

# TOMS: One for One Movement

## INTRODUCTION

TOMS Shoes is a for-profit business with a philanthropic component. The company was started after entrepreneur Blake Mycoskie witnessed the poverty among villagers in Argentina, poverty so extreme that the villagers could not even afford a pair of shoes. Mycoskie returned to the United States with 200 Argentinean shoes and a mission. He went from one retail store to another with a unique business proposal. He would start an organization that would provide a pair of shoes for a child in need for every pair of shoes purchased. Finally, a few Los Angeles boutiques agreed to sell the shoes. Mycoskie's idea was picked up by the *Los Angeles Times*, which ran an article on his business idea. To his surprise, that weekend garnered him \$88,000 in orders. Two years after officially establishing TOMS Shoes, the business had \$9.6 million in revenue.

The TOMS business model is unusual. While many businesses engage in cause-related marketing, at TOMS the philanthropic component is just as important as the for-profit business. The cost of providing the shoes to children in need is built into the shoes' sales price. The customer is thereby turned into the benefactor, enabling TOMS to become a sustainable organization based on giving back to the world on a continuous basis. As long as people continue to purchase TOMS shoes, children in need will receive a pair in return. In the process, TOMS is also able to turn a profit, support itself, make the world a better place, and educate consumers how they are helping children in need by providing them with a pair of shoes.

This case will discuss Mycoskie's revolutionary business model and how it has achieved such success. It will begin by analyzing the background and origins of the TOMS Shoes business concept. We then discuss TOMS' operational approach, including how the organization manages to carry out its central mission. We also examine the corporate culture—a necessity for the successful operation of TOMS shoes—and the marketing of TOMS. Next, we analyze how this business model has impacted both society and other organizations. Since no business is immune from ethical issues, the following section details some of the criticisms and risks of TOMS Shoes. We conclude by speculating about the future of this company.

## BACKGROUND AND HISTORY

Blake Mycoskie is the founder and Chief Shoe Giver of TOMS Shoes. Before founding TOMS Shoes, Mycoskie had started five companies that ranged from billboard advertising to laundry services. His foray into the shoe industry, however, was almost accidental. After participating in the 2002 *Amazing Race* reality television show, Mycoskie made a decision to return to all the countries he had visited during the show. One country on his stop was Argentina. Mycoskie traveled to Argentina in 2006 with no idea that the backwoods of Argentina would be his inspiration for a new company. Two incidents inspired Mycoskie to create TOMS. First, he noticed that many of the villagers could not even afford a pair of shoes for their children. Secondly, he discovered the

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comfortable and unique farm shoe worn by the locals (known as the Alpargata). These two discoveries convinced Mycoskie to take action.

Upon coming back home, Mycoskie sold his online driver education company for \$500,000 and used that money to finance TOMS Shoes. TOMS was derived from “tomorrow,” which was taken from the original company concept “shoes for tomorrow project.” TOMS Shoes opened for business in May 2006. TOMS also runs the non-profit subsidiary, Friends of TOMS. The for-profit and non-profit organizations work in conjunction in operating the enterprise. Since its founding, TOMS has been widely successful among regular individuals and celebrities. Scarlett Johansson and Keira Knightley were among the first to become celebrity fans of TOMS products. The non-profit component is also achieving its objective of providing shoes for those in need. In 2010 TOMS Shoes distributed its one-millionth pair of shoes.

## THE IMPORTANCE OF SHOES

TOMS decided to develop its product line and business model around shoes for several key reasons. First, many children in impoverished countries live in areas with unsafe terrains. Lack of paved roads and other hazards can cause injury for children walking barefoot. The second reason involves health concerns. Children can contract a range of soil-transmitted diseases from not wearing shoes.

For example, soil-transmitted Helminthiasis, an infection developed from intestinal worms, is common in South Africa. The disease Podoconiosis is also an infection transmitted through the soil and is common in places like southern Ethiopia. This illness causes the lymphatic system to break down and the feet to become swollen. Another unfortunate consequence of this disease is ostracism and ridicule imposed upon infected children in their communities. Many of these diseases can be prevented simply by wearing shoes.

The third reason involves education. In many nations, shoes are required in order to attend school. Owning a pair of shoes provides a child with an opportunity to be educated, leading to higher school attendance. According to TOMS, this combination of education and health provides children the opportunity for a better tomorrow.

