Consulting Competition

ADL x GWC Case Competition
April 2026

Revive Apparel & Co.

Scaling Profits Sustainably

TEAM 1

REVIVE APPAREL

MISSION STATEMENT

- Challenge fast fashion by offering sustainable, ethically-produced clothing
- Focus on affordable sustainability without comprimising style

TARGET MARKET

- GEN-Z (18-25 years)
- Fashion-forward consumers who value sustainability and ethical production

CORE VALUES

SUSTAINABILITY

TRANSPARENCY

TIMELESS STYLE

BUSINESS OVERVIEW

ReVive Apparel is a fast-growing sustainable fashion brand founded in 2018 focused on mixing classic, stylish streetwear with ethically sourced, eco-friendly clothing. Products are made using organic cotton, recycled fabrics, and low-impact dyes to reduce environmental harm. The company emphasizes transparency, circular fashion (recycling/reuse), and affordable sustainability.

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EXECUTIVE SUMMARY

OBJECTIVE

Enhance ReVive Apparel's operational efficiency and profitability by improving inventory turnover, reducing return rates, and optimizing production and fulfillment processes.

Key Findings:

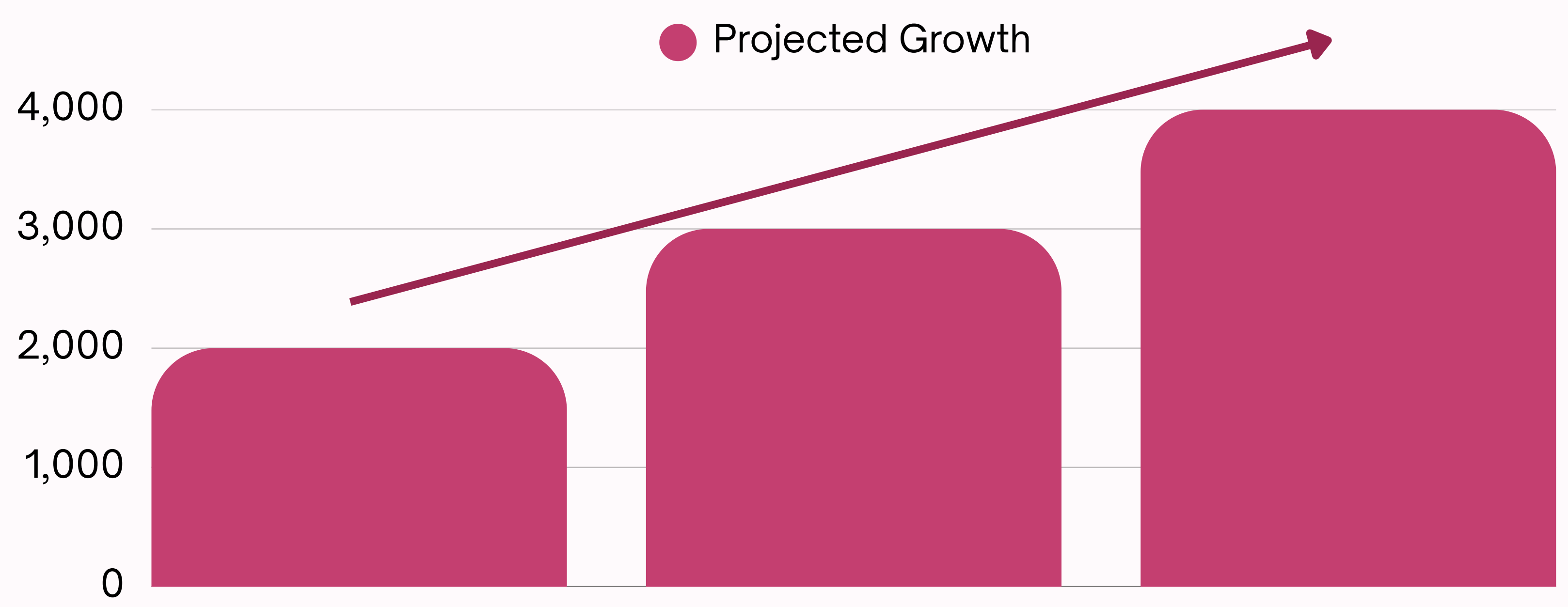
- Low inventory turnover tying up cash
- High return rate increasing costs
- Sustainable production reducing margins

RECOMMENDATION

A DTC-first hybrid expansion + 3-tier production strategy to improve profitability and scale.

