

Case study: toms one for one

Business



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They develop this for many reasons, one of which many children in the developing world live in areas with unsafe terrains so by providing shoes, they will reduce the injuries a child could get by walking barefoot. Also by providing shoes to the children, it will prevent a child from getting a disease that is transmitted through the soil. Lastly, they will be able to Increase the education for the children they provide shoes for because a lot of schools require children to wear shoes. I think, to sum it up, TOMS Shoes social value proposition is that people will buy a pair of TOMS

Shoes because it will help a child In a developing country gain more opportunities and Increase their health.

2. Why did they design their business model around shoes? I believe that they designed their business model around shoes for several reasons. It of course started with the experience TOMS Shoes founder Blake Mossier had in Argentina when he saw that many children couldn't afford shoes and he discovered that he shoes that were worn by the locals (Alpacas) were unique and comfortable. With that, there are a lot of health and educational value to having shoes.

As stated in the previous question, having shoes will allow children to attend schools that have a requirement of wearing shoes.

It increases their opportunity to be educated which over time will open up more opportunities for them in the future. Also, the ground In the developing worlds are usually unpaved and hazardous for children with bare feet so giving them shoes will cause less injuries to their bare feet. Lastly, there are

many soil-transmitted diseases in the developing world, all of which are preventable by simply wearing shoes.

When the consumer sees the benefits that the children will get from receiving the free pair, it will entice them to purchase a pair to give one away; the one for one model. 3. Discuss the relationship between the for profit and non profit organizational structure of TOMS The TOMS Shoes for profit organizational structure deals with the overall logistics and operations of the business.

Friends of TOMS is the non profit subsidiary that is responsible for all ten volunteer activities. All ten snow crops.

The way Tanat ten company is structured is that the Friends of TOMS subsidiary is incorporated within the TOMS Shoes One for One model which means, for every pair of shoes that TOMS sells, it donates a pair of shoes to a child on behalf of the customers. This creates what Mossier calls “Philanthropic Capitalism.” The incorporation helps the non-profit subsidiary stay sustainable because the sale of TOMS Shoes covers the cost of making the second pair of shoes and the air drop. On the other side, TOMS Shoes doesn't have a marketing plan and relies on word of mouth, viral marketing and social networks.

By having the philanthropic aspect, it increases word of mouth and increases the popularity among consumers.

They even had a consumer survey which revealed that nearly half of the purchases were because of the philanthropic aspect. This shows that the for

profit and non profit are interdependent of each other. 4. How does TOMS choose where to deliver the shoes? This is the second part of their supply chain, they chose where they should distribute shoes to the children that need them. They collaborate with nonprofits to identify the children need.

These non profits that they collaborate with must be actively involved with the children and can objectively evaluate where they can have the biggest impact.

TOMS Shoes usually chooses organizations in humanitarian, health and education fields. In order to become a partnered organization, they must go through audits that meet the TOMS' criteria. There are five components to the TOMS' criteria. First they must be able to repeat giving, meaning that they can distribute the shoes to the same children continuously as they grow.

Next there must be a high impact meaning it meets the organization's mission and goal to support health and education.

Third, they have to enhancing impact through partnerships. This means that the organization's mission should parallel the TOMS' goals and sessions for health and education. Fourth they must be considerate of the local economy and try not to negatively impact the local shoe-selling economy. They must also be able to physically receive large shipments of the shoes.

And lastly, they have to be focused on health and/or education so it will support the mission and goals of TOMS.

TOMS maintains the relationships with the organizations and they are constantly monitoring the partners for accountability. 5. How has culture played a part in allowing TOMS to scale? Culture has play a huge role in allowing TOMS to scale. Looking at it from the company culture perspective, the people that they employee really need to believe in the One for One model. They don't have a marketing budget and rely solely on social media and word of mouth.

So when they have their employees and interns out doing parties and brand awareness, they need to be passionate about the cause in order to entice others to join along. They have built this organization on the One for One model and creating things such as campus clubs and awareness events like One Day Without Shoes in order to increase the philanthropic awareness has helped the many get more word of mouth and scale even further. Looking It T t room sole toys culture perspective NAS also allowed I MOMS to scale.

Everyone is in this mindset of wanting to do good and what better way than to buy something and give back. This idea of philanthropic capitalism has made society really eager to want to give back and the more and more people hear about it, the more people want to make the purchase.

Thus allowing TOMS to scale. 6. Discuss all the ways in which TOMS creates social impact. I think TOMS Shoes has created social impact through many different outlets. The obvious social impact of course is the donations that are given to the children in the developing countries.

Now they have shoes that they can wear that can prevent them from health related issues that are caused by not having the proper footwear as well as <https://assignbuster.com/case-study-toms-one-for-one/>

the increase in the opportunity to attend school which over time can open up many doors for from. I also think that TOMS has created a lot of social impact by engaging others through awareness type of events. The campus clubs were a great way to get more people involved in supporting their mission and it increased not only brand awareness but mission awareness. They also help increase students leadership and business skills which will impact their lives in the future.

Also the One Day Without Shoes increases people's awareness about the situations that children in developing world have to encounter everyday which then increases their want to help out.

Other event such as style or soles and DVD screenings also increase their awareness. Outside of Friends of TOMS and branding, TOMS has also encouraged other businesses to develop the one for one model which also helps the developing world. 7. What are the ways in which TOMS shoes could have negative impact? With all the positive impact TOMS Shoes has, I also think that they have a lot of negative impacts.

First off, we learned that people in the developing world don't like receiving handouts because it is demeaning and it butchers their self esteem. It will make the people in developing worlds more dependent on the good will of others which isn't always constant.

Even with the TOMS Shoes model that ensure sustainability but only if they make sales. With the fashion industry, you can't always be certain that a style or trend will be there for years. With that also in mind, the increase in

other One for One modeled businesses just increases the amount of handouts given.

This doesn't actually solve the problem, it only puts a bandit on it. Even though it is part of their criteria and they make sure they don't ruin the economy in the places that they go, I still can't help but think that they do.

There are bound to be people in those locations who make a living by selling shoes so it ruins their economy and takes away jobs. 8. In your opinion, is TOMS on the right track? Is there anything they should change? Do you suppose the TOMS model? Support your answers. In my opinion, I think that TOMS is sort of on the right track.

I think they were able to at least create tons awareness. Tanat tenure are leases around ten world. Tanat are preventable and we as a society can find ways to help.

I think that they were able to get people in the mindset of helping others out. With the success TOMS has had, I think it also proves that people do want to help out their fellow man but I think they just don't really know where to start and purchasing an item that they need or want is not only easy but convenient way to start. I think there are plenty of things that TOMS Shoes can do to change.

I think they should consider trying to adapt a little of the Crochet Kids model where they don't give handouts but instead give them labor as well as educate them to be sustainable on their own. I understand that giving out shoes is helpful and it prevents diseases and increases education but how do

they know that for sure ? I just think it is awesome they found a way to make the non profit side sustainable on the monetary end, but they need to figure out a way to make it sustainable for the people that they are helping. They need to work on solving the root of the issue and not just covering it up.

In the interview with the Chief Giving Officer, Sebastian Fries, he said that TOMS Shoes is “ not in the business of poverty alleviation. ” This is because they need to continue to have these problems in order to continue their business. If they alleviate their cause, then no one will buy their product. I think they need to change the TOMS model a little bit and not make it do dependent on the sales of the shoes. Instead they can use some of the profit and help pave roads and make it safer for the kids.

Create labor with paving the roads for the families and they can purchase the shoes for their kids.