## TOMS MOVEMENT: MANAGEMENT AND BUSINESS MODEL

Mycoskie’s organization consists of two parts. TOMS Shoes is a for-profit company that manages the overall operations and logistics. Friends of TOMS, the company’s non-profit subsidiary, is responsible for organizing volunteer activities and all shoe drops. Friends of TOMS is not a corporate-backed foundation that the company supports through donations; rather, it is a necessary part of TOMS’ distinct business model, One for One™. The model is simple: for every pair of shoes that TOMS sells, it donates a pair of shoes to a child in need on behalf of the customer. Mycoskie dubs this business system “Philanthropic Capitalism” because the company makes a profit but incorporates philanthropy into its business strategy. The company’s ultimate vision is to demonstrate the effect of how working together as a society can “create a better tomorrow by taking compassionate action today.”

The key for any organization, even nonprofits, is to be sustainable. Nonprofits that depend largely on donations struggle to remain in operation during economic downturns. By incorporating the nonprofit component into the business model, TOMS mitigates this risk. The One to One model enables Friends of TOMS to remain in operation because the shoes sold cover the cost of the extra shoes and shoe drops. When coming up with the company, Mycoskie recognized that simply donating money to children would be a one-time deal. However, he felt that creating a sustainable business would create continual opportunities to provide shoes for those in need as long as the company remains in business. As long as people keep purchasing shoes, the nonprofit will remain sustainable.

It might appear that Friends of TOMS depends entirely on the for-profit business. In reality, however, the relationship between the two operations is interdependent. The philanthropic component of TOMS likely contributes to its widespread popularity among consumers. One consumer survey revealed that nearly half of respondents had purchased or would purchase items during a certain time period if part of the revenues supported charitable causes. Cause-related marketing is growing, and businesses like TOMS Shoes—where philanthropy is embedded within the business model—are likely to attract the support of consumers who want to make a difference.

Already, TOMS has developed successful collaborations with recognizable brands such as Ralph Lauren and Element Skateboard. Ralph Lauren worked with TOMS to develop a co-branded Polo Rugby shoe, which maintained the One for One premise. Element Skateboard joined forces with TOMS as well to fashion limited edition TOMS + Element shoes, donating a pair of shoes to a child in need for each pair sold. To further the One for One movement, Element Skateboard also promised that for every skateboard purchased, one would be donated to a child participating in the Indigo Skate Camp in Durban, South America.

Finally, the TOMS Shoes business model does not support any form of traditional paid marketing or advertising. TOMS does not have a marketing budget. Instead, the company relies on word of mouth, viral marketing, and social networks for its marketing efforts. Word-of-mouth is one of the most effective forms of marketing because many consumers believe it to be more trustworthy than corporate advertisements. The challenge for organizations is how to convince customers to talk about its products. For TOMS Shoes, many customers are excited that their purchase is going toward a good cause and are eager to discuss it with others. TOMS Shoes has taken proactive steps to encourage word-of-mouth communication. Each pair of TOMS Shoes comes with a blue-and-white TOMS' flag and a small card asking customers to take pictures of themselves wearing their new shoes and holding up the flag. The customers are then asked to upload those photos to the "HOW WE WEAR THEM" section on the company's website, in addition to other social networking websites such as Facebook and Twitter. The photos of customers using TOMS products increases both awareness and the credibility of the brand.

## **TOMS' SUPPLY CHAIN: GETTING THE SHOES WHERE THEY NEED TO BE**

Due to their lack of knowledge about the shoe industry, Mycoskie and his team initially faced supply chain management problems. Mycoskie was unaware how fast demand for TOMS shoes would escalate. Two weeks after Mycoskie began selling his products to retailers, a fashion reporter wrote

an article about Mycoskie's business and mission in the *Los Angeles Times*. The TOMS website sold 2,200 pairs of shoes that same day—but Mycoskie had only 140 pairs available. The situation required him to hire interns to personally call customers and ask them to wait eight weeks for delivery. Mycoskie then flew back to Argentina where he had 40,000 shoes manufactured. All pairs in the batch were sold within the next few weeks.

Since then TOMS has improved at managing its supply chain. It has opened up additional manufacturing factories in China, Argentina, and Ethiopia, and plans to open another location in Brazil. These factories are audited by third parties to ensure that workers are being treated fairly. TOMS has its factory workers sign a code of conduct stating that they will follow all the stipulations. TOMS' production staff visits each of the factories on a regular basis to verify that the factories are continuing to adhere to the code of conduct and other working standards. TOMS manufacturing standards are modeled after International Labor Organization compliance standards.