Expected Outcomes:

- Higher inventory turnover (~5x)
- Reduced returns (10-12%)
- Improved margins
- Stronger brand reach



RISK MANAGEMENT

- BRAND DILUTION
- MARGIN COMPRESSION RISK
- RETURN RATE REBOUND RISK

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THE PROBLEM

ReVive Apparel is entering a critical growth stage and wants to increase profitability and scale sales.

DETERMINE DISTRIBUTION CHANNEL

Discover the best distribution channel for expansion and analyze associated risks

STRENGTHEN BRAND AWARENESS

Strengthen brand awareness in a crowded fast-fashion market

BOOST PROFITABILITY

Find an optimal strategy to boost profitability while maintaining its sustainable mission

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REVIVE'S PROBLEMS

ReVive lacks a scalable and profitable growth model:

- **high costs**
- **weak growth channels**
- **unclear scaling path**

Structurally Low Profitability

- **High COGS** from sustainable materials => **lower margins** (10–15% below fast fashion)
- **Small scale** => no economies of scale
- Stay sustainable
- AND Compete on price

=> Inherently **conflicting**

Weak & Inefficient Growth Engine

- Reliance on:
  - DTC website
  - limited pop-ups
- Only ~25K followers => low reach
- Marketing:
  - low ROI historically
  - constrained budget

=> No repeatable customer acquisition engine

Unscalable Channel Strategy

What they are doing now:

- Selling mainly through DTC and limited pop-ups
- Relying on social media to drive traffic

What they are MISSING:

- **No** scalable distribution channels (e.g., wholesale, retail partners)
- **No** presence where customers already shop
- **No** efficient growth engine beyond DTC

=> They are not meeting customers where they already are

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REVIVE'S PROBLEMS

Unscalable

Key Takeaway:

ReVive doesn’t have a demand problem - it has a scalability problem.

Our strategy builds a growth engine that scales revenue
while protecting profitability and brand identity

- **Small scale** => no economies of scale
- Stay sustainable
- AND Compete on price

=> Inherently **conflicting**

- low ROI historically
- constrained budget

=> No repeatable customer acquisition engine

- **No** presence where customers already shop
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OUR STRATEGY

DTC-first hybrid expansion:

- use selective wholesale to scale reach
- leverage pop-ups to drive brand awareness
- funnel demand back into DTC

1

Wholesale/ Retail Partnerships

- Immediate access to a large customer base
- Faster geographic expansion
- Lower customer acquisition burden

2

Hybrid Expansion Model

- Keep DTC as the core channel
- Add selective wholesale partnerships
- Organize pop-ups for brand awareness

3

3-Tier Production Model

- Bulk order basic items from global partners
- Nearshore key items from nearby countries
- Produce premium clothing line in house

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HOW OUR STRATEGY WORKS

Pop-ups

Creates Demand

- students discover brand
- social media buzz

Wholesale

Captures new customers

- customers see product in stores
- easier first purchase

DTC

Captures long-term value

- repeat purchases (34%)
- higher margins

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CHANNEL EXPANSION

Keep DTC as the CORE

Current State:

- Website remains primary channel

=>. Focus:

