

TOMS

START SOMETHING THAT MATTERS

TOMS

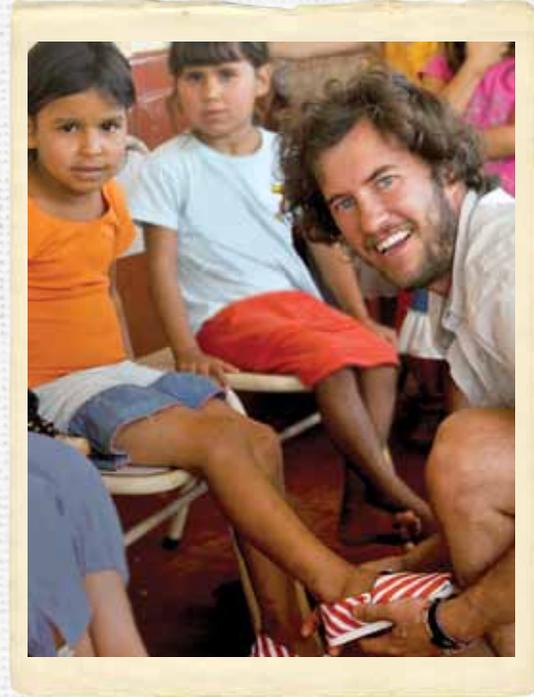
Teaching Guide

With every book you purchase, a new children's book will be provided to a child in need. **One for One.**™



Introduction: The TOMS Story

Blake Mycoskie, founder of TOMS, describes the idea that would come to define TOMS' business model: "With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for One.™" Key to TOMS' growth has been the company's commitment to giving. It attracts customers, inspires employees, generates media attention, and appeals to partners who also want to give back. Blake then identifies the six elements that have helped TOMS to flourish. These six principles - Find Your Story, Face Your Fears, Be Resourceful Without Resources, Keep It Simple, Build Trust & Giving Is Good Business - serve as the focus of each of the following chapters.



Discussion Questions:

1. How does the TOMS story appeal to customers? Employees? Business partners? The media?
2. TOMS is unusual in that it's a for-profit company that actively incorporates giving into its business model. Can you think of other examples of giving-based businesses? How are these companies similar and different than TOMS?
3. Why might a for-profit business like TOMS be able to succeed in its charitable goals more effectively than a nonprofit? In what ways do for-profit businesses enjoy greater freedoms than nonprofits?
4. What are other global problems that could be addressed by giving-based businesses? What barriers prevent these problems from being addressed by governments and nonprofit organizations?
5. Could a giving-based business like TOMS have succeeded ten, twenty or fifty years ago? How has consumer culture changed to make the TOMS business model not only viable, but also profitable?



Introduction: The TOMS Story

Words Into Action:

1. Connecting needs with your brand.

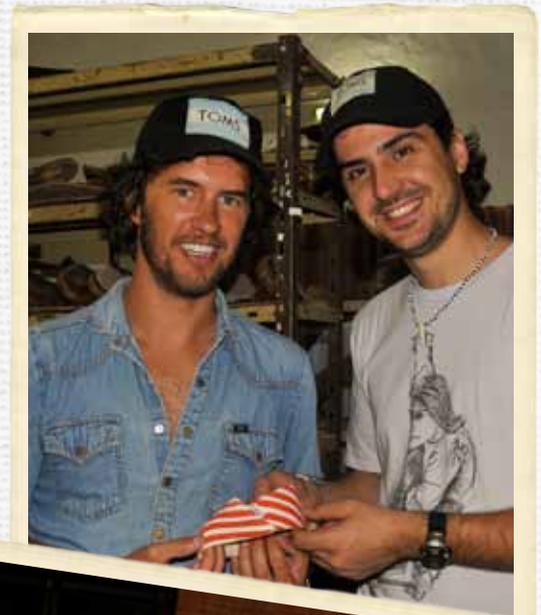
Spend an afternoon walking or driving around your community. Identify five societal needs that are not being met, such as homelessness, litter, or problems with public transportation. Now identify five products or services that could be created to address these challenges.

