

The Happy Turtle: Womanpreneur and Talent in a Circular Economy

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The Happy Turtle was a bootstrapped start-up in Delhi, India, that was focused on driving a circular economy for plastics. The company aimed to offer sustainable and biodegradable lifestyle alternatives to plastic, which could secure a greener future for the planet. The founder of The Happy Turtle had left a successful and flourishing corporate culture to follow her passion for sustainability. By mid-2019, The Happy Turtle had been growing at a slow but steady pace to reach a breakeven point. One year later, however, the company was finding itself at a crossroads. Business uncertainty had arisen due to the Indian government's new policy on plastic waste management, various underlying issues related to the circular economy, and the challenge of raising money from angel investors. In addition, the founder was finding it difficult to recruit, hire, and retain the right talent to help her achieve The Happy Turtle's vision. What strategic and routine decisions would she have to make to reach her company's goals and vision?

Learning Objectives

This case is suitable for management development courses, postgraduate programs, and leadership development workshops that discuss entrepreneurship, talent management, human resource management, organizational behaviour, and sustainability. After working through the case and assignment questions, students will be able to:

- understand the cognitive traps and prejudices of an entrepreneurial mindset regarding talent acquisition;
- identify the talent strategy for start-ups and the strategic choices related to circular economy;
- gain insights into start-ups led by “womanpreneurs” and tackle the question of scaling up a business venture; and
- realize the importance of a liquid workforce.

THE HAPPY TURTLE: WOMANPRENEUR AND TALENT IN A CIRCULAR ECONOMY

Prabhjot Kaur and Jyotsna Bhatnagar wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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On the monsoon morning of June 26, 2020, Richa Malik was watching the sky from her bedside window. Malik knew it was going to rain. Sipping her tea, she read the newspaper and learned that the Government of India had recommended a unified framework and guidelines for its extended producer responsibility initiative. Companies were offered three options to comply with the new rules: They could contribute money to the common corpus to manage waste. They could buy plastic credits to balance the country's generated plastic waste. Or they could choose to invest in producer responsibility organizations, who would amass and manage the plastic waste that was generated after consumers used the products.

It was clear to Malik that this initiative would not encourage companies to find alternative solutions as much as simply manage their plastic footprint. This issue troubled her. She worried that these options would dilute the responsibility of individuals and organizations toward building a sustainable environment. Taking a deep breath, she looked out the window, which was beginning to fog up from the coming heavy rains. A flurry of questions crowded Malik's mind. Was her company, The Happy Turtle, ahead of its time? Was Malik the right person to lead the company? How could she acquire the best talent to help her realize her vision of a plastic-free world? Was her circular economy business model sustainable? How could she become better prepared to deal with an uncertain future? Was she making the right decisions or should she be doing anything differently? Should she consider returning to her corporate job and abandon her vision of a plastic-free world?

HOW IT ALL BEGAN

On November 18, 2016, Malik was scuba diving on Gili Trawangan Island, in Indonesia. Suspended over a spectacular reef in the pristine blue waters of the island, Malik felt weightless. A skilled diver and professional diving instructor, she was sporting her full scuba-diving gear—wetsuit, fins, air tank, regulator, and snorkel—as she navigated the breathtaking diversity of marine life: solos and clusters; creatures both small and huge that were yellow, orange, blue, golden, black, silver, and even too-hard-to-describe colours. On that day, Malik was training a new diver who had received basic training and had only been diving once or twice before. Descending to the reef, which was teeming with sea life, the two divers started exploring. Malik pointed out some interesting sea life to the new diver, who was doing well despite her lack of experience.

It was then that Malik saw a green turtle, the pride of Gili Islands, the home of these endangered species. The turtle seemed to be moving away from the reef and toward the sumptuous meal of a jellyfish—but, as Malik soon realized, the jellyfish was in fact a plastic bag! Malik first ensured that the new diver was safe and then raced toward the plastic bag, wielding a tank banger. A banger was a signalling device positioned around the air tank that could be hit against the tank to attract the attention of other divers. Disturbed by the noise, the turtle swam away. Malik managed to secure the bag and breathed a sigh of relief. But she was so upset by the incident that she later found it hard to recall the rest of her dive.

