

Toms thrives mixing business with social good

March 21 2014, by Glenn Chapman

From putting shoes on poor children's feet to providing Internet from balloons in the sky, Internet Age companies are catching on to the power of mixing business with social good.

TOMS founder Blake Mycoskie championed the idea at a prestigious TED conference, adding coffee to the "one-for-one" model for which his California firm is known.

The serial entrepreneur was traveling when an encounter with women in Argentina led to him join them on a charity outing to give closed-toe shoes to poor children barred from getting into school without proper footwear.

The experience inspired him to launch TOMS nearly seven years ago to sell shoes that come with a promise that for each pair bought, a pair is given to a child in need.

Mycoskie ran the business out of his apartment, as a sideline, for months until TOMS became a fashion industry sensation; stores began ringing him up and "we were in the shoe business."

He added eyewear to his line-up, donating sight-saving medical treatment for each pair of glasses sold.

Internet in the sky

TOMS Coffee Roasting Company, launched this month, applies the premise to beans, guaranteeing 140 liters of clean water to a person in need for each bag sold.

TOMS partnered with non-profit Water For People on the project.

"The Internet and technology allow the concept of not having to be a Rockefeller to make a difference in the world," Mycoskie told AFP on Thursday at a TED gathering where he was serving up coffee.

A day earlier, on the TED stage, Google co-founder Larry Page opined on how passionate entrepreneurs could be more effective than charities in tackling social woes.

"Most people think companies are basically evil," Page said during an interview with Charlie Rose.

"That is not what we need, especially in technology; we need change."

Google's Loon project envisioning free Wi-Fi hot-spots in high-altitude balloons provides hope for the "two-thirds of the world that don't have Internet," Page said.

Facebook creator Mark Zuckerberg, and Salesforce.com leader Marc Benioff, are among Silicon Valley titans standing up for the idea that company's can make money while making the world a better place.

Tesla founder Elon Musk has a vision of human colonies on Mars, a mission he is in a stronger position to take on than a charity, both Page and Mycoskie reasoned.

"There is a great advantage to being a for-profit business tied to a mission and a purpose," the TOMS founder said.

"We can use our profits to go after different causes."

The Internet has helped people of all ages tune into global issues and allowed them to check whether companies follow through on vows for social good.

For example, people can go online to see where TOMS water wells spring up.

"TOMS is transforming an act as simple as buying a pound of coffee into a way for shoppers to make a meaningful impact in communities around the world," said John Mackey, co-founder of Whole Food Market chain, which carries the coffee.

Good deeds beat ads

Mycoskie was adamant that integrating social causes into business models attracts passionate, talented employees and inspires loyalty in customers, both of which are boons to company bottom lines.

"Everyone thinks giving one-for-one is a cost," Mycoskie said, gazing out at snow-capped mountains on the edge of Vancouver.

"I would argue that over the past seven-plus years the money we have spent on giving has resulted in a higher return on investment than any marketing we could ever do."

Mycoskie is considering the potential of extending the one-for-one model to banking, channeling portions of profits to micro-loans in developing countries.

He agreed that mixing social good with old-fashioned business was spreading, but stopped short of proclaiming it a trend.

"Whether it will last a long time in a higher consciousness of business and consumerism, I don't know," Mycoskie said.

"I do think that people are innately interested in dealing with companies that are socially good in their actions, and loyal customers are what businesses live on."

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