Unpacking ‘Give Back Box:’ A Social Enterprise at the Intersection of Leadership, Innovation, and Sustainability

Eduardo Barrientos 1*, Anne H. Reilly 1

Abstract: Once the domain of government agencies and non-profit organizations, a social enterprise integrates social benefits such as employment and sustainability into a for-profit firm’s mission. The social enterprise (SE) bottom line includes both economic and social value, reflecting an intersection of the Jesuit leadership tradition with commercial business enterprise. This case study describes the start-up of Give Back Box (GBB), a Chicago-based social enterprise that supports recycling and repurposing. GBB’s business model involves providing a convenient, no-cost opportunity to follow up an online purchase by recycling the shipping box to forward unneeded items to charities.

GBB was founded in 2012 by two entrepreneurs with expertise in global business as well as online retailing. Thus, this case also addresses the entrepreneurial dimension of SE by illustrating the close link between social enterprise and social entrepreneurship. Following its initial pilot phase, GBB has grown steadily, receiving impressive media coverage that has included articles in Forbes, Fast Company, and a feature on NBC’s ‘Today’ show. In 2013 another partner joined GBB: a Colombian engineer with an MBA from a U.S. Jesuit business school who has sought to apply business principles and Jesuit values in his work as a GBB partner. This case study describes the start-up’s inception, its mission and business plan, and its achievements to date, together with recommendations for other SE start-ups.

Keywords: social enterprise; recycling; online retailing

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Once the domain of government agencies and non-profit organizations, a social enterprise integrates social benefits such as employment and sustainability into a for-profit firm’s mission. Thompson and Doherty define social enterprises as “organizations seeking business solutions to social problems” (2006, p. 362), and prior research has noted that social ventures and entrepreneurs seek to bring together economic value and social value creation (Woolley, Bruno, & Carlson, 2013). Teaching students about creating and leading social enterprise (SE) is especially appropriate for Jesuit business schools, given that social enterprise involves recognizing opportunities, mobilizing resources, and triggering positive change in multiple domains (Kim, Rivas, & Snodgrass, 2011). For example, many SEs focus on sustainability issues, seeking to correct economic, social, and political systems that impoverish people and degrade the environment (Reilly, 2013). SEs participating in Santa Clara University’s Global Social Benefit Incubator have generated research into the various business models that may be adopted by a social venture (Woolley et. al., 2013). An effective social enterprise uses multiple metrics to recognize healthy social returns—e.g., fighting poverty, increasing educational opportunities, and improving the environment—as well as economic returns (Thompson & Doherty, 2006; Vickers & Lyon, 2014). Thus, the SE bottom line reflects the intersection of the Jesuit leadership tradition with commercial business enterprise (Kim et. al., 2011).

In addition to its social mission, another key attribute of social enterprise is its creative and innovative nature. Austin, Stevenson, and Wei-Skillern argue that the SE activity is characterized by the creation of something new, rather than simply the replication of existing enterprises or practices (2006, p. 2), while Luke and Chu (2013) note that SE creates positive change through innovative products, services, and/or processes that effectively address social needs. By definition social entrepreneurs recognize, create, and exploit opportunities (Thompson & Doherty, 2006), and SE leaders are change agents who use entrepreneurial skills in crafting innovative responses to social problems (Kim et al., 2011).

This case study examines the start-up social enterprise Give Back Box (GBB), a Chicago-based organization that supports recycling and repurposing. GBB began in the online retailing domain, where some 12 million boxes are shipped by U.S. retailers every day. GBB provides a convenient, no-cost opportunity to follow up an online purchase by recycling the shipping box to forward unneeded items to charities (see http://givebackbox.com/). GBB works with online retailers to provide prepaid mailing labels addressed to Goodwill Industries. A consumer purchasing a product online from a participating retailer receives (as usual) the purchase in its shipping box—plus a GBB label. The purchaser is encouraged to fill the box with gently used, unwanted clothes or household goods; seal it; add the GBB label; and send it free of charge via the U.S. Postal Service or United Parcel Service to Goodwill Industries. Shipping charges are paid by Give Back Box.