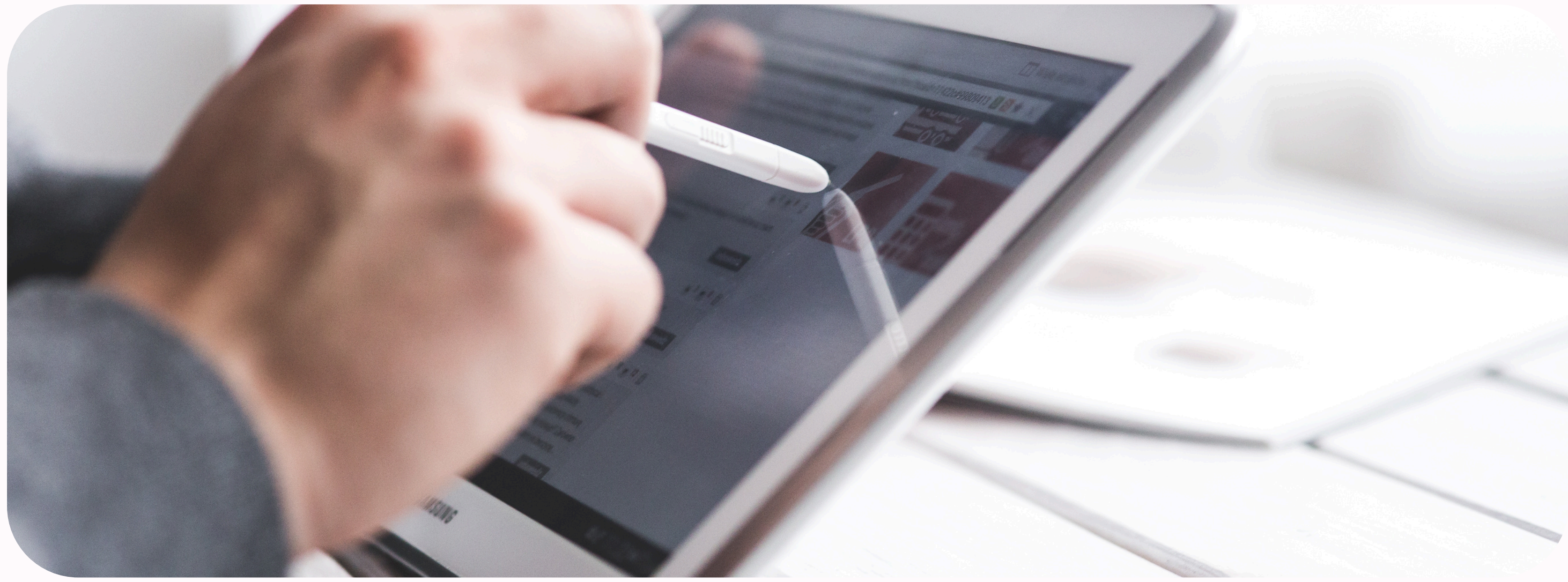
- conversion
- repeat purchases
- brand storytelling

How it works:

- DTC: High margins, full control, harder to scale
- Pop-Ups: Great for awareness and engagement, not scalable
- Wholesale: High reach and faster expansion, lower control

Capture Margin + Customer data + Loyalty

Add Selective Wholesale



"Selective”:

Partner only with:

- eco-conscious boutiques
- curated fashion retailers
- campus/local lifestyle stores

Avoid:

- fast fashion chains
- discount retailers

Trade-offs

Margin ↓ vs Scale ↑

- Wholesale margins are lower

=> BUT:

- larger order volumes
- faster revenue growth
- lower CAC (no need to acquire each customer)

=> Sacrifice % margin = gain total profit through scale

Scale reach without destroying brand positioning

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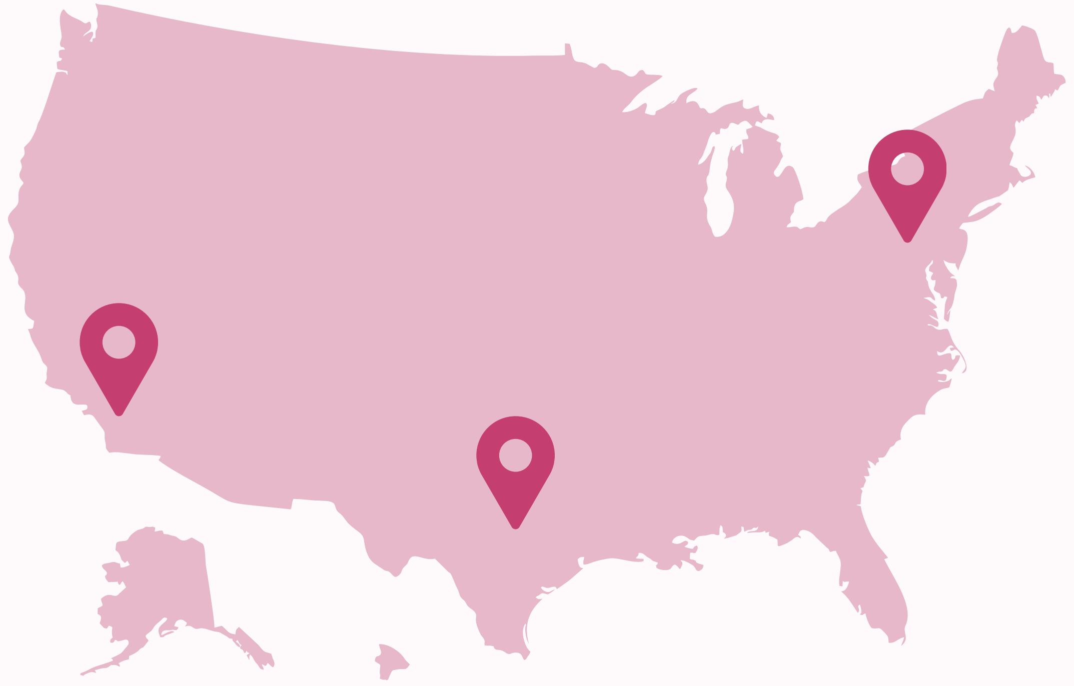
BRAND AWARENESS AND RETENTION