On the islands, Malik participated in beach clean-ups and plogging.¹ During her dives, she cultivated the habit of picking up any trash she saw underwater. In December 2016, Malik moved to Bali, where plastic pollution was even worse. During the Indonesian monsoon, the currents would change and dump the trash from Java to Bali, overwhelming its beaches with plastic. The plastic pollution suffocated the sand and outnumbered the rocks and seashells so greatly that some diving students often questioned whether picking up plastic during dives was part of the course! Plastic had become a thorn in Malik's side—during almost every dive, she felt miserable when confronted by the painful diversity of plastic: cups, bottles, bottle caps, plastic bags, chips packets, face-wash tubes, shampoo sachets, and countless other plastic objects. What bothered her most was that during her earlier corporate career, she had managed some of the very brands that produced the plastic items she found underwater. As time passed, she grew more restless; karma, she felt, had come full circle.

By the second half of 2017, Malik realized the future of the planet, and its inhabitants demanded more than just beach clean-ups. A radical reduction in plastic consumption would be necessary. Unless consumption patterns changed, clean-ups and polluted beaches would remain trapped in a vicious cycle. She decided to use her work experience, education, and everything she had learned during her diving years to serve a single goal: addressing plastic pollution at its root. In October 2017, Malik returned to India and launched her new venture, The Happy Turtle.

THE HAPPY TURTLE

The Happy Turtle was a bootstrapped start-up based in Delhi, India, that focused on driving a circular economy for plastics (see Exhibit 1). The company aimed to offer alternative biodegradable and sustainable lifestyle solutions to daily-use plastic through the four R philosophy: refuse, reduce, reuse, and recycle. Its vision of “A plastic-free lifestyle led by all to secure a greener future for all of earth's inhabitants”² was realized through a range of eco-friendly products that helped drive consumption alternatives to plastic products and promote reuse. The Happy Turtle also offered consulting services to help people not only reduce their plastic footprint, but also improve the recovery and recycling of end-of-life plastic.

The company's “Made in India” products were responsibly created using sustainable materials by rural artisans or women from a self-help group. Malik's association with the artisan women was intended to help provide them with a source of livelihood. Astutely focused on minimizing the carbon footprint throughout its value chain, The Happy Turtle used only natural treatments and minimized waste during production. It was one of the first companies in India with a plastic-free shipping policy and it used zero plastic in all of the company's shipping—including tape. On World Environment Day, 2018, The Happy Turtle launched its online store. In the company's first two years—from June 2018 to August 2020—The Happy Turtle helped avoid the use of over 5.3 million plastic products and won numerous awards for its efforts (see Exhibit 2).

¹ Plogging was a Swedish term for picking up trash while jogging; Allison Klein, “‘Plogging’ Is the Swedish Fitness Craze for People Who Want to Save the Planet. It's Making Its Way to the U.S.,” *The Washington Post*, February 23, 2018, <https://www.washingtonpost.com/news/inspired-life/wp/2018/02/23/plogging-is-the-swedish-fitness-craze-for-people-who-want-to-save-the-planet-its-making-its-way-to-the-u-s>.

² “Our Vision, Mission and Goals,” The Happy Turtle, accessed January 14, 2022, <https://www.thehappyturtle.in/about>.

The Happy Turtle also pioneered end-to-end plastic reduction consulting. It created the world's first Plastic Footprint Calculator, a proprietary tool that helped businesses assess plastic consumption on their premises, both qualitatively and quantitatively. The tool also provided ways for organizations to reduce their plastic footprint and overcome challenges on their path to becoming a zero-waste company. The Happy Turtle helped businesses switch to sustainable alternatives, depending on their requirements. In its first two years, it actively conducted workshops and provided solutions to manage plastic pollution.

The outbreak of the COVID-19 pandemic in March 2020 required that all workshops be conducted online. However, because the efficacy of online delivery was not high compared to an in-person setting, Malik placed the company's workshops temporarily on hold. The products business was a predominant contributor to The Happy Turtle's overall revenue, with 56 per cent contribution coming from the business-to-consumer product channel and 37 per cent contribution coming from the business-to-business channel. The remaining 7 per cent was split among consulting (4 per cent) and workshops and events (3 per cent).

THE OPEN WATER DIVE

Malik's journey as a female entrepreneur in India had not been easy. During her venture's first couple of months, she set out to establish a strong supply chain and distribution network for her products. She also consulted academics and subject matter experts for ideas on designing the Plastic Footprint Calculator for her consulting business. She debated whether to focus on products or services, or both. After a great deal of introspective debate, she decided to focus on both streams. Through most of her conversations with clients on how to reduce plastic, she found that individuals and organizations consistently deflected the problem and accountability elsewhere. Therefore, she wanted to design a tool that could assess the consumption pattern of individuals and organizations to empower them to take adequate steps within their own spheres of influence.