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21st International Association of Jesuit Business Schools (IAJBS)
18th Colleagues in Jesuit Business Education (CJBE)
with special discounts from the carriers used, and the tax form to claim the related tax deduction is available on the GBB website. Table 1 provides an overview of the GBB model.

Table 1: The Give Back Box Model

![Image of Give Back Box Model]

Source: Company website

A Brief History of Give Back Box

GBB was founded in 2012 by two entrepreneurs with different areas of expertise and business backgrounds. Ms. Monika Wiela, a marketing executive, was already a successful entrepreneur in founding StyleUpGirl.com, an online business retailing women’s shoes. The idea for GBB was sparked when Wiela encountered a homeless man asking for shoes. Frustrated by her inability to match her company’s resources with the man’s needs, she developed a creative intermediary solution: Give Back Box. Operational expertise for GBB was provided by Mr. Biswasree Debnath, an operations and strategy executive with 15-plus years of experience working with global Fortune 500 companies. A third partner joined GBB in 2013: Mr. Eduardo Barrientos, a Colombian engineer with an MBA from a U.S. Jesuit business school. The Appendix provides brief biographies of Give Back Box’s three partners.

Ms. Wiela used her shoe company to pilot test the GBB idea and to conduct some exploratory research with Newegg.com, an electronics retailer. The donations return rate from this preliminary venture encouraged the GBB partners to believe they could aspire to an effective return rate of around 7-8%, given active participation from online retailers (Upbin, 2014). Initial funding for the social enterprise was provided by what Austin and his colleagues (2006, p. 11) call the traditional three ‘F’s for start-ups (friends, family, and fools). In 2014, Give Back Box’s partners launched their innovative donation model with four retailers and Goodwill Industries. The start-up’s motto: No Box Left Behind.

For its first donation partner, Give Back Box went to the largest retailer in the U.S. resale domain: Goodwill Industries, itself a social enterprise. Goodwill was founded in Boston in 1902 by Edgar Helms, a Methodist minister and social innovator. Used clothing and household items were solicited from donors, and poor local residents were trained and hired to repair the used goods, which were then resold or redistributed. Goodwill has grown from its Boston roots to over 2,900 not-for-profit resale stores throughout the country that generated $3.79 billion in retail sales in 2013. While its primary operations are in the U.S. and Canada through 165 member agencies, Goodwill also maintains a presence in 14 other nations. Its oldest international member, Instituto de Buena Voluntad, was founded in 1925 in Montevideo, Uruguay. In 2013, over 260,000 people earned a job with Goodwill’s assistance, and nearly 10 million accessed Goodwill services towards career development and financial literacy. The organization’s mission statement (http://www.goodwill.org) explains, Goodwill works to enhance the dignity and quality of life of individuals and families by strengthening communities, eliminating barriers to opportunity, and helping people in need reach their full potential through learning and the power of work.

The GBB partnership with Goodwill encourages consumers to donate their no-longer-needed goods, benefiting from a tax deduction while helping the Goodwill social enterprise raise money for its mission. From Goodwill’s perspective, the GBB connection provides a significant source of cost-effective procurement. Founder Ms. Wiela explains, “When I started talking to Goodwill, they told me their biggest challenge is a lack of donations. People are busier and busier and they don’t have time to drive to the store,” (Schiller, 2014). First Research market research firm (2015) noted that a resale organization’s profitability is determined by efficient procurement as well as effective merchandising.

The GBB Business Model

Like any commercial venture, the GBB business model involves multiple stakeholders (described in Table 2), ranging from the SE’s partners to Goodwill’s clients. The SE focus means these stakeholders engage in supporting GBB’s social mission. As Kim, Rivas, and Snodgrass (2011) suggest, responsible leaders set precedent through their actions of what will eventually be regarded as ‘good’ (or ‘bad’) business practices. The GBB start-up encourages potential retail partners to join its network for both economic and socially responsible reasons.

