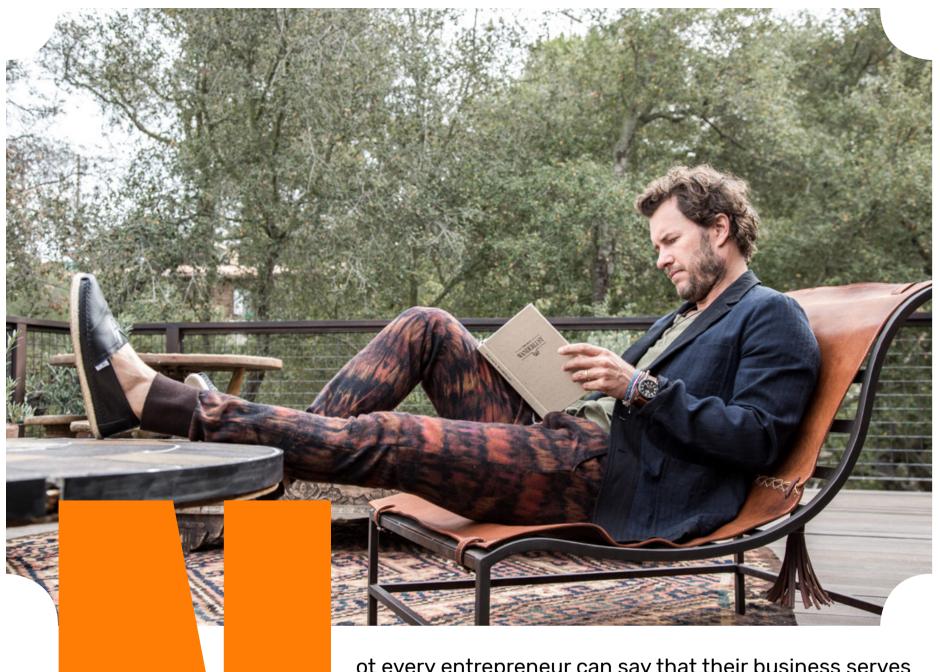


# THE LEGACY OF TONS



ot every entrepreneur can say that their business serves a greater purpose, and far fewer can say that they pioneered a powerful new model of social enterprise. But TOMS founder Blake Mycoskie certainly can.

After spending some time volunteering with impoverished Argentinian children in 2006, Mycoskie came up with the idea for TOMS—a simple but stylish brand of shoes that would donate one pair to someone in need for every pair sold. That basic concept grew far beyond anything he could have imagined at the time.

Since its founding, TOMS has left an incredible legacy. The for-profit company has been highly profitable and its recognizable shoes can be spotted on feet all over the world. At the same time, the company says it's given away over 60 million pairs of shoes, helped restore sight to more than 400,000 people, helped provide over 335,000 weeks of safe water in six countries, and supported safe birth services for over 25,000 mothers.



### From Tennis to TOMS

Blake Mycoskie has never had a job, at least, not one working for anyone but himself. In high school, he played tennis competitively and hardly had time for a summer job. "My dad gave me a hard time," Mycoskie says. "He said I was afraid of the J-O-B."

A Texas native, Mycoskie attended college at Southern Metropolitan University in Dallas until a tennis injury ended his athletic career. He dropped out of school shortly after and became an entrepreneur at the age of 19.

But that very injury opened the door for his first business. Mycoskie couldn't do his own laundry during his recovery, and after searching for a laundry service and coming up short, he decided to create the solution himself—a service called EZ Laundry.

"What I wanted didn't exist, so I created it," he says. "A lot of what is created out of entrepreneurship is out of necessity."

After selling EZ Laundry, Mycoskie spent the next decade building various startups like Mycoskie Media, an outdoor advertising company, Reality Central, a reality TV channel, and DriversEd Direct, an online driver's ed service. These early endeavors were hit and miss.

As he built and sold (or failed at) his numerous ventures, Mycoskie realized that his years playing tennis, being competitive, and mastering self-discipline had helped him become a great entrepreneur. "I just loved the idea of starting something and building an idea into something that customers wanted to buy and employees wanted to work for," he says.