As a passionate socio-environmentalist, she also wanted to ensure that her products, packaging, and supply chain left a low plastic footprint. Her raw materials, product designs, and quality had to be unparalleled. To this end, it would be crucial to establish a reliable supplier network, which meant dealing with local skilled artisans from varied—albeit rural and remote—locations across India.

However, although artisans were willing to partner with her, she received a swirl of stereotypical questions: Are you opening a boutique? Can we talk to your boss? Would you like to involve someone else while finalizing the business terms and conditions? To gain their trust and respect, Malik had to demonstrate her sound educational background, which included more than six years of business experience working with the world's biggest fast-moving consumer goods companies. She abandoned the idea of working with any vendors who failed to keep their promises, did not respect women entrepreneurs, or engaged in inflexible processes that used chemicals for production. It took Malik almost six months—from November 2017 to May 2018—to finally set up her supplier network.

Malik wanted to ensure that the Plastic Footprint Calculator offered accurate information to her prospective clients. Therefore, she spent sufficient time on designing, testing, and validating the new tool. In early 2018, she launched her company's website and then opened her online store on June 5, 2018, World Environment Day. At the time, The Happy Turtle website featured a limited product portfolio that included wooden cutlery sets, bamboo toothbrushes, and cloth bags.

In the company's initial year, Malik funded her business by investing savings from her corporate job (approximately US\$15,000) as seed capital. This milestone pumped her with fresh energy and instilled a

great sense of satisfaction. She then tapped into the reliable and trustworthy grid of her alumni network, friends, family, and former colleagues, who supported her in establishing the business. Some of these associations were formal and included chartered accountants, lawyers, and web designers. Others were more informal consultations that she leveraged for brainstorming new ideas, ad-hoc support, human resources advice, and establishing business contacts.

THE DEEP DIVE

By mid-2019, The Happy Turtle business was almost breaking even and self-sustainable. The venture seemed capable of generating enough cash to manage ongoing operations, plus some extra money for future development (see Exhibit 3). Malik did not draw a salary from her company, choosing instead to invest the money back into the venture for scaling up. She realized that the venture would grow at a slow pace, and that it was unlikely to single-handedly realize her dream of a plastic-free world. So, Malik approached various angel investors who might be willing to invest in her company and support her cause.

In this phase of her journey, Malik sought more people who could help her manage everyday operations, so that she could focus on the company's growth. Being the founder of a bootstrapped start-up, she could not afford to be stuck with non-productive resources. Therefore, she spent a considerable amount of time sourcing the right candidates. As a successful sustainable products start-up, The Happy Turtle had no trouble attracting millennials and Generation Z candidates (people born after 2000), who were eager to make the world a better place. But she soon found that the skills of these candidates did not necessarily match their passion. Others, who had both passion and skills, did not have the right attitude for hard work and dedication. Few candidates had the passion, skills, and attitude that Malik was looking for.

As a small start-up, The Happy Turtle had a flat hierarchy. This structure ensured that the company remained nimble, agile, and close to the end customer and suppliers. Malik was not just the founder; she was a mentor, teammate, and friend to her employees. It was thus imperative that new employees fit well with the existing company culture, which was an extension of Malik's personality and leadership style. She was also cautious about the number of people she hired. She wanted to ensure that she could create meaningful work for all her employees. The company had a small set-up with key roles (see Exhibit 4). Malik believed in giving more flexible working options to the women, so they could balance their careers with family commitments.

THE ROUGH SEA

As The Happy Turtle scaled up, its work expanded in terms of both volume and complexity. To ensure she hired the best talent in the market, Malik invested considerable time and effort in the recruiting process. One highly favourable addition to the team was Ria Raj, a star performer and go-getter with a high sense of ownership and great passion for sustainability. After Raj joined The Happy Turtle, Malik was able to invest more time in generating consulting business, working on tie-ups with online marketplaces, and scouting angel investors.

