

## Tangara Consulting Group

<u>Team Member Name</u>	<u>Year</u>	<u>Major</u>
Andrea Pinzon Fajardo	5	Business Management
Maria Paz Vargas Castro	5	Business Management
Martin Londoño Barriga	5	Business Management
Santiago Arrieta Mosquera	5	Business Management
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**Advisor(s):** J. Vanessa Prieto-Sandoval

**Topic:** How Much Wood Would IKEA Chop if IKEA Could Chop Colombian Wood?

**Audience:** Inter IKEA Group Management Team (IKEA's Corporate board).

### Sustainable Development Goal

**SDG #15:** Life on land: Protect, restore and promote the sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, halt and reverse land degradation and halt the loss of biodiversity.

### Executive Summary

In 2019, around 115,000 hectares from the 59.9 million natural primary forest, equivalent to 52.2% percent of Colombia's territory, were lost, including 12,376 that belonged to National Protected Park areas. With that in mind, a multinational company like IKEA, which manufactures and sells household implements at competitive prices in the market, could have a significant impact with proposals derived from their strategic plan, aligned with the 2030 sustainable development goals, for what will be their entrance to the Colombian market. Their main goal is to balance economic growth, social impact, and environmental protection by generating an approach to inspire a sustainable vision and adaptation to a changing world. IKEA could become an ally for change in Colombia and empower the industry's alignment towards a more ethical and sustainable commitment. That by establishing a forceful location for their South-American expansion as well as undertaking initiatives to curb its contribution to climate change (such as the almost 9.5 million tons of CO<sub>2</sub> from the supply of materials), encouraging responsible consumption, establishing circular models, and developing reliable supply plans to regenerate and protect ecosystems.

Considering that deforestation in Colombia showed a continuous fluctuation of lost hectares from 2019 to 2020, Tángara Consulting Group suggests reformulating the strategy to allow IKEA to enter the Colombian market. This strategy should contribute to the loss of forests or avoid the possible impact on native nature and instead focus on the sustainability objectives and significant involvement for better practices. Instead of entering the country by franchising, Ikea should consider a full entry model to enable possible joint ventures with local companies in the industry. Using the forests that the country has destined for responsible logging and significant control over internal processes would translate into a more likely position to enter new markets efficiently and acquire specialized knowledge to have a closer involvement with suppliers of raw materials.