Over 500 retailers around the world now carry TOMS shoe collections. In its first of couple of years in business, TOMS was able to secure distribution of its shoes with Nordstrom's, Bloomingdale's, Neiman Marcus, Whole Foods, and Urban Outfitters. Now TOMS has also expanded to retailers that are independently-owned small businesses. TOMS continuously seeks retailers that are passionate about TOMS' mission. Retailers are able to purchase their bulk of shoes at cost from TOMS and thus are able to turn a profit as well as support the One for One movement. All shoes that the retailers purchase are directly shipped to the retailers—TOMS does not operate on a consignment basis. TOMS shoes are sold in retail stores in the United States, the United Kingdom, Australia, Canada, Germany, and France. Consumers can also purchase TOMS' shoes on its website, [www.toms.com](http://www.toms.com).

Manufacturing the shoes and selling them to customers is only the first step of the process. Next, TOMS must distribute shoes to the children that need them. TOMS collaborates with nonprofits to identify children in need. These giving partners must be actively involved with the children in their communities and objectively evaluate where TOMS shoes can have the biggest impact on children's lives. The organizations TOMS chooses are organizations in humanitarian, health, and education fields. For instance, TOMS has partnered with the organization Partners in Health to distribute shoes to children in Haiti and the health organization SANA Guatemala to distribute shoes to Guatemalan children. In Argentina, TOMS works with an organization that provides Podoconiasis treatment programs, assisting children who are at a high risk of developing the disease. In Rwanda, TOMS is currently partnered with a non-profit business to help with over 100,000 genocide orphans. TOMS also works with a Zimbabwean organization to provide shoes to children who make extensive walks to school in different weather conditions.

In order to become a giving partner, organizations must go through audits to ensure that they meet TOMS' specific criteria. These five criteria are detailed in Table 1. Through TOMS' giving partnerships, locations are identified to show where providing a pair of shoes to children in need contributes the most toward improving the standard of living for the community. When a customer purchases a pair of TOMS' shoes, a child in the chosen community will receive a pair of shoes approximately four to six months from the initial date of purchase. Currently, TOMS distributes shoes to children in need in 24 countries.

When shoes are distributed to the communities, they are referred to as Shoe Drops. Friends of TOMS helps coordinate the Shoe Drops. Every time a shoe drop occurs, TOMS seeks volunteers and individuals affiliated with TOMS to fly to the area for one week and work with their partners to distribute the shoes. Those involved in the Shoe Drop personally place the shoes on each child's feet.

<b>Repeat Giving</b>	The potential organization must have the capability to be active within the same communities on a regular basis throughout the years. This ensures that as the children grow they are can continuously be provided with a new pair of shoes.
<b>High Impact</b>	The organization's mission and goals need to support health and education in a fashion that underlies the principle of giving a child an opportunity they normally would not have.
<b>Enhancing Impact Through Partnerships</b>	TOMS strives to make an influential impact in communities where they donate. The potential partnering organization that TOMS strategically chooses needs to have their mission and goals founded on supporting health and education for children while giving children opportunities they normally would not have available to them. For example TOMS will partner with organizations that will not only help with shoe drops, but will also be involved in educating families and children on the importance of wearing shoes on a daily basis to prevent disease and infection.
<b>Considerate of Local Economy</b>	TOMS ensures that when partnering up with a local organization in a poverty stricken country, that it does not negatively impact the local shoe-selling economy. The organizations TOMS selects need to have a thorough understanding of its community in the sense of knowing how to be politically correct in the distribution of shoes. It is an important goal of TOMS that the children who receive a pair of new shoes on a regular basis will not be harassed by others and placed in danger.
<b>Large Volume Shipments</b>	The potential partnering organization needs to be able to receive large shipments of TOMS shoes.
<b>Health/Education Focused</b>	The potential partnering establishment needs to be comprehensively founded on health and education, so that the distribution of the new shoes not only supports TOMS' mission but runs parallel with the establishment's goals.

Source: "Our Giving Partners," TOMS, <http://www.toms.com/our-movement-giving-partners> (accessed June 2, 2011).

Even after the shoes have been delivered, TOMS continues to maintain relationships with its giving partners and the communities. TOMS constantly monitors its partners for accountability. Additionally, the organization recognizes that one pair of shoes is not going to last for the child's entire lifetime. Therefore, as the children grow out of their shoes—approximately every six months—TOMS provides replacement shoes to these same children on a regular basis. A schedule is set up with the identified community and local giving partner to maintain a regular Shoe Drop for the children. TOMS' believes that repeat giving allows it to understand the locale's needs more thoroughly. TOMS also works to adapt its products to account for the region's terrain, weather, and education requirements.