- Partner with campus **ambassadors** to promote each stop
- Host pop-ups at high-traffic student locations
- Rotate through key campuses on a **recurring circuit**
- Use each stop to drive:
  - first-time purchases
  - social content
  - email/SMS sign-ups



Phase 1 Pilot Locations:
- UT Austin
- UCLA
- NYU

Phase 2 Expansion:
- USC
- Arizona State
- University of Florida

BRAND AWARENESS AND RETENTION

Key Takeaway:

The problem is not choosing a channel - it's combining them correctly

- Wholesale → solves reach + scale
- Pop-ups → solve brand awareness
- DTC → captures profit + loyalty

- USC
- Arizona State
- University of Florida

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OPERATIONAL PROFITABILITY

Operations and inefficiencies suppress margins. Fixing operations is essential before expanding channels or accelerating growth.

High Production Cost from Sustainable Inputs

- Sustainable materials raise unit cost
- Small scale prevents economies of scale
- Sustainability mission limits cost-cutting flexibility

Increased Efficiency and Performance

Optimize workflows and reduce operational friction to improve overall productivity.

Operational Complexity

- Vertically integrated model increases operational burden
- Scaling production adds coordination challenges
- Need to balance sustainability with efficiency

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High Production Cost from Sustainable Inputs

Key Takeaway:

ReVive's profitability challenge is not a demand problem - it's an operational bottleneck driven by high sustainable material costs, slow inventory turnover, and a costly return cycle. Fixing these inefficiencies is essential before any channel expansion can scale profitably.

- Vertically integrated model increases operational burden
- Scaling production adds coordination challenges
- Need to balance sustainability with efficiency

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TIMELINE

Months 1-2	Months 3-4	Months 5-7	Months 8-10	Months 11-12
Suppliers, ambassadors, pilot planning	First campus pop-ups + wholesale outreach	Production shift + returns/inventory fixes	More campuses + first retail partners	Refine and grow winning channels
Foundation	Pilot Launch	Operational Optimization	Expansion	Scale

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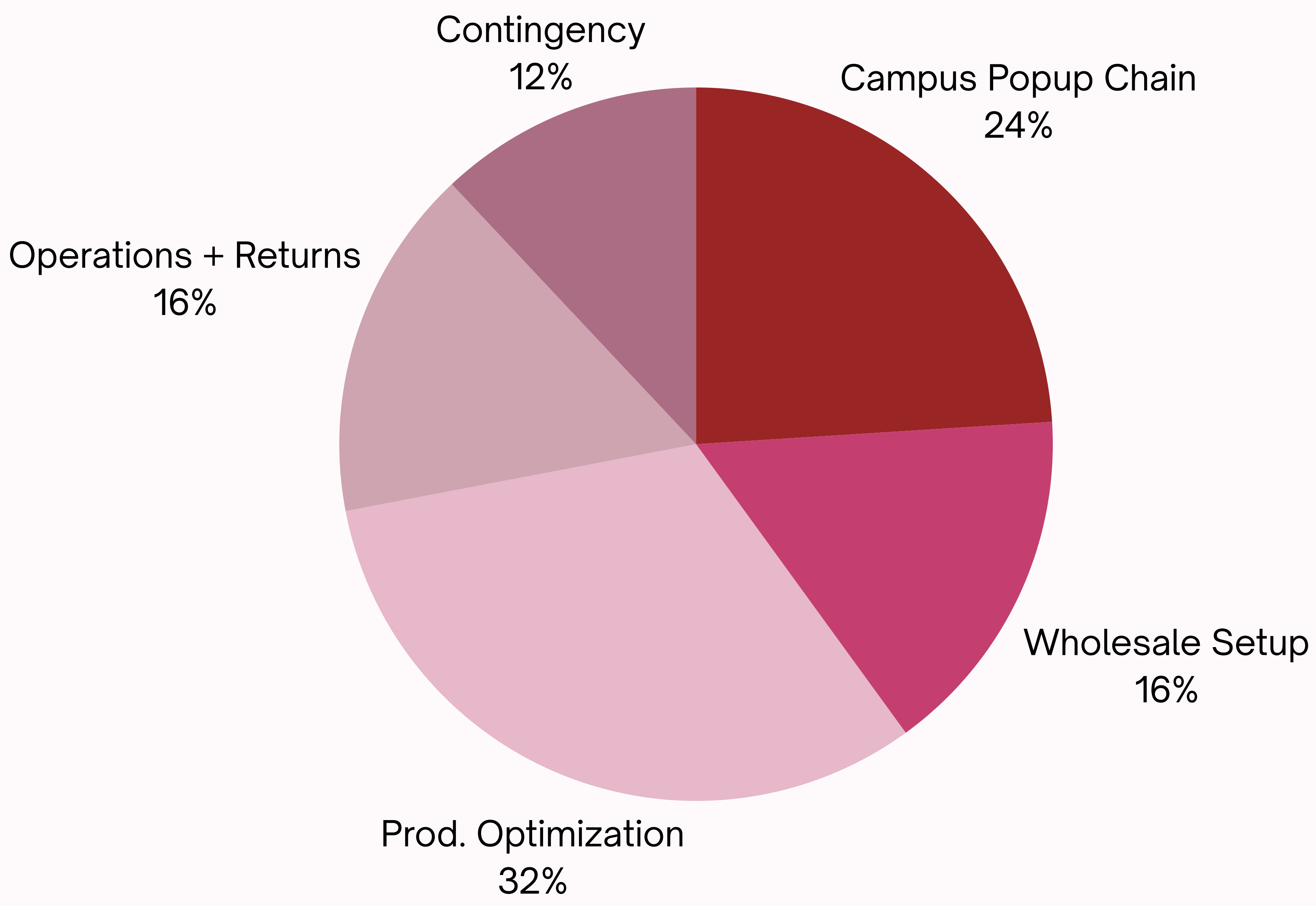
BUDGET BREAKDOWN

