clothing. Many people get as far as this stage, but go no further; they file their 'pet' ideas away at the back of their minds, or perhaps jot them down in a notebook, and then carry on with their lives. The Hieatts were different; they decided to make their dream a reality, and in the process they created what can be termed an entrepreneurial opportunity.

Their venture proved to be extremely successful, such that Howies is now a widely recognised, premium international brand with a bright future. However, it is very important to remember that *none of this was clear at the outset*. David and Clare had no way of knowing if their idea would really 'fly'. There was a very long journey to travel, and lots of work to do, before those early ideas were transformed into a real, thriving clothing business. For many other budding entrepreneurs (and intrapreneurs, i.e. entrepreneurship in larger firms or organisations), the story has a very different ending. Opportunities that might once have seemed very attractive turn out to be disappointing or elusive. Seemingly brilliant business ideas and bright, shiny technological inventions often fail to deliver or struggle into life only to collapse when confronted by the harsh, competitive realities of the markets and finances.

Case 4.1

A Long Way From Home: From Sheep to Shop

SDG 12 Responsible Consumption and Production &D SDG 15 Life on Land

The fashion industry is full of specialist retailers with each purporting to offer a unique range of clothes that will appeal to a unique group of customers. But how do such niches emerge in what seems like an already crowded market? In New Zealand, merino sheep graze on upland pastures throughout the year. 'Ethical wool' from their fleeces is used in high-performance textiles prized by many specialist active outdoor and sports clothing companies throughout the world. The Zque trademark, developed by the New Zealand Merino Company, provides a traceable value chain, which includes an accreditation programme that ensures environmental, social and economic sustainability, animal welfare and traceability (www.nzmerino.co.nz). While home-grown New Zealand companies, such as Ground Effect (www.groundeffect.co.nz), use merino-based fabrics, the market for merino is worldwide.

Just like the mainstream fashion industry, the active outdoor and sports clothing industry is highly competitive. Many small companies have emerged to meet the needs of customers in this increasing global niche sector. One such company is Howies (www.howies.co.uk), which was founded in June 1995 by David and Clare Hieatt in the living room of their London flat (Wikipedia, 2021).

Initially, they designed just four T-shirts and launched them in a mountain biking magazine – the T-shirts cost £30. The orders came in and the company was in business. During the next decade Howies developed into a leading designer of simple, functional, long-lasting clothes made with a concern for the environment their customers enjoyed so much in mind.

In February 2007, after over a decade of independent ownership, the US footwear company Timberland (www.timberland.com) acquired Howies (*BBC News*, 2007). By 2012, the management team purchased the company. Let us consider the first two of the three critical stages of Howies' story: the decision to start the company (opportunity recognition); the expansion and the move to Cardigan Bay, in Wales (growth); and the sale to Timberland (acquisition). We will also see that cutting through these are the founders' personal ethical values. In 2011, Timberland merged with VF Corporation (www.vfc.com) and Howies was sold to its own management in 2012.

Opportunity Recognition

Identifying the mountain biking sector was a key factor starting the company. The founders and early staff members were passionate about biking, snowboarding and skateboarding. They knew what their potential customers wanted: something unusual and different. Initially, Howies sold through shops, with 45 selling their product by the end of 1999. By 2000 they realised this business model wasn't sustainable; the decision to move into mail order, selling via a printed catalogue, was made and the first catalogue was produced.

Growth

Space is nearly always an issue for growing firms, and Howies was no different. The company moved to commercial premises in Wales and secured a grant from the then Welsh Development Agency in 2003. Previously, the company was funded by the founders and conventional banking. Howies continued to grow by producing ethically sourced, specialist clothing for outdoor enthusiasts. The mail-order catalogue sales were increasing and were supported by e-commerce sales. The company considered moving back into retail by selling through Selfridges in London and even opening their own shops. By the end of 2005, sales were just over £2 million. Clothes were still promoted as ethically produced, both in terms of manufacturing and the textiles used, including hemp, bamboo, organic cotton (www.soilassociation.org) and the Zque-accredited merino wool from New Zealand. The company even moved to the ethical bank Triodos (www.triodos.com).

The real challenge is recognising, of all the things you could do, which are the ones worth investing your time and money in. It is also worth noting that once an opportunity is recognised and exploited in an enterprise it has to be constantly reassessed.

Acquisition

In early 2007, Howies was acquired by Timberland, the large US-based outdoor clothing company. The founders of Howies could see that in order for the company

(Continued)

to grow to meet ever-increasing demand, more working capital was required. The amount of money involved was beyond the reach of conventional funding, such as secured loans.

This would either mean raising venture capital or finding a partner with similar values. David and Clare Hieatt felt that for Howies to maintain its values there was only one option. At the time of the acquisition Jeffrey Swartz, then President and CEO of Timberland, said: 'We are excited and inspired by the brand potential we see in Howies and are pleased to welcome them to the Timberland family. We look to invest in like-minded brands that are focused on innovation, authenticity and integrity, and Howies encompasses all of these core values' (*BBC News*, 2007).

Interestingly, David and Clare Hieatt went on to found Hiut Denim, a new venture focused on manufacturing jeans from organic and salvage denim in 2011 (http://hiut-denim.co.uk).

Ethical Point

In addition to promoting environmentally sustainable materials such as merino wool, hemp, bamboo and organic cotton, the company uses only 100% renewable electricity from Good Energy (www.good-energy.co.uk) for its London store and in 2005 moved to ethical bank Triodos. In 2025, Howies still celebrates that it is owned and run by its employees: 'This means our clothing is designed and manufactured by people who care'. (Howies, 2025)

Points to Consider

1. With hindsight it is often easy to see the various stages of a company's development. But is it possible for the entrepreneurs who run growing companies to see these at the time?
2. Why would a company like Timberland decide to buy a smaller company rather than just develop competing products and brands? Is it harder for larger companies to be entrepreneurial, or does opportunity recognition become more difficult?
3. The founders of Howies wanted to express their ethical values through their business. Was that important to their customers? Provided sales were growing and the company was profitable, did it really matter?

Sources: BBC News, 2007; Wikipedia, 2021; Howes, 2025

The chapter is organised as follows. In Section 4.2, we explore the concept and sources of entrepreneurial opportunities; in Section 4.3, we consider what creativity means in this context, and how you might develop your own creativity; in Section 4.4, we discuss the relationship between innovation and entrepreneurship; and in Section 4.5 we consider how these come together in realising the entrepreneurial opportunity.