## TOMS' PRODUCT LINE

TOMS' original product lines were derived from the Argentinean Alpargata shoe design worn by farmers in the region. The shoe is made from either canvas or a fabric material with rubber soles. Since its inception, TOMS has introduced different styles of shoes, including the Bota and the Cordones for both genders along with wrap boots and wedges for women. The Bota resembles an ankle boot with soft materials, while the Cordones are more of a traditional canvas style sneaker with laces. The children's line includes Velcro Alpargatas.

TOMS has also created some new lines of shoes, Vegan TOMS and the wedding collection. Vegan TOMS are comprised of 70 percent recycled plastic bottles and 30 percent hemp. Hemp is an extremely sustainable product that outlasts organic cotton. TOMS is committed to creating more products that are better for the environment. Additionally, TOMS recently introduced comfortable shoes meant for weddings. Wearing comfortable slip-on shoes to a formal event may seem odd, but some young people have already worn their TOMS for prom.

Aside from selling shoes, TOMS has expanded into selling apparel, including TOMS t-shirts, sweatshirts, and caps. Any of the apparel purchased also comes with the One for One movement guarantee, meaning that for every t-shirt purchased a pair of shoes will still be given to a child in need. TOMS has also started selling the TOMS flag, stickers, necklaces, and gift cards. TOMS Shoes recently announced that it has expanded its one-to-one model into eyewear. TOMS will now be selling sunglasses, and for each product purchased, the company will donate glasses to someone in need who could otherwise not afford them.

Not all the shoes that are available for purchase are actually donated to children. TOMS does not give the wedge or the wraparound boot to children. Primarily the shoe that is bestowed on children is the canvas Alpargata with modifications to suit the local residents. With each new community that TOMS enters, research is conducted to learn about the environment and terrains. TOMS alters its shoes to fit the children's lives. For example, in some of the regions that experience monsoons, the shoes include more of a ridged thicker rubber sole. The shoes are typically black because that is the required shoe color to attend school in several countries. TOMS is in the process of developing a wider shoe due as children living barefoot for the majority of their lives tend to have wider feet.

## TOMS CORPORATE CULTURE

Because TOMS does not engage in traditional advertising, it is important to have enthusiastic employees willing to spread the word about the organization. When the business first started, TOMS did not have a lot of money to pay individuals. The company instead focused on individuals who were passionate about its mission. Due to the lack of money, Mycoskie hired recent college graduates and even high school graduates. Despite their youth, the employees rose to their responsibilities. Employees and interns not only know that their work is supporting a good cause, but many get to see the cause in action by participating in Shoe Drops.

TOMS soon realized that full-time employees were not the only ones willing to help the company achieve its mission. The company also relies upon interns and campus clubs to spread the word and support its endeavors.

## INTERNSHIPS (SUMMER INTERNS AND VAGABONDS)

TOMS dislikes the term intern. It prefers the term Agents of Change who work to make a positive difference in the world. TOMS offers two types of internships, a traditional internship program and vagabonds. TOMS provides its traditional agents of change with a high degree of responsibility in the individual's chosen discipline, whether it's online marketing, retail marketing, operations, or something else. The number one criteria that TOMS looks for in the applicants are that the individuals truly believe and are enthusiastic about what TOMS stands for. According to TOMS, the company would not be where it is today if it were not for interns. The company started off with Blake and two interns, who managed to propel TOMS into a successful business. These initial interns have prompted TOMS to hire interns on a regular basis. TOMS offers internships in the Fall, Spring, and Summer.

TOMS has also created a very unique and distinct type of internship opportunity known as the Vagabond internship. The Vagabonds' responsibility is brand awareness. Vagabonds are interns whose foremost responsibility is to spread the word about TOMS to colleges and high schools. They travel around the United States and the world hosting screenings and parties to educate people about the company and its mission. Despite the demanding work, these internships are in high demand. In the summer of 2009, more than 1,000 individuals applied for only 15 summer internships.

When an internship ends, a TOMS' intern coordinator works with the intern to strengthen his or her resume with an updated work summary of the experience gained at TOMS. The intern coordinator also provides guidance on future development career goals.