2. What's your alpargata?

Blake identified the *alpargata* as a foreign product with commercial potential in the United States. Try to identify some of your own personal possessions that, in the past, would not have been considered commercially viable. What changed to make these products marketable?

3. What's the story?

Over the next day or so, think about every company that you come into contact with – as a customer, employee or passerby – and ask yourself, What is the company's story? How do they communicate their message? Are they missing a storytelling opportunity?





Chapter 1: Find Your Story

Straightforward ads – *Ford trucks are the toughest; Crest toothpaste makes teeth their whitest* – aren't as effective as they used to be. Even if it's a proven fact that a product is the superior, it might not resonate with customers and clients unless it's embedded in a story.

An engaging, meaningful story, Blake observes, immediately clarifies your brand's identity. It also attracts customers: If they find the story compelling, they suddenly have a reason to turn a thoughtless decision between competing brands into one that impacts the world in a meaningful way. Plus, customers can become part of the story by simply buying your product, a situation that benefits both the company and the customer. TOMS was built upon the story of giving. Chapter 1 poses the important, first question: *What's your story?*

Discussion Questions:

1. As you begin to find your personal story, answer the three questions that Blake poses in Chapter 1: If you didn't have to worry about money, what would you do with your time? What kind of work would you do? What causes would you serve?
2. Consumers are savvier than ever before, and are often keenly aware of being manipulated by advertising. How can you make sure that people are moved by your story and not manipulated by it?
3. The business model for TOMS Shoes is really simple: "With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for One.™" Could a company exist that gives a *different* product than they sell? Would this be confusing to customers?
4. The TOMS story flowed out of a significant, powerful experience in Blake's life - an experience that caused him to see the world in a different light. Have you had any experiences like this in your own life? Could any of these experiences serve as a basis for your story?
5. Think of a few day-to-day products that you use like toothpaste, laundry detergent or underwear. If you could speak directly to the companies that make these products, what advice would you give them? What would make these products more memorable?





One for One

Chapter 1: Find Your Story

Words Into Action:

1. Communication breakdown.

Notice what brands and products you are most loyal to. How could these companies communicate their stories more effectively? Through advertising? Corporate partnerships? By including giving in their business models?

2. Free advertising.

Over the next week, begin paying attention to times when your friends do what the Airport Girl did - when they voluntarily advertise a product or service that they love. What brands do your friends talk about? What's a recent purchase that you've made because of a friend's recommendation?

3. What's in a name?

TOMS contains part of the word "tomorrow," which suggests optimism and hope, key components in the TOMS story. Can you think of other companies that include the spirit of their mission in their name?