Economic benefits include stronger brand engagement with customers and providing a no-cost option to reduce packing waste (for both retailer and their customers). The social benefits are twofold: (1) The GBB model recycles cardboard packaging, and (2) Goodwill uses the donated goods to support its own mission of job training and community-based services. According to Goodwill, one large box of donated clothes provides 1.1 hours of on-the-job training. Social value is thus created for Goodwill’s clients, GBB’s clients, and participating consumers. Stormy Simon, President of Overstock, is quoted on GBB’s website: “Our culture at Overstock is focused around doing the right thing and giving back to the community. The partnership with GBB is an opportunity to assist our customers in doing just that.”
Given the GBB emphasis on online retailing, the start-up’s target market has been millennials in their late twenties to late thirties. Give Back Box partners believe these consumers are most likely to engage in online purchases, respond to GBB’s mission by donating, and share their experiences with others through social media. Young consumers are alert to brand visibility, which in turn may guide their purchasing decisions (Goldfarb, 2015) and post-purchase behavior. In essence, Give Back Box seeks to support a paradigm shift in the online retail domain, enabling consumers to reuse shipping boxes to generate charitable donations so that giving back becomes a normal part of the online shopping experience.

In establishing their SE start-up, GBB’s founders recognized a confluence of three important shifts in the environmental and economic context for retailing. First, drawing on their own business expertise, they considered the sharp rise in shipping boxes driven by the growing popularity of online shopping. Second, they researched market trends and consumer preferences in the U.S. resale industry, with a focus on non-profit organizations such as Goodwill Industries. The third factor they addressed was the willingness of consumers to donate their unneeded clothes and household goods—especially if convenient and at no cost.

### All Those Boxes

The GBB start-up began with the online retailing domain, where some 12 million boxes are shipped by U.S. retailers daily. Supply chain statistics show that over 90% of all products shipped in the U.S. are distributed in corrugated cardboard boxes. In 2013, United Parcel Service (UPS) alone delivered 4.3 billion packages and documents globally. According to industry giant Waste Management (2015), recycling one ton of cardboard saves 24% of the energy required to produce virgin cardboard (~46 gallons of oil) plus over 9 cubic yards of landfill space. But although some 80% of retailers and grocers recycle their cardboard, only about one-third of U.S. household are active recyclers. Despite encouragement from major online retailers to encourage cardboard recycling, many online shipping packages end up in garbage landfills instead of recycling facilities. GBB provides an easy, no-cost opportunity to repurpose and ultimately recycle shipping boxes in the online retail domain, and resale shops present a natural solution for reusing clothing and household goods.

### Beyond Thrift Shops

Resale is a big business in the U.S., especially when the economy is not strong. According to the national trade group Association of Resale Professionals (NARTS), the U.S. resale industry comprises some $13 billion in annual revenues and is one of the fastest growing segments of retail (NARTS, 2015). NARTS’ data indicates that the U.S. marketplace includes more than 25,000 resale, consignment, and not-for-profit resale shops. In recent years, new stores have entered the domain and existing organizations have opened additional locations at an annual growth rate of about seven percent. The consumer research firm First Research estimates that some 25% of resale revenues are derived from used clothing (First Research, 2015).

Resale clothes shopping attracts consumers from all economic levels who share the thrill of finding a treasure and saving money. Shifting consumer tastes and demographics, such as an increase in younger shoppers, have also driven a rising demand for second-hand goods. According to one 18-year-old consumer, she loves thrift shopping because ‘you can find unique pieces that you would normally pay an arm and a leg for in an upscale boutique’ (Tulley, 2012). NARTS (2015) reports that about 17% of Americans shop at a thrift store during a given year, compared to some 20% purchasing goods in apparel or department stores. Resale stores have responded with noticeable upgrades in merchandising strategies. An industry executive noted that the resaler image has shifted from a dimly-lit shop selling outdated clothes to a clean, well-organized store providing attractive merchandise (Tulley, 2012).