The consulting business had a long gestation cycle for sales to lead conversion. Raj was a perfect team player. She efficiently followed up on leads, promptly responded to client queries, and delivered excellent results. She received sales commissions on her converted pitches. Her efforts quickly paid off. After a rigorous process of proposal submission and multiple rounds of presentations to key stakeholders, The Happy Turtle was awarded a major consulting project with a top information technology company in India. The successful outcome was especially rewarding considering that some well-established consulting firms had been competing for the same project. Malik made it clear that she wanted Raj to work on the project delivery. She was a top performer whose seamless transition from sales to delivery would ensure customer satisfaction.

However, halfway into the project's delivery, Raj casually mentioned to Malik that the project sponsor was, in fact, one of her close friends. Clearly, her personal rapport with the sponsor had enabled her to bring some valuable insights to the project during the sales and delivery stages. This revelation startled Malik. She questioned Raj's ethics and a heated argument ensued. Raj was a top performer and high-potential employee. However, it was unclear to Malik if Raj's values were aligned with those of the organization.

Raj and Malik agreed that the project was awarded strictly based on merit, after rigorous rounds of presentations to the key stakeholders. However, Malik could not approve of Raj compromising her trust by choosing not to disclose her personal connection with the client upfront. Raj had been a key, highly trusted employee. Malik saw the issue as a serious setback. That night, she could hardly sleep for the questions on her mind. Should she request that Raj leave the organization on ethical grounds? Could Malik afford to lose such a high performer and jeopardize the new project and client?

There was also the issue of high attrition. Some employees who had joined The Happy Turtle for experience with a start-up in managing end-to-end portfolios had moved on to bigger companies. Others who had joined for the flexibility of working at a start-up had later found it difficult to cope with the work demands. For example, Afsana Simi had joined The Happy Turtle on a flexible work arrangement. After a few months of good performance, Simi started missing deadlines and losing commitment. Malik tried to address the issue by setting a key milestone for Simi each day and focusing only on results. Malik's objective was to ensure success for the client and business operations. However, Simi perceived Malik's intervention as micromanagement that went against the flexible working arrangement that had been promised. The vastly different opinions about the issue led to disagreement between Malik and Simi on the flexible work arrangement and disrupted their cordial working relationship. As a result, Malik decided to reconsider her policy of offering flexible working arrangements, the talent pool she should target for recruiting, and how to manage talent issues more effectively.

As Malik wrestled with workplace dilemmas, what kept her going was her deep desire and zeal to make the world a better place for all living beings and future generations. As an experienced management professional, she knew the importance of rapidly scaling up her business to create the impact she envisioned. In February 2020, she reached out to various angel investors to secure funding for her company's goals, but got mixed results. Some investors saw The Happy Turtle as a regular business, rather than an organization that was passionate about its cause. Others failed to see the intense care that Malik had taken to ensure that each product was carved to perfection by the local artisans. They seemed only interested in the company expanding its product portfolio. One consistent apprehension she sensed in the investors was discomfort in her being female and the only company founder. They seemed more worried about her potential marriage plans than her business experience, despite her obvious commitment to her business. Malik soon started questioning her approach for scaling up—or if scaling up was even the right idea. She spent many sleepless nights debating her cause versus business profitability, without a clear solution.

Over the years, Malik had proactively kept in touch with people and participated in social gatherings to retain and develop her professional network. On one occasion, she chanced upon a college senior who expressed interest in joining her business as an equity partner. He seemed genuinely dedicated to her cause and had significant experience in digital marketing that he could use to help scale up the business.

Despite his seemingly favourable proposal, Malik was worried about repeating an unpleasant partnering experience from her past. That experience had involved a former school friend who offered to broker introductions with a major Indian company and various multinational organizations for her consulting business. In return for his efforts, however, he expected both a salary and an equity stake in the business. Unfortunately, Malik soon realized that the former school friend's promises were shallow. His industry connections were extremely transactional, his leads did not convert into business, and his attitude toward work was troubling.

During business trips, he complained about the hectic schedule, demanded access to a chauffeur-driven car, and expressed reluctance to meet with small companies. Malik was left with no other option but to confront him, which became a serious problem. The former friend retaliated by confiscating the product inventory, sharing unreasonable travel bills, and demanding equity shares for his efforts, despite having made no material contribution to the business. When matters became even more difficult, Malik was forced to consult a lawyer.

Understandably, the possibility of partnering with a college senior brought back all those painful memories. Malik's heart sank and her mind went numb. She did not want to repeat unpleasant history, but she was eager to give partnering another chance. Was this the only way to scale up her business? Would the outcome be much more favourable this time?

