



case 2-341-083 March 23, 2022

Andrew Hoffman

Interface: The Journey Toward Carbon Negative

Natilyn Arzonⁱ was both excited and concerned. In the fall of 2020, a year after being recruited for a career-building position at the floorings company Interface, she had just read the company's announcement of the launch of the first-ever carbon negative carpet tile.

Interface had been a leader in the carpet industry since the 1970s and was globally known for green innovations. Ray Anderson, Interface's founder and CEO for over 28 years, had left an outstanding legacy of sustainability and positive transformation at the time of his death in 2011. The new carpet tile—going even beyond the currently difficult goal of carbon neutral—could be a huge development in the carpet industry, which had historically relied on high-carbon, petroleum-based products. This was exciting indeed. Yet, would consumers be interested in this innovation? Would they be willing to pay enough to cover the additional cost of the tile's production? Would industry competitors try to replicate it, or instead try to undercut it? Would this innovation boost Interface's stock price? Or, would the carbon negative carpet tile come to be regarded as an environmental novelty among current and potential stakeholders, rather than a profitable business essential?

In personal terms, had Arzon chosen the wrong company for her upward career path?

Carpet Industry Background

The year 1791 marked the beginning of the carpet industry in the United States, when William Sprague opened a woven carpet mill in Philadelphia.¹ Innovation paved the way for a variety of different looms, progressing the industry throughout the 1800s. As the weaving process became more automated, it substantially lowered barriers to entry and, in turn, dramatically increased the number of suppliers in the industry.

ⁱ Natilyn Arzon is a fictional character.

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