



LEAD WITH WE

EPISODE 1: BOB LORD

Simon Mainwaring:

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Amy Smith:

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Simon Mainwaring:

Hi everyone. It's Simon Mainwaring here, your host of Lead With We, a podcast that really looks at what drives business success in the reality of today's marketplace. The reality that's defined by crisis, defined by change and really a new normal that's reshaping business as we know it. I am talking to someone I deeply admire today. I consider her both a friend and a colleague. It's Amy Smith, who is the Chief Strategy and Impact Officer at TOMS. Tom's being the company that really pioneered the social entrepreneurship space, the social enterprise space over 10 years ago now. So Amy, welcome to the show and thank you so much for sharing some time.

Amy Smith:

Thanks for having me. It's fun to be talking with you, Simon

Simon Mainwaring:

And Amy, I know we've worked together, we've known each other for a long time, but you recently actually changed your role over at TOMS. So tell us a little bit about your new role.

Amy Smith:

I did. Yes. I love TOMS and we actually have some new leadership and we're thinking about TOMS a little bit differently. So as part of that, I was invited to take on a bit more of a strategy role in addition to my impact role. And what I think is so special and important about that is it just reinforces TOMS' commitment to the strategic nature of our impact and that those two things very much go hand in hand.

Amy Smith:

So I'm responsible for driving strategy inside the company, along with our consumer insights components, how are we thinking about the customer? How are we engaging the customer? What does that customer experience look like? What do we need to know about that customer? And then applying that to strategies company-wide and then of course still responsible for all the giving components.

Amy Smith:

So I still do hold my chief giving officer title, but adding strategy to my role in an evolved TOMS is something that I'm really excited about. It's going back to some skills I haven't used for a while, but it's also stretching me in new ways. And as I've said before, I think it is critical for anyone on the leadership team to really understand both the business side of it and the impact side. So I need to understand the business just as much as our CFO needs to understand our giving. We'll all do our jobs better if we're understanding of all the components of the business.

Simon Mainwaring:

A lot of folks listening to the podcast have heard of TOMS, they know about your story, but for those who haven't, just from a strategy point of view, remind us about Blake Mycoskie, the founder of TOMS, why he started the company, what that original model was and it's evolved?

Amy Smith:

We started nearly 14 years ago now with our founder Blake Mycoskie. Well, his name is not Tom. It is Blake. And he was on an adventure in Argentina, just really traveling and exploring South America and noticed that children didn't have shoes and didn't understand why that was and started to talk to locals and really learn about their situation and what their needs were.

Amy Smith:

And like most of us, came home from that adventure and said, "Well, I'm going to get my friends together and I'm going to have them all give me their gently worn shoes and I'm going to send them over." In that experience said, "Well, wait, maybe there's a better way, that's not very sustainable. I can probably only do that once, maybe twice. I don't really know where the shoes are going." So all these questions started to come for him. And he said, "Well, what if I actually bring over this really cool shoe that I saw in Argentina called the alpargata? If I bring that to the US and I sell that to my friends, can I make enough money to build another pair and then ship them back to Argentina?"

Amy Smith:

One for One was born and it started out as Tomorrow's Shoes. And Tomorrow's Shoes was a pretty long name and didn't fit on the back of the heel counter on a pair of shoes, so they shortened it to TOMS and we've been TOMS ever since, but it does stand for Tomorrow's Shoes. And we are really excited to be evolving from the one for one model that was born 14 years ago, to more of an impact based strategy, that is a impact platform that allows us to be a little bit more flexible, a little more nimble, a little more responsive to what's happening in the world. And so for every \$3 we make, we're giving \$1 away. And in general, that's the same as One for One, but it is just thinking about it differently and allows us to go beyond our shoe giving into also impact grants.

Simon Mainwaring:

You're such an example and an inspiration to so many other companies out there. So when you look at all of these needs and you look at all the different opportunities you have to have an impact, where do you begin? How do you think that through? So we can learn from that.

Amy Smith:

Step one is listen to your partners. We feel so lucky to have some 200 partners over the course of our 14 year history that do amazing work in communities. And so step one is to listen to our partners. And step two is to listen to our customers. What resonates for them? What do they care about? What are they passionate about? What is top of mind for them in terms of the issues that they see our world facing. And those have been step one and step one A and B, to ensure that we are really thinking about where to start.