WHAT NEXT?

The Indian government's proposed plastic credits system, which came to effect in June 2020, was an impending threat to Malik's consulting business and her proprietary Plastic Footprint Calculator. She was extremely proud of her product. She had personally built and refined the tool, after almost a year of multiple conversations and inputs from various academics and practitioners. Calculating the existing plastic consumption of companies, and offering her advisory services on how they could reduce consumption, formed the core of her consulting business. To expand the reach of her tool, Malik created a simplified pro-bono version on The Happy Turtle website that people could use to assess their own plastic footprint and see how they could choose more sustainable lifestyle options. However, the new government guidelines for extended producer responsibility laid out mechanisms for companies to pay for and manage plastic waste, leaving very little incentive for them to reduce plastic consumption. This initiative would jeopardize the future of Malik's tool and of her consulting business.

Working with some well-known and reputed companies in consulting assignments had also resulted in unfavourable outcomes. Some called for meetings only to get free recommendations. Others did not pay well or on time. Some even stole material from her pitch deck for their own internal communications.

Both her consulting business and the proprietary tool were close to her heart. Malik did not want her efforts to go to waste. Small and medium-sized enterprises seemed to be the ideal platform to engage with businesses and institutions to create a wave of change, beyond just selling eco-friendly products. Recently, she had been approached by the United Nations Environment Program about leveraging her proprietary tool. These sporadic, although prestigious, instances kept her going forward. But she often wondered, deep down, whether she should continue investing in the consulting business. Could she do anything else to unlock its full potential?

Malik also grappled with the notion that being female and the sole founder of the company was repeatedly seen as an obstacle by investors who wanted to diversify risk by ensuring that at least two founders—preferably at least one male—were leading the company. Most investors suggested that she expand her product portfolio. But Malik worried that scaling up her business and adding new product categories too soon might prevent her from devoting complete care to sourcing, producing, and delivering sustainable and high-quality products. She wondered whether she should focus on fewer products and increase her company's reach instead.

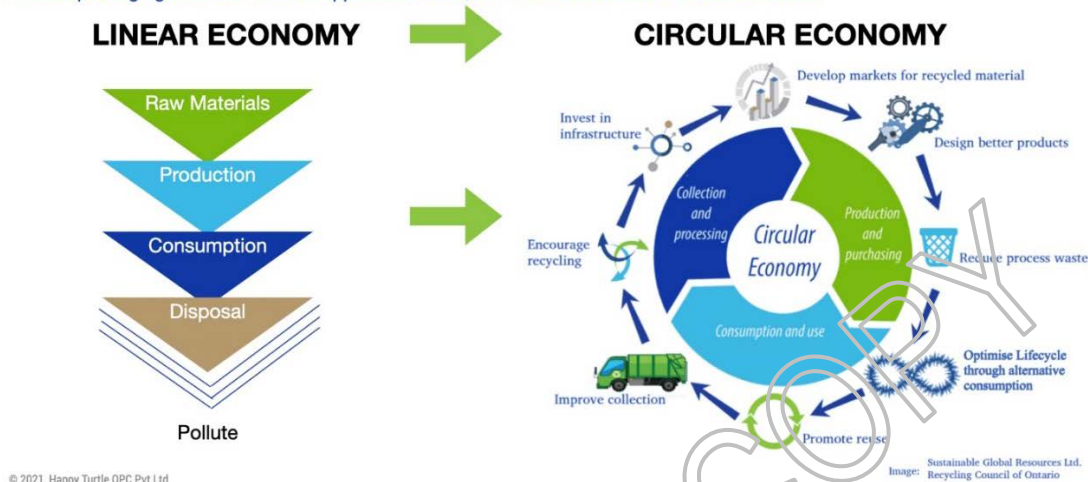
In addition to grappling with these decisions, Malik was also worried about issues among her team members. Some experiences with new hires had turned out less than perfect. Despite investing time and effort in ensuring that she hired and retained the best talent, she was struggling to recruit ideal candidates.

Malik was at a crossroads. How was she ever going to make her business sustainable? Would she find a way to scale up the business? Was she doing enough? Was she hiring the best talent? Could she do anything differently?