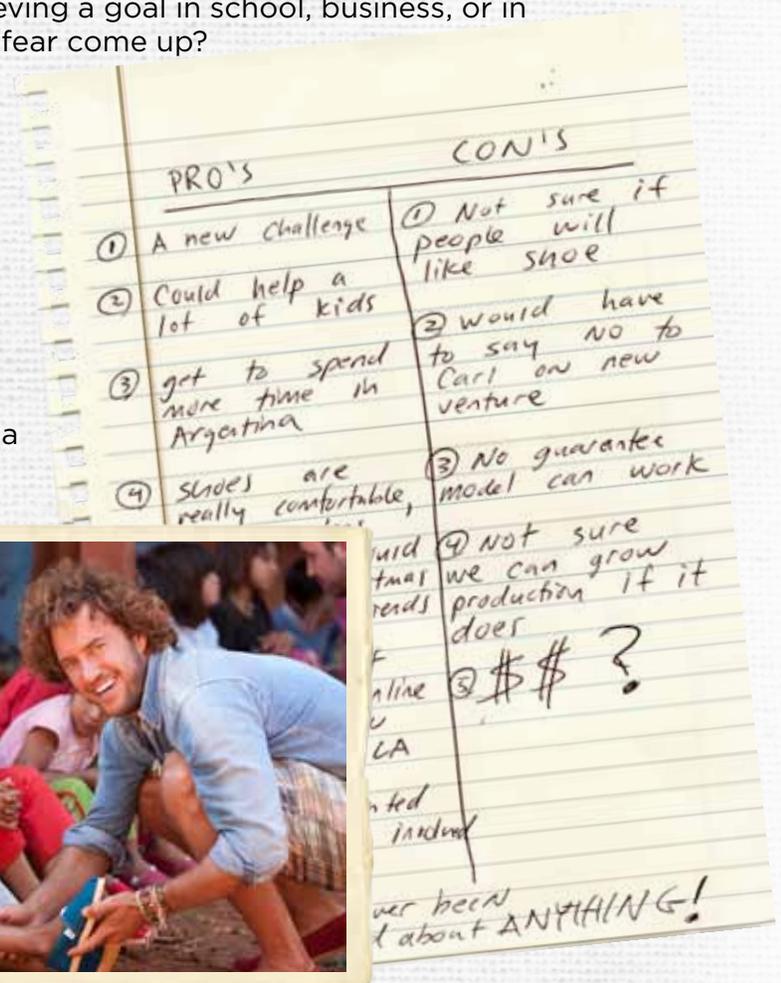
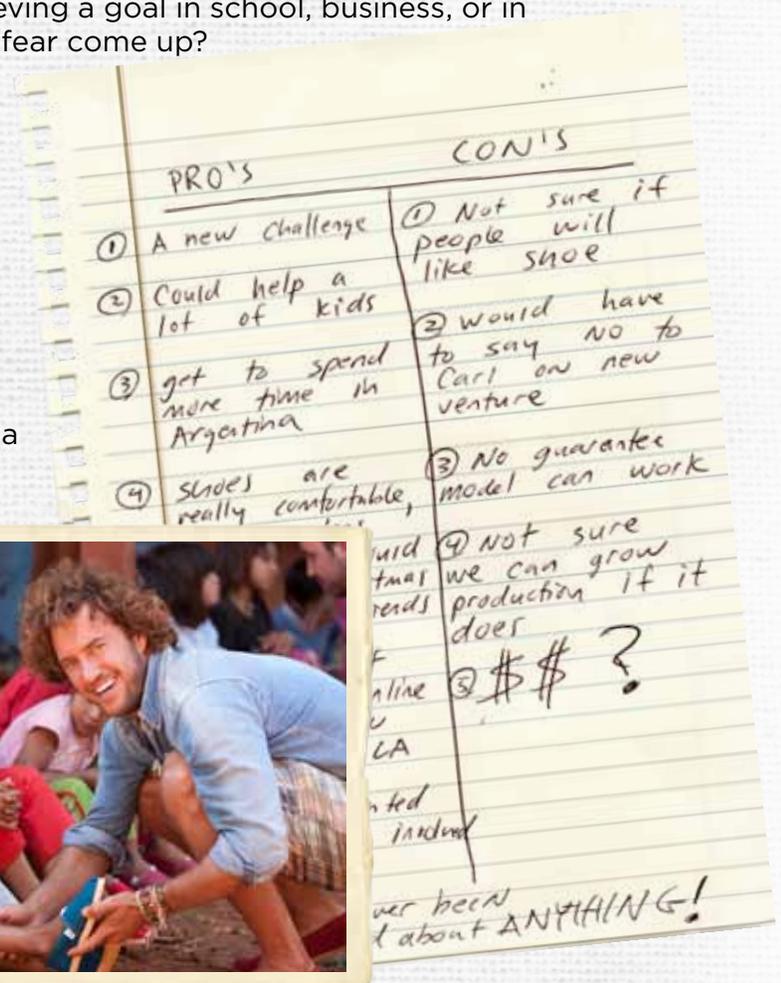
Chapter 2: Face Your Fears

Thomas Edison famously said, “Many of life’s failures are people who did not realize how close they were to success when they gave up.” Pam Mycoskie, Blake’s mom, could very easily have been added to the ranks of discouraged strivers who gave up just as they were about to break through. But she faced her fear, pushed through, and wrote a best-selling book.

