

## **A business approach to achieve the SDGs**

### **1. Background and issues that Vietnam is facing**

As a member of the United Nations, Vietnam has made efforts to reach Agenda 2030 goals of Sustainable Development Goals (SDGs) since 2015. With the help of UNDP, the Vietnamese government had localized the SDGs – which called the VSDGs, to form a more suitable national action plan for the country.

In December 2018, the Vietnamese government has reported what the country has achieved. In terms of poverty, the poverty rate of the whole country has decreased from 58% (in 1993) to less than 7% (in 2017). Essential infrastructure in poor areas has been strengthened, people's lives have been constantly improved in terms of both livelihoods and access to social services. However, Vietnam is facing major challenges such as uneven and unsustainable rates of poverty reduction; the quality of jobs has not been secured, the labor restructuring has been slow; the system of specific mechanisms and policies for mountainous areas and ethnic minority areas has not yet been effective.

In short, we are still facing multi-dimensional poverty. So, what is multi-dimensional poverty? Why it is multi-dimensional? Most people will associate poverty with low income. If we consider more than one dimension, poverty is made up of several factors that constitute poor people's experience – such as poor health, lack of education, inadequate living standard, lack of income, disempowerment, poor quality of work and threat from violence.

In Vietnam, who are the most vulnerable group of people and will likely face these problems? Ethnic minority people. As Vietnam has 54 ethnic groups, 85% are Kinh, the rest 15% are poor ethnic minority people living in mountainous areas. The reasons why these ethnic minority people are so vulnerable are because: (1) they are being limited in market access, (2) being geographically, socially and culturally isolated, (3) they speak different languages than 85% of the country's population, and (4) have low education level.

Because of that, this report is going to tackle the first reason by introducing a partnership business with a Japanese company to bring a win-win situation to both Vietnamese ethnic minority people and the Japanese company.

### **2. Business idea**

So, what are things that Vietnamese ethnic minority people good at? Is there any special product that they can sell? The answer is tradition brocade textile products.

The Vietnamese ethnic minority people are highly skilled in making and sewing the brocade products, because each family usually have the tradition to make their and their children's own clothes. Another reason is that their clothes represent their ethnic group, each ethnic group will wear a different type of clothes (or color of the clothes) to make them stand out from other ethnic groups. Besides clothing, brocade fabric can also be made into handbags, scarfs, hat, wallet, pillow & bed covers and many things else. Nowadays, Vietnamese brocade handicrafts are mainly use as meaningful gifts and souvenirs for overseas tourists. Vietnamese designers sometimes use the graphic design for fashion clothing and home decoration.

Below are the samples of Vietnamese brocade products made by ethnic minority people:



Source: Viet Vision Travel (n.d.) and Indochina Tours (n.d.)

Currently, Vietnamese ethnic people can earn income based on selling these handcraft brocade products, however the sale is very dependent on the tourist and the tourism season. The income that they can earn is not stable, furthermore, most ethnic minority people will sell their products to big souvenir stores, so their actual earning from selling the products is not decent compared to the final price that the store owners are selling to customers.

My idea is that we can market and export these brocade textiles to overseas market – Japan specifically: a Japanese textile trading company will order and buy Vietnamese brocade products from the ethnic households (not via store owners) with a *fair-trade* price. By that way, Vietnamese ethnic people can earn a more stable income, and become independent of the tourism season, the Japanese company at the same time will enjoy the revenue from selling the products and can improve their brand image with ethical sourcing.

### **3. Toyoshima & Co., Ltd**

Based on the idea mentioned above, I have found a Japanese company called Toyoshima & Co., Ltd which is suitable for the plan. Established in 1918, Toyoshima & Co., Ltd has a solid experience in textile trading. Their main business is wholesale of raw materials (such as cotton, wool, etc.), yarns, textiles and finished garments, and export, import and tripartite trade (Toyoshima & Co., Ltd, n.d.). In Japan, they are located in Nagoya, Tokyo, Ichinomiya, and Shizuoka. Their global network in Asia includes Vietnam (they have office in Ho Chi Minh and factory in Long An), China, Hong Kong and Indonesia.

In terms of their Corporate social responsibility activities (CSR), they are committed and engaged in sustainable projects that are beneficial for their employees, customers, suppliers and society.

## CSR / Environment INDEX ▶



Social Service  
Activities



Efforts for the  
Environment



Promoting Work-Life  
Balance



Social Contribution  
Projects



Declaration of Health  
& Productivity  
Management

## TOYOSHIMA'S BRANDS

As a specialized textile trading company, we Toyoshima handle every textile items from raw materials to garment products.  
Business developments from long time experience of material knowledge, and we continuously create new values with original brands.



**MALIBU NATIVE BLUE**

Surf casual brand from  
Malibu, LA.



**CANTON OVERALLS**

The one and the only first  
jeaning brand in Japan,  
Canton®.



**orgabits**

Global environmental project  
through Organic Cotton.



**YARNS LOUNGE**

Then only difference you can  
find here, introducing Wool  
from all over the world.



**FOODTEXTILE**

Textile brand specializes in  
Food Color.

Source: Homepage, Toyoshima & Co., Ltd (n.d.)

With their experience of the textile market, their commitments to CSR, and their understanding of local Vietnamese market (because they are already operating in Vietnam) – make Toyoshima & Co., Ltd become standout and very suitable for this project.

### 4. Stakeholder analysis

Below is the potential value chain of my business plan:

Vietnamese ethnic group	→	Toyoshima & Co., Ltd	→	Toyoshima's clients	→	End users
Produce brocade textile products according to Toyoshima's order and guidelines		Take orders from its clients		Give orders to Toyoshima		Buy, receive finished goods from clients of Toyoshima
		Make order to Vietnamese ethnic group		Receive ordered goods from Toyoshima		
		Export brocade products to client's location		Make finished goods (if any) from Toyoshima's goods		

<b>Vietnamese ethnic group</b>	<b>→</b>	<b>Toyoshima &amp; Co., Ltd</b>	<b>→</b>	<b>Toyoshima's clients</b>	<b>→</b>	<b>End users</b>
		In charge of branding and marketing of Vietnamese brocade products				

Based on the value chain above, I have come up with the stakeholder analysis (or the impacts/benefits from the project) as follows:

<b>Government</b>	<b>Vietnamese ethnic group</b>	<b>Toyoshima's firm and shareholders</b>	<b>Toyoshima's employees</b>	<b>Toyoshima's clients and End users</b>	<b>Society</b>
Reduce poverty rate in ethnic group	Receive fair-trade price for their products	Receive income from selling brocade products	More jobs will be created because of the project	Receive unique & high-quality brocade products	Higher rate of education enrollment, higher education quality
One step closer to reach SDG goals	Have stable income and jobs	Promote ethical sourcing	Proud of being a part of the ethical project	Opportunities to promote brand's image (for Toyoshima's clients)	Citizens can afford more social services such as health care
Opportunities to promote trading activities between Vietnamese and Japanese firms	Being able to improve life standards (health care, education, etc.)	Improve brand image & widen CSR activities		Being a part of the social & ethical project	Social's life standards will increase in general
	Promote their cultural values outside their community via the brocade products	Expand trading network with ethnic group of Vietnam			

## 5. Conclusion

In conclusion, I hope that this business plan will give Japanese companies some ideas on expanding the trading network with Vietnam, and at the same time bringing benefits to the society. I believe that reducing poverty in ethnic minority people in Vietnam will be a door to solve other social issues or achieve other SDG goals such as: quality education, decent work and economic growth, reduced inequalities, responsible consumption and production, and partnerships for the goals.

## References

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