### Too Much Stuff

The third factor considered by the GBB founders in their SE business model is the willingness of U.S. consumers to donate their unneeded clothes and household goods—especially if convenient and at no cost. The NPD Group, a market research firm, estimated that a typical American home has some $7,000 worth of unused stuff (Berman, 2011), and many Americans regularly ‘spring clean’ to discard clothing and household goods accumulated over time. According to a recent Wall Street Journal article entitled “The cult of tidying up” (Maloney & Fujikawa, 2015), major resalers have reported a steady rise in donations...
of clothing and household goods: “Across the U.S., Goodwill Industries International saw 4% more in-kind donations in 2014 than the previous year.” (2015, p. D2)

**GBB Achievements To Date**

While evaluating performance is important for any business, measuring social impact is especially relevant for a social enterprise (Forbes, 2013; Austin, et al., 2006). For Give Back Box, key performance metrics include measures such as number of donations shipped, pounds of cardboard diverted from landfills, and net impact concerning Goodwill Industries’ objectives. By June 2014, founder Wiela had arranged more than a thousand donations to Goodwill (Schiller, 2014), and over 600 hours of job services have been provided from revenues generated from selling GBB donations. Other detailed measures are not yet available, because Goodwill Industries has requested Give Back Box to channel all performance data through Goodwill. As the enterprise grows, future metrics could include the number of boxes sent to Goodwill and saved from landfills, donor demographics, and click-throughs on the GBB website.

An overview of the key strengths, weaknesses, opportunities, and threats (a SWOT analysis) for the GBB start-up is presented in Table 3. As shown, a social enterprise relies on a strong reputation coupled with stakeholder engagement for its continued growth (Luke & Chu, 2013), so Give Back Box must continue to increase its visibility. For GBB, determining what makes potential donors engage with GBB is critical: Without boxes of donations being shipped, the entire system collapses. GBB has received impressive media coverage to date, including articles in major business publications including *Forbes* and *Fast Company* as well as a feature on NBC’s ‘Today’ show; see https://www.youtube.com/watch?v=-81YqXDk_F0&noredirect=1). In addition, the digital consumer marketplace demands a social media presence to offer a technology-facilitated, two-way interactive experience between organizations and individual consumers (Kaplan & Haenlein, 2010). Give Back Box maintains a presence on a variety of social media channels, including accounts on Facebook (about 1100 ‘Likes’ to date) and Twitter (700-plus followers).

### Table 3. SWOT Analysis for Give Back Box

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
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<tbody>
<tr>
<td>• Creative SE offering sustainability &amp; convenience to users</td>
<td>• Business model relies on dispersed target market</td>
</tr>
<tr>
<td>• Innovative yet simple business model</td>
<td>• Brand recognition limited to retail partner customers</td>
</tr>
<tr>
<td>• Requires minimal investment, no bricks &amp; mortar</td>
<td>• Call for action is difficult: What is value proposition to donors?</td>
</tr>
<tr>
<td>• Experienced partners</td>
<td>• Unfocused marketing resources</td>
</tr>
<tr>
<td>• Strong media recognition of its positive brand image</td>
<td>• Partners involved in other enterprises</td>
</tr>
<tr>
<td>• Exclusive partnership with Goodwill</td>
<td>• Inefficiencies in Goodwill partnership</td>
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<table>
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<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
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<tbody>
<tr>
<td>• Significant potential for growing retail partners &amp; customer/donors</td>
<td>• Paradigm shift required to change online customer habits</td>
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<tr>
<td>• Supportive trends for recycling, repurposing, &amp; sustainability</td>
<td>• Potential donor partners may donate in other ways</td>
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<tr>
<td>• Involve partners beyond Goodwill</td>
<td>• Low entry costs for potential competitors</td>
</tr>
<tr>
<td>• Expand business model to include other donor markets</td>
<td>• Increased shipping costs would have disproportionate impact</td>
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**Recommendations for Social Enterprise Start-Ups**

As discussed above, launching a start-up social enterprise like Give Back Box is a challenge. Fledgling SE organizations face an ever-changing business landscape that requires new ways of operating and different measures of company performance. In this section, we provide suggestions for social entrepreneurs seeking to enhance their effectiveness in creating and growing a new SE, linking these recommendations to examples at Give Back Box.
also willing to seek advice. For example, Wiela has relied on advice and support from a mentor with significant experience in entrepreneurial start-ups. Barrientos has collaborated with several faculty at his alma mater in organizing student projects around GBB’s needs and explored possible partnerships with the university’s sustainability office.