Budget Category	Cost
Campus Pop-Up Chain + Ambassadors	$30K
Selective Wholesale Setup	$20K
Production Optimization	$40K
Operations + Returns	$20K
Contingency	$15K
Total	**$125K**



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FINANCIAL PROJECTIONS

Metric	1-Year View	5-Year View
Initial Investment	$125K	$125K
Incremental Cash Flow	$35K	$445K cumulative
Net Impact	-$90K	+$320K
NPV	-$93K	+$1.43M

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STRATEGIC TRADEOFFS

- LOWER MARGINS
- BRAND DILUTION

CHANNEL EXPANSION

- HIGH MARKETING COST
- LOW ROI

BRAND AWARENESS

- OPERATIONAL COMPLEXITY
- SUSTAINABILITY RISK

OPERATIONAL PROFITABILITY

- LIMITS COST-CUTTING AND SCALING OPTIONS

MISSION VS. GROWTH

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KEY RESULTS

Inventory turnover increases, return rate reduces, and margins improve significantly. Repeat purchase rate rises, and the hybrid DTC + selective wholesale increases growth.

5x increase in inventory turnover rate

40% decrease in return rate

THANK YOU!
ANY QUESTIONS?

APPENDIX

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3-TIER PRODUCTION MODEL

A 3-tier production model to diversify the supply chain and increase profitability while maintaining sustainability.

Overseas Production Sourcing

- Source basic clothing items like hoodies, t-shirts, shorts from overseas in bulk orders
- Low frequency of orders reduces delivery costs and diversifies the supply chain
- Partner with sustainable suppliers
- Increases brand awareness overseas

Structurally Low Profitability

- Nearshoring means to source production from nearby countries
- Source key items that are sold off quickly, like trendy pieces
- Nearshore from countries like Mexico, known for producing sustainable materials
- Low shipping costs, faster delivery, and inventory turnover increases, increasing sales

In-house Premium Profitability

- Source cloth scraps from local partners, launch a limited edition, in-house produced premium clothing line
- Slightly higher cost of production, offset by high prices
- Hike in prices for this line can be explained by a marketing strategy about the ‘journey of these clothes’ from scraps to trendy, fashionable items
- Customers will be willing to pay these high prices because they value sustainable production practices
- Profitable production model, scaling growth, expanding customer base globally, and increasing brand awareness

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DCF ANALYSIS

Year	Incremental FCF	Discount Factor (10%)	Present Value
0	-$125,000	1	-$125,000
1	$40,000	0.909	$36,364
2	$65,000	0.826	$53,719
3	$90,000	0.751	$67,618
4	$110,000	0.683	$75,131
5	$125,000	0.621	$77,588