Fear occurs in response to situations in which you are exposed, at risk, or uncertain. It heightens your senses, but it can also freeze you in your tracks, because it’s more than an emotion - it’s a physiological state, too. You cannot control this. You can only control your actions. Once you realize this, it becomes easier to act despite your fear - to take action even though you are afraid.

Discussion Questions:

1. When has fear prevented you from achieving a goal in school, business, or in your personal life? In what form did this fear come up? How did you react to it?
2. What’s the worst mistake that you’ve ever made? What was the end result? Were the consequences as bad as you thought they might be?
3. If you had no fear at all, how would you live your life differently? Would you change jobs or start a new business? Dedicate yourself to a favorite passion? Finally ask out that special someone on a date?
4. What are some strategies for dealing with fear while you are experiencing it? In what way is fear a *good thing*?
5. How does Blake relate the concept of “living your story” to overcoming fear?



Words Into Action:

1. Dodging bullets.

Think of something you recently accomplished at work or school that was difficult. Now list all of the things that could have gone wrong, but didn't, that would have prevented you from reaching your goal. How did you avoid these pitfalls?

2. Déjà vu all over again?

Sometimes fear is based upon experience: You encounter a situation that you've dealt with before where things went wrong, and you don't want to repeat the past. Sometimes it's irrational and isn't based upon anything at all. The next time you experience fear, analyze it. Is it a rational or an irrational fear?

3. The only thing we have to fear...

Over the next day or so, try to count every business that you come into contact with. Then reflect on the fact that every one of those businesses - from the mom-and-pop store to the multi-national corporation - was started by someone who overcame fear and failure to make their idea a success.





Chapter 3:

Be Resourceful Without Resources

Having no resources, Blake argues, can sometimes be a blessing in disguise. For one thing, if a company has no money in the bank, it cannot possibly lose very much. There's nowhere to go but up. If your "office" is really a garage or the back room in an apartment, you pay no rent for office space. Plus, your employees will feel the excitement of being involved in a start-up. This shared experience of hardship can draw your company together, promote group unity and keep everyone energized and pointed in the same direction.



Having limited resources is not just good for morale. It also creates a culture of creativity and entrepreneurship that will come in handy when the company has more money and resources at its disposal.

Discussion Questions:

1. How can having limited resources actually work to your advantage? What products or services are must-haves when starting a business?
2. What free resources do you have at your disposal that you could use to start a new project or business? Which of your friends or family members could you reach out to for help?
3. What type of challenges do organizations face when they get bigger? As a business begins to scale, how do you keep the "magic" of the start-up phase?
4. On a number of occasions, Blake positioned to potential partners and customers that TOMS was bigger than it actually was. How did he do this? What are the positive qualities that you assume large companies have that smaller companies don't? What advantages do smaller companies have?
5. Starting off as a seat-of-the-pants operation can become part of your brand's story. Can you think of any companies known for their humble beginnings? How does that aspect of their story influence your attitude toward the company?

Words Into Action:

1. One man's trash.

Blake writes about Tom Szaky, founder of TerraCycle, a company that turns worm poop into fertilizer, candy wrappers into school supplies, and old fruit-juice containers into backpacks. Take a moment to think of the free or low cost resources that you have access to. How could you turn trash into treasure?

2. More money, more problems?

If an investor gave you a million dollars to start a business, how would your approach compare to just having \$1,000 of your own money? What are the advantages and disadvantages of each situation?