Amy Smith:

And so listening first and then building the right strategy from there. And that's really what drove us to going beyond shoe giving. Next year, we'll be celebrating giving a hundred million pairs of shoes. We are so proud of that work and really excited to be celebrating that. But we now believe that the world around us, more so now than ever, is that clear is changing. And the customer is more savvy than ever. They are voting with their wallets. They are voting with their purchasing power. And we believe that being part of that conversation with our giving partners and with our customers is the way to have the greatest impact.

Simon Mainwaring:

It is. It's a collaborative exercise now, because I think we can achieve so much more together than we could on our own. And it's really empowered you to take on some pretty tough issues. I mean, you think about gun violence, which is so top of mind, not only to younger audiences, but their parents and their families, and it seems like such a persistent issue. So you launched this campaign around end gun violence together. Tell us how you went about that?

Amy Smith:

We've all been impacted in some way, shape or form by what's happening with gun violence in the United States specifically. And this was a US-based initiative. And so when over 100 people a day are being killed by gun violence in the United States, you just do what we believed to be the right thing to do, and sort of set the politics aside. And yes, this is a politically charged issue. There's no way to get around that, but we set those aside and said, "It doesn't matter what your political disposition is, we don't think any of us should think that 100 people dying a day should be okay with any of us." And that was our starting point.

Amy Smith:

I had the great fortune of meeting so many survivors, so many people that were part of the ending gun violence movement. So many people that are passionate about addressing this issue. And no matter if they were a survivor or survivor's family member, or just somebody who had had enough, everyone had that moment where they said, "That's it, I'm done. I can't sit on the sidelines any longer." And I think that came for Blake, still intimately involved in the company at the time. And so he was coming into work that day and his wife called him and said, "There's been another shooting, this time in Thousand Oaks. I'm not taking the kids to school today, somebody's got to do something." And she was very emotional and Blake became very emotional and pulled off the side of the road and just like overcome, we have this amazing platform called TOMS, how can we not leverage it, play some sort of a role and help in some way in this effort? And that was the beginning of our commitment to being part of the ending gun violence community. It's a beautiful community of people that care deeply.

Amy Smith:

As we were focused on this gun violence effort, we were able to set aside \$5 million to support organizations that are working to end gun violence across the United States. And we've met the most amazing organizations doing the most amazing work on the ground to help end gun violence in under resourced communities, in schools, in all the places that we think about. And so we're still committed to that. It's still part of our impact platform. Physical safety is a huge component of that platform for us globally. And that's something that we'll stay committed to for the long term.

Amy Smith:

But for this particular thing, a series of events that led us to recognizing we've got to do something. We have this platform, we have these consumers that care about this. And we, like we said earlier, we listened first. I talked to anybody and everybody who would talk to me about this issue for 14 days straight. I want to learn more. I need to know more. We need to understand what's going on. We don't want to step on toes. We don't want to use the wrong language. We only want to add value here. And I think for so many companies, we forget to listen first and then decide what our role can be that's meaningful.

Simon Mainwaring:

What attracted you to TOMS and then by extension, tell me, how has the role that you play affected the culture in terms of how people show up and the type of people you attract and what difference it makes to their work?

Amy Smith:

In every conversation with our employees, we start with our mission statement, which is we're in business to improve lives. And there is not one person that has come to work for TOMS that hasn't come for that reason, whether they work in finance or they work in IT, or they work in facilities. It's not just the giving department. So I

am, and my team is a steward of the work of our employees and the commitment from our consumers and the work of our giving partners. It takes the entire TOMS team to make what we do happen. And so that is ingrained in our culture from day one. Blake ingrained that in the culture, he started this as a giving company that, Oh, by the way, sold shoes, now we're growing up and we want to be a shoe company and a giving company. And we know that that's important to be successful over the longterm and grow in the way that we want to, but that component of our culture, we're so lucky to have that be part of our DNA every single day.

Simon Mainwaring:

How have you pivoted for COVID-19? Are there specific issues that you're trying to address? Are you rallying your coalition of partners in any specific ways?

Amy Smith:

We are. I think it would be helpful for me to explain a little bit about the impact platform because that was applied to COVID-19 and it really helped us think about how do we do this? So our impact platform is shoes and impact grants, but it's in three very specific focus areas. We've said that we really believe TOMS can have a meaningful impact in mental health, physical safety, and equal access to opportunity.