EXHIBIT 1: THE HAPPY TURTLE DRIVING A CIRCULAR ECONOMY ON PLASTICS

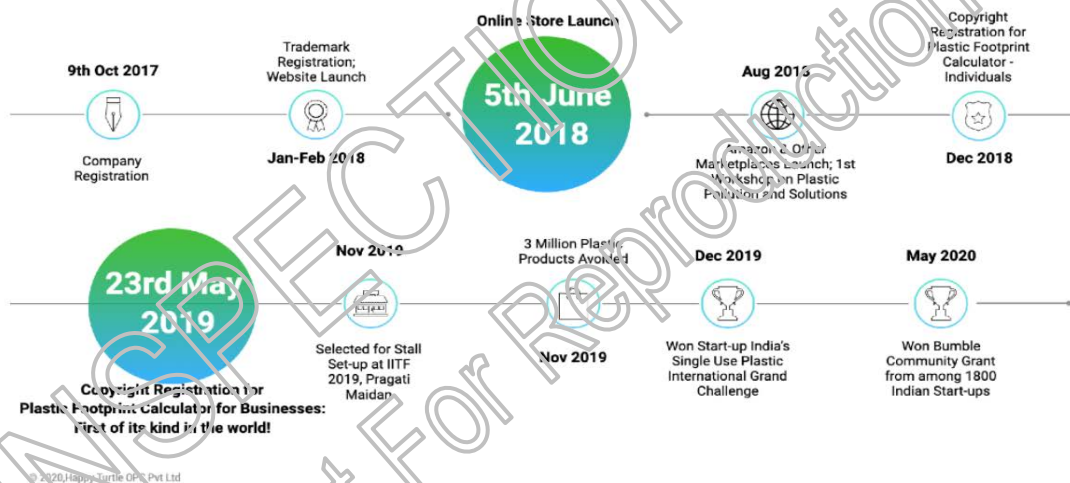
Moving from Linear Economy to Circular Economy for Plastics

Plastic packaging is an iconic linear application with \$80–120 billion annual material value loss



Source: Company files.

EXHIBIT 2: THE HAPPY TURTLE COMPANY MILESTONES



The Happy Turtle Key Achievements since Inception

- Winner of Startup India's Single Use Plastic International Grand Challenge 2019
- Selected by Startup India to display its work at the India International Trade Fair (IITF) 2019
- Provided sustainable alternatives for Prime Minister Narendra Modi's "Howdy" round table meetings with top chief executive officers in the US cities of Houston and New York in September 2019
- Winner of the Bumble Community Grant in May 2020, during the COVID-19 pandemic, chosen among 1,800 Indian start-up entrants
- More than 4,000 assessments done on the Plastic Footprint Calculator since its launch
- More than 5.3 million plastic products avoided from June 2018 to August 2020

Source: Company files.

EXHIBIT 3: IN THE HAPPY TURTLE FINANCIALS—QUARTERLY REVENUE AND BURN RATE

	Revenue (in ₹)	Revenue (in US\$)	Burn Rate (in ₹)	Burn Rate (in US\$)
Q2 2018	12,796	179	170,988	2,394
Q3 2018	101,495	1,421	275,068	3,851
Q4 2018	217,744	3,048	151,892	2,126
Q1 2019	276,140	3,866	286,930	4,017
Q2 2019	465,383	6,515	395,857	5,542
Q3 2019	411,027	5,754	430,061	6,021
Q4 2019	596,283	8,348	221,030	3,094
Q1 2020	485,078	6,791	247,044	3,459
Q2 2020	176,592	2,472	127,241	1,781
Q3 2020	289,531	4,053	255,932	3,583
Q4 2020	477,323	6,683	386,375	5,409

Note: ₹ = INR = Indian rupee; US\$1 = ₹75.6 on June 26, 2020; burn rate does not include wages for Richa Malik (who does not draw a salary); Q = financial quarter.

Source: Company files.

EXHIBIT 4: THE HAPPY TURTLE POSITIONS AND HEAD COUNT

Employee Position in The Happy Turtle	Number of Workers
Founder and chief executive officer (also involved with consulting, supply chain management, human resources, marketing, new product launch)	1
Business development manager	1
Operations manager	1
Website designer	1
Website developer	1
Lawyer	1
Chartered accountant	1
Self-help group manager	1
Artisan workshop manager (three workshops: bamboo and wood, copper, agricultural waste)	3
Artisans and women in self-help groups	30
Interns (for research, projects, content writing, managing social media, etc.)	1 or 2

Source: Company files.