

Saving Surplus Fabric from Landfill led to a Giant Fabric Store in Thailand

A Start-up Story: Moreloop, Thailand

As he looked at how to reduce industrial waste in Thailand, Moreloop co-founder Amorphol Huvanandana found that the garment industry is one of the biggest problems. More than 2,000 garment factories in Thailand have anywhere from 3 to 10 percent of their fabric left over after production, leading to more than 350,000 tons of surplus fabric each year that largely becomes industrial waste. He co-founded Moreloop to reduce the waste.

Building a Business Took Time

After realising in 2017 that he did not want to remain a banking professional his entire life, Amorphol left to pursue a bigger purpose and decided to study startups. Although he joined a successful startup creating a marketplace for restaurants, he realised the business wasn't his real passion and left after six months.

He was interested in industrial waste management and used his skills as a financial analyst to visit companies in multiple industries to find the biggest problems and decide where to focus. When he visited garment factories, he realised they are one of the largest sources of industrial waste in Thailand.

He teamed up with co-founder Thamonwan Virodchaiyan, a second-generation leader in a family-owned Thai garment company, to create a one-stop solution dedicated to maximising the value of surplus fabrics from garment factories and minimising waste.

They started out in 2018 by creating a marketplace to sell surplus fabrics. Amorphol bought fabrics, took pictures and put them on its online store. "The idea was to make it a profitable business, make it scalable and make the circular economy a reality," Amorphol recounted.

While the business started out slowly, it gained momentum when the idea of a circular economy started to become popular in Thailand, in 2019. "We got a deal from one of the cement companies, then a second deal, then a third. When Covid hit, we just tried to survive. Now, we have twenty deals each month."

Today, Moreloop describes itself a platform that buys surplus fabrics, curates them and promotes products on an online marketplace so SMEs can access fabrics at a reasonable price.

"Once we became well known," Amorphol said, "we went from five fabric seller customers to 80. We have become the biggest fabric store in Thailand. One of the other big ones has 1,500 SKUs (stock keeping units). We have about 3,000 products and can go up to 10,000 easily." As the business grew, Moreloop also started to produce its own brand of T-shirts, polo shirts, bags, corporate uniforms and more.

Organic Marketing Drives Growth

Producing branded products also leads to free marketing, he said. "The T-shirts go to thousands of people. We have produced more than 300,000 items. Each one has the Moreloop logo and a message. 300,000 people are aware of the brand from the product."

Moreloop has also used organic marketing, including social media. Receiving awards relating to sustainability has given it greater exposure, and dozens of media have written about it. And, he says, "we get very high-quality word-of-mouth referrals."

Moreloop also benefits from being the sole seller of excess fabrics in Thailand. "I have seen similar companies in the US and in Europe," he said. "The business model, selling stock, is not new. We believe we are the only one in Thailand." Amorphol said creating its own brand also strengthens its positioning and gives it a sustainable competitive advantage.

Preparing to Grow from Cash Flow Positive to Regional Sales

Revenue has grown and will reach US\$350,000 this year, Amorpol said, and the company is cash flow positive. It targets growing to at least five times that level within five years.

To reach that target, he plans to expand overseas. "It will be around Southeast Asia. We were asked by friends in different countries to expand. They have the same problem. They say, 'rescue our fabric'." He also targets countries such as Japan and Korea where Moreloop can receive a green premium in its pricing.

Amorpol realises the need to scale up production and sales. "We have been establishing the mechanics," he said. "We perfected onboarding, systems, fabric selling and corporate requirements. We outsource to several factories to get the capacity we need." Moreloop hasn't received external funding yet, so infrastructure has been minimal and the team has been small.

However, he said "we have been too lean. We have been growing organically and we don't have enough personnel to accommodate growth." Realising that he needs a bigger team, changes are underway. "To do strategic growth, in the last couple months I stepped on the gas. We are putting more people on the pain points. We have a person to take care of the system, more people on production, a person to take care of customers. Also, we have a team that helps with content creation for Instagram Reels and videos. More corporates are asking for merchandise."

Impact

Given Amorpol's pivot to focus on his purpose, it is not surprising that impact is essential. "We measure impact through three pillars," he said. "One is how much fabric we have recirculated. 60,000 kilogrammes have been rescued, which is about 200,000 yards of fabric. Another is carbon emissions we prevented, which is nearly 900,000 kg of CO2 equivalent. The third is how much merchandise we produce. We want people to be curious about the circular economy and why a T-shirt can save carbon emissions. 300,000 people know about the circular economy through our brand. A mindset change is the real solution to solve the problem. People are aware of what they can do. We have become a conscious creator, making money, making the world better."

With the positive impact and strong growth Moreloop is enjoying, it is clear that Amorpol has found the purpose he was seeking when he left banking and is making a difference.