2. **Understanding the SE’s target market is essential for its growth.** Any new start-up must engage its target audience, but a social enterprise has the additional challenge of effectively translating its social mission. Potential consumers need to recognize, understand, and believe in the SE’s social values before participating in its operations (Woolley, et al, 2013). Give Back Box provides two means of contributing to social objectives: recycling and donating. Yet as noted earlier, some two-thirds of Americans do not recycle, and consumers who donate may give to church, rummage sales or parking lot depositories instead of via GBB. For the venture’s success, GBB must identify and reach target markets for whom its values and business model resonate.

3. **Marketing and communication are critical components of the SE’s business plan.** Sharing the social enterprise story with a wider audience is essential for nurturing the start-up’s continued growth (Forbes, 2013). Traditional media channels (e.g., business magazines and television) are useful in this regard, as are social media platforms (e.g., Facebook, Twitter, and YouTube). Because GBB has no bricks-and-mortar presence, it has worked hard to establish a visible media and digital presence. Current projects include developing GBB’s marketing campaigns, enhancing the GBB website, and increasing its public relations efforts, including messages and contracts with media channels. Table 4 provides an example of a tweet about Give Back Box from LOFT, one of GBB’s retail partners.

Table 4: Retail Partner Tweet Posted on Facebook

<table>
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<tr>
<th>Tweet</th>
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<tbody>
<tr>
<td>It feels good to give back. We’ve partnered with @givebackbox to help donate your gently worn clothing. Learn more: spr.ly/6014ldyY</td>
</tr>
</tbody>
</table>

Source: Company Facebook page

4. **Change in any organizational domain takes time and effort.** Not only must a SE’s leadership team develop their internal operations, they also must support corresponding change in external stakeholders as well. As noted above, Give Back Box is striving for a paradigm shift in online retailing in which donating back becomes part of the purchase process. Such a shift takes time. In addition, developing relationships with valuable partners may require patience and persistence. GBB has found that working with Goodwill can be challenging because the multi-billion-dollar non-profit moves at a much slower pace compared to a new venture like GBB. For example, a nationwide rollout originally planned for late 2014 was phased out, replaced by adding another center in February 2015. GBB partners must consider how to maintain the SE’s independence while continuing to grow the brand at their own pace.

5. **Stay true to the start-up’s socially-driven mission.** The primary distinguishing characteristics of social ventures are their missions and their funding sources (Woolley et al., 2013). Thus, maintaining the focus on a SE’s fundamental values and social value metrics is key for responsible SE leadership (Kim, et al., 2011). Give Back Box keeps their SE focus front-and-center, using their website to clearly outline the SE’s sustainability impact across all three dimensions of the triple bottom line:

- Environmental. GBB notes the 12 million boxes shipped daily through online retailers and the opportunity provided by GBB to reduce, reuse, and recycle.
- Social. “Through making the item donations process both ‘convenient and hassle-free,’ the aim is to change the way people donate and so enable charities to collect donations in abundance to help them carry out their mission-critical work.” (http://www.givebackbox.com)
- Economic. For the donor, GBB emphasizes the cost-free, time-saving process. For the retailer partners, GBB explains how they provide their customers with convenience. For the charities, the economic benefits of fund-raising, meeting goals, and helping the economy are noted.