Amy Smith:

Those three things are inextricably linked, and that is by design. We did that on purpose. And so when you're investing in one, you're supporting all three of those issue areas. And so we have used that platform because really, even in our shoe giving, physical safety, free of injury and of disease and access to education, access to equal opportunity. If you have a pair of school shoes, then you can go to school. Those things are already in place for us. Mental health, we know that when a child has a new pair of well-fitted shoes for the activity that they're doing, their confidence is instantly boosted.

Amy Smith:

And so we took those learnings from our shoes that we have over 14 years, and we've applied them to this platform that we now use for grants. So mental health, physical safety, and equal access to opportunity. So the first thing we did when we heard about COVID-19 and we said, "It's our turn to do something. What do we do?" First thing we did was listen. We wanted to make sure that we understood what was going on for our partners. What did they need? How could we support?

Amy Smith:

And then we applied that information to our impact platform. We've been focused on mental health. We're working with crisis text line here in the US and if you text TOMS to 741741, you can get free 24/7 counseling support from a trained crisis counselor. And we know that feelings of isolation and feelings of anxiety and feelings of unsureness about what their economic situation is, all those things are showing up for people. So here's a resource that we can provide through TOMS free of charge, confidentially to anyone who needs it. That's bucket one.

Amy Smith:

We also are focused on hand-washing, physical safety. This is the lowest cost, highest return intervention for COVID-19. We've all heard it a million times, wash your hands, wash your hands, wash your hands. In some communities in developing countries, they don't have a place to safely wash their hands. And so working with water aid to establish more hand washing stations and to get the word out about how important it is. And then of course, as we've all heard, PPE and supplies have been not available even in places where they should be. And so imagine the impact under resourced communities or in hotspots where they don't have the resources they need.

Amy Smith:

So we've been investing through partners in health, International Medical Corps and AmeriCare to provide those PPE to under resource communities. And so taking that platform and applying it to COVID-19, it's really helping us say, "This is what we're about. This is what we always do. And here are the ways it shows up through our shoe giving, through COVID-19, through our grantmaking." It's been a really powerful tool for us to create flexibility, but still be very focused.

Simon Mainwaring:

It's such meaningful work. I imagine in all of your experiences at TOMS, there's moments that have probably brought you to tears or stories that have really touched you deeply. Share a story or a moment that really resonated with you that maybe people don't know about because a lot of this is done behind the scene.

Amy Smith:

I had never been to India. And so I had the great fortune of going there last year with some TOMS ambassadors. And we really wanted them to experience our giving firsthand. We work with a partner in India called Magic Bus, and they do afterschool and in school programming, it's called Childhood to Livelihood and the poverty rate in India is of course overwhelming. And so they help children and young adults develop the life skills they need in order to get a job.

Amy Smith:

And so we gave shoes at a rural village through a school, and I had the opportunity to sit down with a group of teachers from this school, and they had all dressed in their saris and had come. And we got to just sit down together and talk about what education looked like in India and the passion that these teachers had for these children and what they were learning and the passion that they had for what Magic Bus was bringing to the table in their relationship and how grateful they were that their children in their school were getting shoes. It was overwhelming how joyful these people are in these communities that are so under-resourced.

Amy Smith:

I just thought if I plucked a few colleagues out of their day to day life, and maybe even plucked my own children out and put them in that environment, even just for a day, I don't even know if they could survive it. And so here are these incredibly joyful people, so grateful and working so hard to help these children move from childhood to livelihood and really change the trajectory of their lives. It was beautiful and such a wonderful thing to be a part of.

Simon Mainwaring:

You've probably seen something very special over the years that you've been with TOMS and more recently with COVID and that everyone at TOMS is all about making a contribution through business to others. And we've just had this recent few months where suddenly everyone, not just a few companies have all suddenly suspended what they were doing and worked together and made a difference in fresh and innovative ways. Is there any story that's been really inspiring to you, or is there any example that you've really taken encouragement from?