3. Trimming the fat.

Antoine de Saint-Exupery once said, "Perfection is achieved, not when there is nothing more to add, but when there is nothing left to take away." The next time you enter a business, try to identify three aspects of the business that could be eliminated without diminishing the quality of the product or service being offered.





Chapter 4: Keep It Simple

Simplicity is deep in the TOMS DNA. The alpargata has been around for over a century, during which time its design has been refined to as few elements as possible. Just as important is the simplicity of TOMS business model: “With every pair you purchase, TOMS will give a pair of new shoes to a child in need. One for One.™” “The easier it is for someone to understand who you are and what you stand for,” Blake writes, “the easier it will be for that person to spread the word to others.”

Simplicity can be difficult to achieve, but a simple product can have an advantage over its competition, even when the competition’s product has extra features. The iPod, for example, originally consisted of nothing but a wheel, a button, and a screen - a radical simplicity that has helped it overcome the fact that it lacks, for example, a radio and an easily replaceable battery.

Discussion Questions:

1. Why is simplicity so hard to achieve? What’s the difference between achieving simplicity and merely being simplistic?
2. Take a story you know well, such as a fairy tale or a popular movie, and simplify its plot to a few sentences while still retaining what makes it interesting.
3. How is Google different than other search engines like Yahoo! and AOL? Is it possible for a product to be both simple and complex - *at the same time*?
4. The In-N-Out burger chain serves burgers, fries and sodas - nothing else. How is this a business advantage compared to other fast food chains like McDonald’s or Burger King?
5. The simplicity of the alpargata allows TOMS to experiment with its business model in ways that would not be possible if their product were more complicated. Take Style Your Sole parties - how do they depend upon simplicity? How do they in turn increase customers’ connection to the brand? What are some products that, due to their complexity, prevent this kind of connection from forming?



Words Into Action:

1. Hi, tech!

iPods are simple because they incorporate cutting-edge technologies in an intuitive way. They are easy for beginners to use, but equally enjoyable for more tech-savvy customers. What are other products or gadgets that seamlessly incorporate technology? What technologies are so new that they have yet to be simplified?

2. Outsourcing 101.

Tim Ferriss has used the 80/20 Rule to radically improve his productivity and time management. How can you apply the 80/20 Rule to your own life? What time-consuming or mundane tasks could you outsource to a Virtual Assistant? What's the most unusual or fun thing that you could delegate?

3. The elusive obvious.

Jacob Davis made his name solving a simple problem that had gone unnoticed for a long time: People's pants kept falling down. The world is full of problems that are ubiquitous but not serious enough to attract much attention. What are three such challenges that you might be able to solve?



A major change in corporate culture over the last few decades has been a move away from an authoritarian management style toward the server-leader model, in which managers use empathy and openness rather than power to lead a company. Zappos, for example, offers every new employee \$3,000 to leave their job if they're feeling unsatisfied. This network of trust structures companies internally, but it also extends to vendors and customers. Rather than enforcing strict, money-saving no-returns policies, luggage-maker Tumi and fly-fishing outfitter Orvis have no-questions-asked lifetime guarantees. They may expend resources replacing broken merchandise, but if customers feel connected by a bond of trust to a company, they become fans and evangelists.



Discussion Questions:

1. Plenty of companies have broken the bond of trust with customers and, as a result, suffered losses in revenue or even gone out of business. What are some examples from the past few years? In each case, what assumption about the bond between company and customer was undermined?
2. On the other hand, many companies have made serious mistakes and hardly suffered at all. How did the responses made by these companies differ from those made by the companies in Question #1?
3. What do you think of Zappos' policy of offering new employees \$3,000 to leave their job if they're feeling unsatisfied? If you worked at Zappos, would you take this offer? How does this policy affect company culture for the employees that choose to stay?
4. Trust in the servant-leader model goes both ways - the employer needs to trust the employee, and visa versa. How are the expectations of each group similar? Different?
5. Building trust takes time and dedication; it's not something that you can create by following an exact formula. Think of some of the high-trust relationships that you've experienced - whether at school, work, or in your personal life. What has made these relationships so positive? How are these relationships different than the low-trust environments that you've been in?