**Next Steps for Give Back Box**

According to research by Vickers and Lyon (2014), a social enterprise’s growth strategies are shaped by the founders’ values and relationships, the core team’s skills and capabilities, and the influence of the communities in which they operate. Drawing from their own values and expertise, GBB’s founders and partners have targeted several areas for the SE’s continued growth. Their first objective is refining the existing framework supporting a sustainable model of donation delivery, seeking greater market penetration among online retail consumers. While GBB has gained good media coverage and a presence on the major social media channels, consumer engagement, as measured by number of followers and likes, must be increased.

A second key goal is developing more retail partnerships beyond the five currently in place. Ms. Wiela has contacted Amazon and other major online retailers about their interest, but at present their volumes
are too big for GBB to handle (Updin, 2014). Wiela and her partners may also consider non-retail shipments for donations, such as person-to-person Federal Express boxes or moving boxes from U-Haul. Another potential growth area would be to expand GBB’s charity partnership beyond the current exclusive relationship with Goodwill Industries. Alternatively, GBB may explore the possibility of leveraging Goodwill’s advertising activities, seeking to piggyback on its century-plus tradition of social enterprise. Other ideas include working with universities and/or public sector entities (e.g., schools and local governments) in donating used or unwanted goods.

At this point, diversifying to potential markets beyond the United States is low on GBB’s priority list. Future research is needed about the resale industry’s parameters in different countries; i.e., how do other nations’ consumers dispose of unwanted clothes, household goods, and electronics? While Goodwill Industries does have international partners, their business models differ across nations. Several dimensions may be important in targeting a country for expansion, including population level, development of shipping and infrastructure. For example, when GBB explored Canada’s potential as a logical country for expansion, they learned that not only is the Canadian population smaller and more dispersed than the U.S., but also that the shipping supply chain is less-developed. Shipping costs—GBB’s biggest expense—would thus be higher, adversely impacting profits. At present, GBB’s resources remain focused on its U.S. market, with international growth as a longer-term objective. But wherever their path may lead them, GBB’s founders intend to stay committed to their original social enterprise goals. As Barrientos stated, “I’m thrilled about this, because now what I’m doing professionally aligns with what I want to do with my life. This is such a simple concept, but I think it can make a sustainable social and environmental difference.” (Busiek, 2014)

Acknowledgments

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References


**Appendix: Give Back Box Partner Backgrounds**

**Monika Wiela**

Monika Wiela was born and raised on a small farm in Poland. She received her master’s degree in marketing and business administration from the University of Humanities and Economics in Lodz. In Poland, she worked in corporate sales positions for PolPharma, Lucas Bank, Johnson & Johnson, and Nestle. Interested in travel from an early age, she moved to Chicago in 2006, where she created her own online shoe retail companies, Style Up Girl (U.S.) and Style Up (based in Poland), selling youthful and fashionable styles at affordable prices. Ms. Wiela’s desire to use her initiative and talents towards the common good prompted her to found Give Back Box. Now a Los Angeles resident, Ms. Wiela continues to explore new avenues of self-exploration, including running marathons.

**Biswasree Debnath**

Biswasree Debnath was born in India and educated in England, earning his M.S. in electronics from the University of Wales, as well as his MBA. His expertise is operations and strategy, and he has over 15 years of experience working with FTSE 100 and Fortune 500 companies in developing strategy, driving supply chain effectiveness, implementing enterprise resource planning systems, and helping organizations to launch new businesses. In June 2012, he partnered with Ms. Wiela to use his deep operational knowledge to support Give Back Box and its social enterprise mission. Mr. Debnath currently lives in Los Angeles, California.

**Eduardo Barrientos**

Mr. Barrientos was born, raised, and educated in Colombia, earning his B.S. in industrial engineering from Pontificia Universidad Javeriana. He moved to the U.S. in 1998, where he has worked for 12-plus years in management consulting for several global organizations. While studying for his MBA at Loyola University Chicago, Mr. Barrientos met Ms. Wiela. This coincidence served as the catalyst for him to pause and reflect about his passions and future, culminating in his commitment to Give Back Box, where what he is doing professionally aligns with what he wants to do in life. He is an avid soccer and Formula 1 racing fan and a general aviation pilot.