Amy Smith:

It is really special that, or really powerful, maybe even beyond special, really powerful what can be done when we all think a little bit differently about business. Because I believe in this ecosystem and the more gray we create between business and nonprofit organizations. Business has the money, nonprofits have the expertise, creating an ecosystem where there's not so much black and white, but gray that we're working together, that's where I think we really solve the world's problems. Honestly. That's my passion. That's why I'm at TOMS. That's what I believe is possible.

Amy Smith:

And to see that happening through people coming together and majority of them doing the right thing, are really doing it for the right reasons. And I think we're seeing, even in our own backyard, when we got some masks delivered to our offices, they were a gift from one of our factory partners. They were N95s. And so we immediately said, "We have to donate these, we don't need them, but hospitals do." We had an employee that had a friend in a New York hospital. They didn't have them. Like, "How fast can we get them there?"

Amy Smith:

And so it's just that shift of mindset that so many people have and that rallying together. And I think just that almost at a high level has been really inspiring. I just hope we hold onto it. I hope that we continue to show up this way collectively. I hope that it's good for business because I think that helps a lot, especially for people that are like, "Do we want to keep doing this? It costs money." For TOMS, it's who we are. So we'll never go away from it. But for some of those who have dipped their toe, I hope that they continue to show up this way for their stakeholders, not just their shareholders.

Simon Mainwaring:

Doing this work is not easy. It's messy. What are some of the bumps in the road that you might share that others could learn from?

Amy Smith:

It isn't easy. You're totally right Simon. Step one in my mind is what do you care about and how can you be authentic in that? It has to come from the top of the organization. It has to come from the most senior leaders in the company and you collectively have to believe it. I think senior leadership and senior alignment and buy-in, absolutely critical. For us, we were scared. We were like, "Gun violence, do we know anything about that? Do we have credibility in that space? Should we be dipping our toe? Who are we to say?"

Amy Smith:

And so immediately surrounding ourselves with the experts was a way that I think we avoided some of the bumps in the road as it related to that particular endeavor. And so leadership buy-in, really choosing something that can be authentic to you. And then starting to work toward that while always listening, is I think really important.

Amy Smith:

I'm all about progress not perfection, which sometimes drives my team crazy. But I think if we wait to be perfect, we are going to miss the opportunity. We are going to miss the chance to help and to do good and to add value in the world. And that means making mistakes sometimes. And we certainly have had our fair share of them.

Amy Smith:

I think the way that we navigate that is to listen. So very early on, there were just feedback of maybe giving shoes isn't good for the local economy or maybe giving shoes takes away from local cobblers or shoe makers. And so we said, "Maybe. Gosh, we didn't think of that. So let's go learn more about that. Let's go study that." And we hired someone to go study that for us and really make sure that we were not harming a local economy. That was something we, of course didn't want to do. That was not the goal or the plan.

Amy Smith:

And so through that, it was an investment for us. We certainly had to spend money to learn that our giving wasn't at such a volume in any one singular community, that we were negatively impacting that economy. And that we were able to help families redirect some funds to other things they needed for the family. They were still spending money in the economy. And that's one bump.

Amy Smith:

We have bumps every day. Like, do we have the right partners involved? And we take some risks. We invest in innovative ideas, in smaller organizations sometimes. And sometimes it works and sometimes it doesn't, or the outcome isn't exactly what we thought it was going to be. But to...because we say it doesn't have to be perfect. We all want to learn together. We want to get better together. It allows us some more flexibility. We haven't set the bar so high that we don't get the opportunity to learn from it.

Simon Mainwaring:

You've touched on the journey that you've been on and the bumps on the road. I mean, how hard was it to get financing for a social impact company in the place. And now you've recently had a different ownership changes and so on. And how does that affect the company? Give us a sense of that trajectory because you want to grow the company so you can scale your impact.

Amy Smith:

To see us or some other truly socially driven impact company go public at some point, that changes the whole face of the whole thing. So for now, Blake and a company, Bain had ownership in the company and invested in the company. And now recently we have some new ownership. TOMS' ownership has changed to a group of investors led by Jefferies, Nexus and Brookfield. And these organizations are committed to the company, to our brand and to our mission, we're excited to be partnering with them.

Amy Smith:

The new owners are investing \$35 million in the company. And so we now are in a position to build upon the great work of Blake and Bain over the last five years. And that puts us, I think, in a position to truly grow. We can be a nice little company that is doing great work at the level we're doing, but we really would like to grow. We really would like to scale. We really would like to be in a position to continue to respond to the changes happening in the world and put us in a position to really support at scale and really have a community of supporters and partners, both giving and customers. That's bigger than what we are today. And that's the goal.