Chapter 5: Build Trust

Words Into Action:

1. You don't know what you've got...

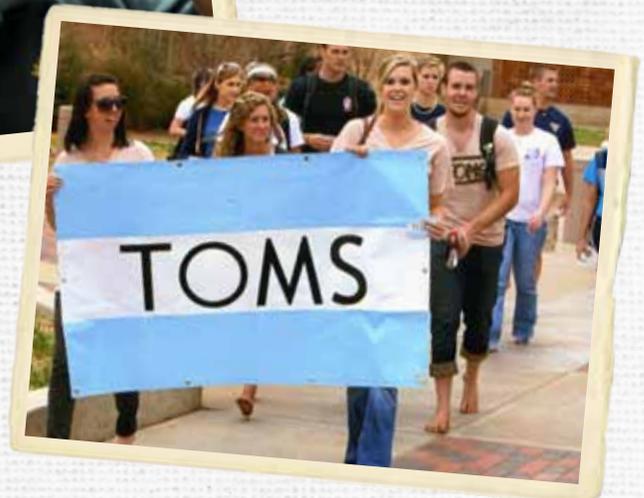
You often don't notice a bond of trust until it's broken. What are some basic assumptions that you make about your relationship with your school? Your work? Your local coffee shop? Have you ever felt that your trust has been broken? How did this affect your behavior and feelings moving forward?

2. Nonprofits 2.0.

Think of a nonprofit organization that you've given money to in the past, or feel a strong connection to. Using charity: water as an example, how could your selected nonprofit build more trust with you? What would motivate you to give more of your time or money?

3. Striking a balance.

Can servant leadership be applied to every type of organization, or do you think that some organizations require a more hierarchical and authoritarian leadership style? Could servant leadership be utilized by governments? Professional sports teams? The military?





Chapter 6: Giving Is Good Business

“Milton Friedman is often quoted as saying that the only social responsibility of business is to increase its profits,” Blake writes, “but such thinking is out of date and out of gas.” Just as corporate management styles now emphasize networks of trust over hierarchies of power, entrepreneurs have begun to realize that giving not only feels good – it’s actually good for business. An obsession with the bottom line can alienate customers and vendors, but if a company includes giving in its business model, it stands to come out ahead by attracting customers who want their purchases to mean something.

Discussion Questions:

1. If TOMS just made canvas shoes, and didn’t incorporate giving into its business model, would the company be as successful as it is today? As Blake was bootstrapping to get the company off the ground, how would things have been different? Would customers still be excited by Style Your Sole parties and One Day Without Shoes?
2. How is being a giving-based business an advantage when it comes to attracting partners? What value did AT&T get from featuring TOMS in a national commercial? What value did TOMS get?
3. How is the business model of FEED Projects similar to that of TOMS? How is it different?
4. TOMS makes shoes and eyewear. FEED Projects makes canvas bags. What other types of companies might be good candidates to incorporate giving into their business models?
5. Can you think of any type of company where incorporating giving might NOT make sense? How could a brick-making company incorporate giving into its business? What about a software company? A coffee shop?





One for One

Chapter 6: Giving Is Good Business

Words Into Action:

1. Nonprofit vs. For-Profit.

Think of a handful of your favorite nonprofits. Could these organizations do more good as for-profit companies? Are there some instances where being a for-profit business just isn't viable, or where the cause would be better served by a non-profit?

2. Finding your story in others.

When is the last time you bought a product or service because you liked the company's mission? What about the brand's story did you find important or moving? Are there some products or services that you would buy regardless of the company that makes them?