## CAMPUS CLUBS

TOMS Campus Clubs are groups of students at high schools and colleges who spread the message about TOMS Shoes and what it supports. These Campus Clubs are founded on the premise of helping children in need. Each semester TOMS Campus Clubs hold events to educate others about how important shoes are to children's lives. As a result of being involved in a TOMS Campus Club, students acquire practical business and leadership skills. TOMS greatly encourages Campus Clubs and will even help interested students start one at their schools. As a thank you for the students' contributions, TOMS sends out a letter of recognition highlighting the students' involvement. TOMS also features a Campus Club each month on their blog to recognize specific Campus Clubs for their dedication.

## PROMOTIONS

Like all businesses, TOMS must engage in promotional activities even if it does not have a marketing budget. As mentioned already, customers, employees, interns, and students

engage in significant word-of-mouth advertising. However, TOMS also markets itself through events, DVD screenings, and social media.

### ONE DAY WITHOUT SHOES

Perhaps the most popular event promoting TOMS is the One Day without Shoes campaign. This campaign was started in 2008 to raise public awareness about the impact a pair of shoes can have on a child's life. It asks the average individual to go one day without shoes. Going without shoes engages individuals to see how it feels to be in these children's situations. The premise is to instill a sense of appreciation for what a difference a pair of shoes can make. Furthermore, the sight of a bunch of barefoot individuals walking around makes an impression on others. In both cases, TOMS' mission and its brand is spread to those that otherwise may not have known about it.

The success of this campaign was largely due to college students and Campus Clubs nationwide. In April 2011, individuals and companies in over 25 countries participated in One Day without Shoes. Participants included Kris Ryan, Charlize Theron, the Dallas Cowboys Cheerleaders, Nordstrom, Microsoft, and AOL. This campaign continues to grow every year.

### STYLE YOUR SOLE PARTIES

Another event that TOMS Shoes encourages is Style Your SOLE Parties. These parties occur when individuals get together and decorate blank TOMS canvas shoes. The parties can be small or large and can range from baby shows to large community events. Everyone who participates in this event starts off with a blank canvas shoe and expresses his or her individuality by decorating the shoes. These parties not only appeal to the artistic individual, but it also introduces the brand to other party-goers who did not know about TOMS Shoes. When a party orders more than 25 pairs of shoes for this event, TOMS provides a 10 percent discount as an added incentive.

### TOMS DVD SCREENINGS

TOMS Shoes also developed a 35-minute documentary on how the company was founded, along with the importance of the One for One movement. The DVD is shipped free to those who are interested in organizing a screening. Screenings can be for large events in auditoriums or small imitate events in living rooms. Viewers are encouraged to discuss the documentary and come up with unique ideas to spread the word about TOMS. DVD screenings are a popular event for Campus Clubs to hold.

### SOCIAL MEDIA

As an alternative to traditional advertising, Mycoskie has chosen to use the less expensive social media option. This method is less costly and creates a unity among the individuals that promote TOMS. TOMS has used viral videos, blogs, Facebook, and Twitter to spread the message about its cause. Its approach has allowed TOMS to reach a vast audience worldwide. TOMS maintains its own blog to educate the public about current events in the company and its Shoe Drops. The company

has also posted clips on YouTube. Additionally, many consumers create their own digital content regarding their experiences with TOMS Shoes. By encouraging events and word-of-mouth communication, TOMS is allowing consumers to do much of the marketing for the company.

## TOMS' IMPACT

During its first year in business, TOMS managed to donate 10,000 shoes to children living in Argentina. Since then TOMS has expanded to distribute shoes to other regions of the world. As of September 2010, they have donated 1,000,000 pairs of new shoes worldwide. TOMS now gives in 24 nations around the world including Argentina, Peru, Ethiopia, Rwanda, and South Africa.

TOMS was awarded and honored in 2007 with the People's Design Award from the Cooper-Hewitt National Design Museum, Smithsonian Institution. TOMS was also awarded the 2009 ACE award given by Secretary of State Hillary Clinton. The Award for Corporate Excellence recognized TOMS for its "commitment to corporate social responsibility, innovation, exemplary practices, and democratic values worldwide."

The One for One Movement is inspiring many social entrepreneurs to create their own organizations based on the model. However, Mycoskie's revolutionary idea might be difficult to replicate in other fields. First, the One for One concept must be embedded into the business strategy. The business must also be sustainable on its own; this is difficult to achieve for many nonprofits that depend upon fundraising. The product and mission must be something that people will care about. Thus, for the movement to work effectively, the product should be tangible and identifiable. Product differentiation is an important component for success, as consumers appear less able to identify with commodity products.