SUCCESS STORY



s much as Mycoskie enjoyed being an entrepreneur, though, he found himself wanting more significance and purpose in his life. In 2006, he visited Argentina to do volunteer work and met many children who didn't have proper footwear. He wanted to help but didn't want

to create a charity; instead, he wanted to create a sustainable for-profit business that didn't rely on donations.

That's when he had the idea for TOMS. The name is an abbreviated version of "tomorrow," which he derived from the phrase "shoes for a better tomorrow," or "tomorrow's shoes," indicative of Mycoskie's hopes of creating a better future.

He set out to create a business that gave away a pair of shoes for each one sold. This would become known as the company's "One-for-One" model of social enterprise. At the time, the One-for-One model was a new notion, and a powerful business concept that resonated with consumers as an opportunity to support a company with a mission and a simple way to address a need. The idea has been picked up by many other businesses.

"As far as we know, we were the first to do this model in a commercial way," Mycoskie says.

## **Growing the TOMS Brand**

ike any new business, starting TOMS wasn't easy, but Mycoskie felt more of a "gravitational pull" with this venture than he had with any of his other startups. "Anyone I told the idea to was excited and interested," he says. "Because the idea behind TOMS was so radical, it created a lot of demand and interest."

and interest created a competitive advantage for TOMS, as there was a tremendous amount of buzz around the brand. This and Mycoskie's timing served the company well in the early days. "I started TOMS in 2006, Facebook opened to the public in 2007, as did YouTube, so social media as a channel was birthed at the same time [as TOMS]," Mycoskie says.

The initial demand

As a result, all of the company's marketing was done organically, meaning they didn't pay for social media advertisements or attention. This is one way Mycoskie was able to hold a healthy enough margin as he built up the business. The company first sold their shoes online, but with so much immediate success, it wasn't long before retailers started contacting them to sell in their stores, too. About 10,000 shoes were sold in the first year.

Since it was such a strong talking point, the One-for-One model also helped the TOMS shoes and brand gain traction, especially combined with the shoes' unique look. Before long, anyone could spot a pair and recognize that it was that brand that donates shoes to kids in need.

The original TOMS shoe—named the Classic—was based on the alpargata, an Argentinian style of canvas slip-on shoes. The company has since expanded its line.

"As we've grown and sold different shoes, we now have a product team, designers, developers, and more," Mycoskie says. It's been a challenge to stay relevant from a design standpoint, but the company has made a lot of investment into product design and creativity. TOMS also sells dozens of footwear styles for men, women, and kids, including sandals, sneakers, boots, and heels—all inspired by the alpargata.

TOMS is still mainly focused on footwear, but the company has leveraged its Onefor-One model to give back in other ways. In 2011, TOMS introduced a line of eyewear, which provides impoverished kids with prescription glasses, vision treatments, and surgery.

TOMS also funded a couple of other product-driven missions. The TOMS Roasting Company, created in 2014, sells coffee through distributors and TOMS coffee shops (called community outposts), and its proceeds support safe water in impoverished countries. Likewise, the TOMS Bag Collection, founded in 2015, funds training for skilled birth attendants and distributes birthing kits containing items that help safe delivery.



SUCCESS STORY



How exactly does TOMS execute on its Onefor-One model? The company distributes its free shoes, eyewear, and other services through over 70 worldwide partners. When choosing distribution partners, the team looks for nonprofit organizations that have been active in communities for a long time and have good reputations, as well as ample warehousing and distribution capabilities. "They're our eyes and ears on the ground," Mycoskie says. "We put a lot of energy into picking the right partners and monitoring them."

# Is One-for-One for Everyone?

As far as Mycoskie knows, he was the first to implement TOMS's One-for-One model 13 years ago. But he didn't realize it would resonate the way it did.

"As we started TOMS, we really wanted a simple and easy way to keep track of what we were doing from a giving perspective," Mycoskie says.

A side effect they didn't anticipate was that the concept would be so powerful and easy for consumers to understand and share. They also didn't realize how much it would impact other businesses.

