top-of-mind concerns for every fashion insider today. Besides accounting for 10% of carbon emissions and 20% of wastewater annually, the industry is now facing legislative pressure worldwide.

In the EU, Product Environmental Footprint (PEF) draft regulations will take effect in 2025, obliging companies in member states to **provide detailed information about each product's environmental impact to consumers**. Leading up to this, a few policies of similar nature will be implemented in France. Meanwhile, its Anti-Waste and Circular Economy, and Climate and Resilience laws are already in place.

These **new regulations are changing the rules of the fashion game** entirely. Sustainability is now a **competitive advantage** for fashion companies.

The faster they comply with these laws and adopt more eco-friendly and transparent practices, the more prepared they will be for 2025, by being able to balance sustainability and profitability ahead of other competitors.

Those that fail to stay in this race may face legal repercussions and lose customer loyalty as a consequence. While governments and regulatory bodies are imposing more and more regulations at an accelerated pace, fashion companies are slow to respond, due to the many roadblocks that they are facing.

One major hurdle being: how can we measure, assess and benchmark sustainability? This is a big challenge to tackle for one entity alone. **That's when open innovation comes into play.**

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## Open innovation: The power of collective intelligence

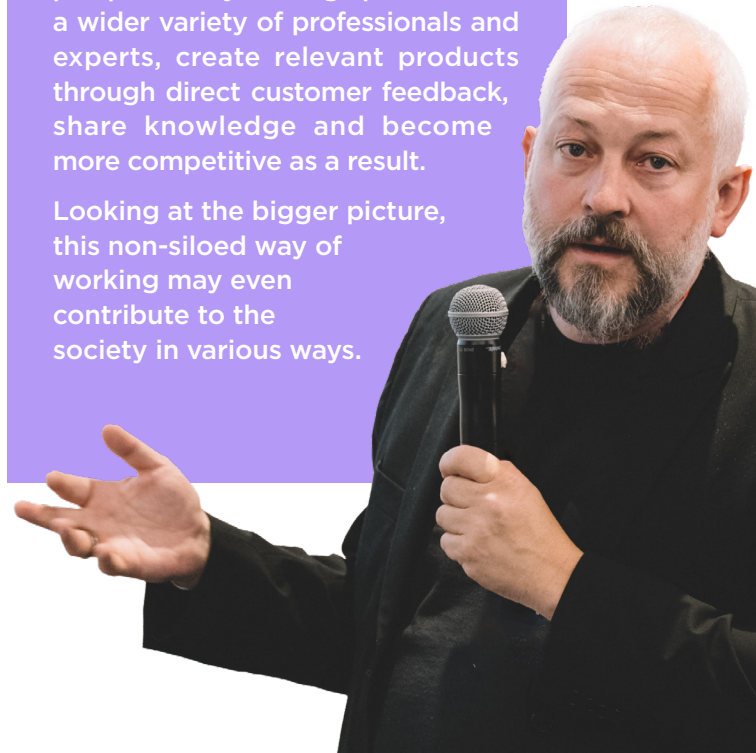
Since 2021, Lectra's innovation team has been leading the conversation on sustainability by gathering our customers, ranging from major luxury to fast fashion players, academics, in-house and external experts and consultants together for annual think-tank sessions. As of now, **environmental sustainability is the overarching topic of discussion**, and due to its complexity, has been broken into different subcategories for brainstorming and finding potential solutions: **traceability, lifecycle assessment, circular fashion, digital product passports, etc.**

The objective of this open innovation approach is to build deeper relationships with our customers and partners by understanding their pain points better, and creating "what-if" scenarios together to solve these problems together.

This allows Lectra to expand its product offering in a purposeful manner. With the participation of 15 brands, eight working sessions took place 2021. Over 40 companies met, 6 start-ups presented to customers, amongst which one was chosen: **Textile Genesis**.

Open innovation, a concept that became popular in the early 2000s, refers to the non-traditional business approach of crowdsourcing ideas and knowledge from multiple external stakeholders for collective design and product development. As the world becomes more complex, this method presents several advantages for fashion companies. It allows them to develop a more holistic perspective by seeking opinions from a wider variety of professionals and experts, create relevant products through direct customer feedback, share knowledge and become more competitive as a result.

Looking at the bigger picture, this non-siloed way of working may even contribute to the society in various ways.



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*Right now, we are using the open-innovation approach to solve an issue that is affecting the world.*

*By being able to help customers find a way to trace their suppliers and develop sustainable production and eco-design practices, we hope to play a part in reducing fashion's carbon footprint. **We believe that every small step is progress.***

**FANNY PARCHEMIN**

Innovation Product Manager, Lectra



## Overcoming roadblocks in product sustainability assessment and scoring

In mid-July this year, the think tank convened once again to discuss, brainstorm and share case studies and best practices on their chosen topic: product sustainability assessment. **Fashion companies have been racing against time to find ways of measuring their environmental footprint to meet these new regulatory requirements.** While supply chain tracing is a vital part of the solution, data availability and management have become an issue. Without a standard data framework provided by governments and regulatory bodies, companies are developing different data models according to the different structures that have already existed in their solutions. Each company had their own definition of sustainability and scoring system, which led to different outcomes.

So far on the market, not many solutions have been specifically developed for gathering, storing, and analyzing sustainability data. These fashion companies had to resort to using legacy systems such as PLM, PIM, ERP, SCM and Microsoft Excel to retrieve the required product data and sort them according to sustainability criteria, which was time-consuming.

Product data was readily available, but brands had to retrieve data from their suppliers about the energy consumption levels of their operations (for example), which was tedious, difficult and complex to scale for an entire collection. Without having this primary data, a thorough sustainability assessment could not be made.

To help the think tank, Lectra had one solution – which was to **develop a standard data model with them, gather the product data of a similar garment from different participants, and run a pilot test on software.** This would be a continuous work-in-progress, leading to more working group sessions in the future whereby participants would assess the test results repeatedly to reach a consensus and achieve their own objectives.

## Open innovation at Lectra: leading by connecting people and ideas

As the saying goes, two heads are better than one. What is most interesting about this think tank is that all its participants are working together to combat a common problem. This allows them to share and discuss their challenges openly, generate ideas and find solutions within short time frames.

Lectra is the driving force behind this eco-system, **gathering the great minds of fashion together to solve the sustainability puzzle, piece by piece.**



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*This is just the very beginning of our open innovation journey, and we are already seeing results. Together with our customers and partners, we are confident that we will affect change in the fashion industry.*

**PHILIPPE RIBERA**

Vice President of Innovation, Lectra