3. Un-conscious consumerism.

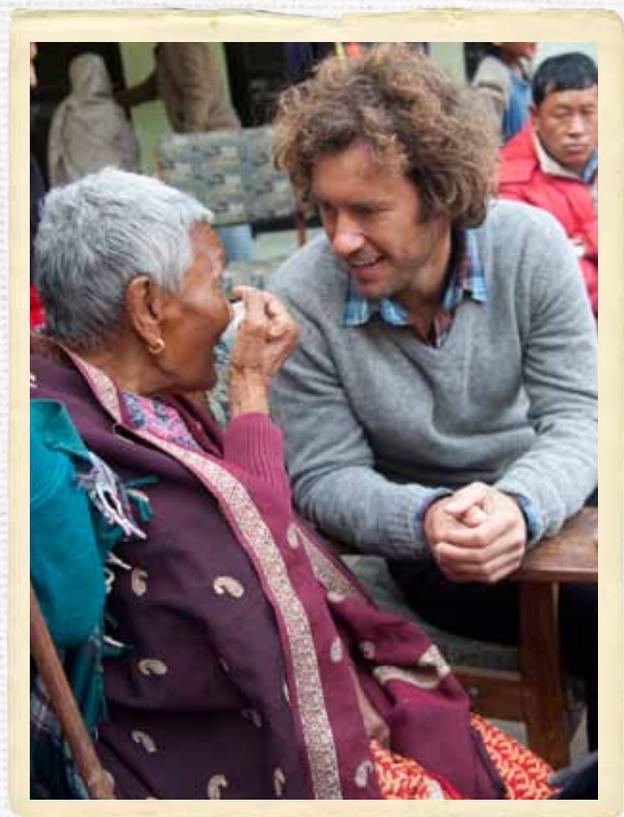
As conscious consumerism becomes more widespread, some companies will increasingly pay lip service to being socially and environmentally friendly, without actually being so. Have you experienced any examples of this? As you begin to start something that matters, how can you ensure that authenticity is woven into everything you do?



Tyler Eltringham was inspired by TOMS to create OneShot, a nonprofit organization dedicated to providing meningitis vaccinations to college students living in university housing; and for every vaccine administered in the United States, OneShot gives a shot to a person in need in the meningitis belt of Africa. Eltringham was still an undergraduate student when he launched OneShot and had no previous experience in business or entrepreneurship. But he didn't let that stop him. The "final step," Mycoskie explains, is actually the first step: You will never be fully prepared, but you have to start something anyway. You have to get moving!

Discussion Questions:

1. Knowledge can be a powerful tool, but it can also paralyze you into inaction. When you're first getting started, how can you go about the research phase without getting overwhelmed? What information is indispensable when starting a new business or project?
2. Blake writes, "Someone once told me the key to staying healthy was tying his shoes." Why is this good advice for someone starting a business venture? What are some examples of "tying your shoes" in business?
3. What are some of the challenges facing a start-up like OneShot? How does OneShot use giving to connect its philanthropic and business elements? How does this connection make OneShot's story resonate?
4. How was Tyler resourceful without resources in creating OneShot? In what ways is being a college student an advantage when starting a new project or business? What free resources are available to students?
5. The first step is often the hardest to take because it involves moving into unfamiliar territory. But the truth is that the challenges that occur later in an endeavor are often more difficult to overcome, but they don't feel nearly as hard. Why is this?





One for One

Chapter 7: The Final Step

Words Into Action:

1. Is ignorance bliss?

Think about a big project, school assignment, or hobby that you've worked on in the past and the challenges that you faced along the way. Would knowing about those problems ahead of time have affected your decision to undertake the project? Would you have been scared off? Was it better not to know about them?

2. It's good to have friends.

Think about all of the people in your life – your friends, family, and members of your community. As you're thinking about starting something that matters, who are five people who you could reach out to for advice? How could each of these people help you?

3. Carpe Diem.

Now that you've finished *Start Something That Matters*, how will you seize the day? Are you interested in starting a business, nonprofit or just making a big change in your life? How will you get your project off the ground?