Today, TOMS is one of the most popular and well-known social enterprises, which refers to a for-profit business that has a mission for social good. The company is practically synonymous with the concept, and its One-for-One model is often referenced as an example of a successful purposedriven business. Of course, the TOMS model has also attracted its share of backlash, calling into question the significance of the impact these consumer goods have on recipients' lives. But since TOMS, dozens of other companies, such as Warby Parker and Soapbox Soaps, have been developed using similar frameworks.



s influential as the TOMS One-for-One model has been, however, Mycoskie doesn't believe it's appropriate for every business. "We need businesses that have high margins," he said. Not every company can

balance multiple business models, and not every product can be profitable in a one-for-one framework. TOMS has been successful because they identified a need and created a product that can benefit their customers and the communities they donate to—not every company can say that about their product line.

"But more importantly," he says, "you need to know what the purpose is of why you exist."

Mycoskie didn't start TOMS to create a footwear company; he wanted to create a sustainable way to give kids shoes. That's

why he built TOMS in the first place, and that's the purpose he set out to fulfill. This intention is necessary for the One-for-One model to work, he says, because it keeps Mycoskie and his team aligned with their business focus: giving away shoes, not staying up on the latest business or fashion trends.

He also encourages every entrepreneur to ask themselves: Why do I exist on this planet? "If part of why you exist is to accomplish a social goal, I think [the One-for-One model] is a great thing to incorporate. But I don't think it's the type of thing you want to tack onto your business."

If it's not integral to why you exist, Mycoskie wouldn't recommend incorporating a social cause. In order to find success with this business model, it must be your core focus; for businesses already functioning with another business model, it may be difficult to accomplish both.

### **Beyond TOMS**

The viral success of the company helped it develop in a unique way. In the first eight years of TOMS, Mycoskie never had any investors. Most companies that reach the size of TOMS have investors, partners, and a board of directors, but TOMS didn't.

"I was kind of lonely,"
Mycoskie says. "I had built
this company with over 400
million yearly sales, given
away millions of shoes, and
had hundreds of employees.
But I was running it like a
mom-and-pop shop. As the
only owner, it was a lonely
place."

It was also all-encompassing. At that time, Mycoskie had also just gotten married. He realized that there was a lot more to life than working all the time. He decided it was time to change his priorities. He didn't want to sell all of TOMS, but selling at least some of the company to folks with a real financial interest and aligned values would alleviate a lot of pressure.

In 2014, Mycoskie sold 50% of TOMS to Bain Capital, retaining the title of Chief Shoe Giver. As chairman, he's still involved in some of the company's strategy and vision, but not nearly as much as before the transition.

"My role is sharing the TOMS story, doing media interviews, and making sure the staff feels inspired," he says. Most of what

he does these days is over the phone or video chat. He also flies into the office every other month for a few days at a time.

"It's a source of pride that TOMS can go on and help people without being dependent on me," Mycoskie says. "Life is a beautiful thing in that we get to do many different things and many different journeys."

With 20 years under his belt as a "hardcore entrepreneur," and 10 years spent building TOMS, Mycoskie now spends most of his time with his family in Wyoming. He also supports the TOMS Animal Initiative, started by his wife Heather, which partners with various animal conservation organizations.

To other entrepreneurs,
Mycoskie recommends
focusing on the one thing that
their company can do better
than anyone else. For TOMS,
that was staying true to the
One-for-One model.

With lots of ideas, excitement, and opportunities, founders can end up building businesses that are good at lots of things, but not great at one thing. "I think doing one thing really great is the best way to build not only a successful business but one that is dependable and sustainable," Mycoskie says.

By listening to that advice early on, Mycoskie was able to stay focused on selling shoes and the One-for-One model that TOMS has championed.





**Author:** Allie Decker is a freelance writer specializing in articles that speak to founders, small business owners, and digital marketers. A small business owner herself. Allie writes from an honest (sometimes humorous) perspective about all things entrepreneurship. She's collaborated with the folks at Entrepreneur, Foundr, Neil Patel, WhenlWork, and LivePlan. Learn more about Allie at http://alliedecker.com.