Mycoskie offers additional advice to entrepreneurs who want to create businesses that will make a difference in the world. He advises businesses to look at their strengths and comprehend how those strengths can be used to help those who need them the most. For instance, TOMS Shoes and its Giving Partners study the communities before dropping off the shoes to ensure that the shoes will make a positive difference in children's lives. They pick out the communities that appear to have the most need for its products. Additionally, according to Mycoskie, it is important that companies with a philanthropic focus allow their products to speak for themselves. The products should be able to impress consumers, prompting them to spread the word to others without constant marketing from the company.

Not many businesses have attempted to replicate the One for One movement in terms of incorporating it into their business models. Two companies that have created businesses around this concept include a bedding and mattress organization, which donates one bed to those in need for every product bought, and an apparel store, which will match customers' purchases by giving clothes to those in disadvantaged areas. The difficulty is in creating a for-profit business with a strong philanthropic component. Time will tell whether these companies, and additional organizations, will succeed to the extent of TOMS Shoes.

## CRITICISMS AND ETHICAL ISSUES

Most people might find it hard to understand why anyone would criticize TOMS Shoes. As a successful philanthropic for-profit company, TOMS has been able to help children in need all over the world. However, criticisms about the company's model do exist, many of which come from other philanthropists. Probably the biggest criticism is that TOMS Shoes makes people in poor countries dependent upon the good will of others rather than creating opportunities for them to better themselves. Many social entrepreneurs and philanthropists of today believe that the best way to create sustainable change is through education and job creation. Only then will people be able to get themselves out of poverty and no longer require humanitarian aid. Microfinance, which provides small loans to low-income individuals to start their own businesses, is based upon this idea.

Another criticism has been the fact that TOMS has manufacturing locations in China—a country that has received much scrutiny for factory abuse. One could successfully argue that as a business, it is advantageous to manufacture products in countries where labor costs are lower in order to keep prices reasonable. Supporters also point out that TOMS' factories are creating jobs in disadvantaged countries like Ethiopia. As a for-profit business, TOM Shoes will constantly have to balance the financial aspects of its for-profit business with the humanitarian elements of its philanthropic organization.

Since TOMS is for-profit, the company faces the same risks as other for-profit companies. Ethical lapses can occur just as easily in philanthropic organizations as they can in large corporations, particularly as it relates to the supply chain. It is necessary for TOMS to monitor business activities such as factory compliance, sustainability, finances, and even its Shoe Drop operations in order to maintain appropriate business conduct. TOMS Shoes must never be complacent regarding these risks simply because it has built philanthropy into its business. The company must also innovate constantly. Although consumers tend to like purchasing from a philanthropic organization, they appear to be more financially supportive when they get something in return. In the case of TOMS, it is a pair of unique shoes. However, with consumer tastes constantly changing, TOMS must remain vigilant regarding new designs and products. The risks of outdated styles and designs plague the fashion industry. Mycoskie himself has noted the importance of innovation to keep consumers' business. TOMS Shoes must remain proactive in managing these risks to maintain its current success rate.

## THE FUTURE OF TOMS SHOES

The question in a business type atmosphere is "Is the TOMS business model sustainable for the future?" A new emphasis on social entrepreneurship is sweeping the nation, supported by such high-profile individuals as President Barack Obama and former President Bill Clinton. Mycoskie has revolutionized this concept by introducing his One for One Movement. It is likely that many more organizations with a focus on social responsibility will try to replicate this movement. Mycoskie's invention may introduce an entirely new way of doing business.

Moving forward into the future, TOMS will need to keep an eye on risks that affect both for-profit and non-profit organizations. In a way, Mycoskie's combination of these two business models has limited certain industry-specific risks. For instance, the for-profit business supports the non-profit component, which means TOMS does not have to rely on donations. On the other hand, the model has also introduced additional risks. Non-profit organizations often sell very few products; thus, the risks that come with manufacturing are much lower. Because TOMS sells a tangible product, it requires a supply chain that must be constantly monitored for compliance. The company also must manage criticism of its philanthropic endeavors, an issue not as common among corporations where philanthropy is a secondary activity.

Despite these challenges, the future of TOMS Shoes looks bright. The excitement over the release of TOMS eyewear demonstrates that consumers remain enthusiastic about the One for One model. With careful risk management, its strong mission and values, and successful promotional campaigns, TOMS Shoes will likely remain a sustainable business for years to come.

## QUESTIONS

1. Will the One for One movement be a sustainable model in the long run?
2. Who are TOMS most important stakeholders, and why?
3. Is the One to One movement business model appropriate for any other businesses?

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