Simon Mainwaring:

If you have a hope for business more broadly on the strength of your example, and with a view to driving growth through impact, what's your hope for what business looks like in the future?

Amy Smith:

I would love to see any new company that starts to have impact at its core, to ensure that they are taking whatever makes sense for their business, a piece of responsibility around giving back into local communities and that we truly create this ecosystem I'm so passionate about around having businesses and nonprofits in the mix and having all of us working together to solve some of the biggest issues facing our society.

Amy Smith:

And I think this next generation of consumer is going to push for it. I think that they are so, gosh, darn smart. They are not bedazzled by glitz and glam and all of that. They really want to understand what are you doing as a company? They want transparency. They want authenticity. They're voting with their wallets. I just think that they're going to help us push through to a day that I hope most companies have a purpose officer on their executive team, that they have professionals in their businesses that are running their impact strategy.

Amy Smith:

TOMS is very lucky to have a team of anywhere from eight to 10 on any given year. Individuals that are 100% focused on the development of our partnerships with our giving partners that are running impact programming, that are working on these giving experiences for our employees. We are committed to it because we know it's good for our business, and so the more we can see companies embracing that, seeing the value in it and really

making it be part of the business, I think the better off we're going to be. And I would love to see the whole business community looking that way. And I think people like Larry Fink, he's brought that forward and put it in his investor letter, a trillion dollar investment firm saying, "We have to think about our stakeholders as much as we think about our shareholders."

Simon Mainwaring:

On a personal level, how has this affected you working in a company like this? I mean, everyone out there today has the choice of working in a job where they get paid to do a certain skill and they have a certain career trajectory and so on, but you're working in a company whose DNA is impact. How does that show up for you personally?

Amy Smith:

I'm not sure I can work anywhere else. I'm in trouble because it is so personal for me now. I grew up in technology. I worked at Apple for many years, learned so much at Apple and got to do so many things. I had an opportunity to work on the retail project, opening the first 50 stores. And that was exciting and compelling. I worked in startup as part of the first Dot-Com Boom, and how that was going to change the world. And I've worked in nonprofit, got to see the other side of this and how much nonprofits do with such little funds and so few resources and bringing all of that together. Personally, for me in this career of bringing the profit and purpose together through an impact role like this, is a little bit dreamy, it's kind of a dream come true role for me, but it also gives me hope for a lot of things.

Amy Smith:

And I do feel very lucky that I get to see teachers in India and I get to see a sight saving surgery that we also saw while we were in India. And I get to meet the amazing volunteers that travel around by bicycle or motorbike in Peru strapped to the back of the bikes, to get these shoes up the hills, to these kids. It gives me hope for what is possible and the resilience of human beings and keeps me going in times like COVID-19 and times like mass shootings and times like everyday gun violence, all of those things that I know are on the negative, I get to see the real positive side of it too. And it's powerful for my life and for my family.

Simon Mainwaring:

Amy what TOMS has done is truly inspirational as a startup, as a company that really just was born off an idea, an inspiration to others, 13 years of giving, you're now in your 14th year, 95 million pairs of shoes, soon to be a hundred million, 780,000 sight restorations, 722,000 weeks of safe water, \$6,5 million in impact grants, the 85 countries with 205 partners. I mean, that really shows what's possible for any business that is sufficiently motivated as you say. As you look forward, what gives you cause for optimism? We're in COVID-19, we've got a tough road ahead. What keeps you inspired every day?

Amy Smith:

More broadly? I do think that collectively in the world, and I'm a half glass full gal, for sure, but collectively in the world, we are making progress. We are seeing things change in the world. We are experiencing more people that are focused on how do we make the world better? How do we build toward a better tomorrow, which is what TOMS has always cared about from the very beginning.

Amy Smith:

I think we see more people, more companies, more individuals out there taking risks and taking risks for good, to be their most authentic self, to contribute to the world in a really meaningful way. And I think the other thing is the Gen Z generation, they're like, "No more. This is it. We're done. Not doing it like this anymore." I have that in my heart, even though I am not Gen Z, unfortunately. And I think that if we can support that generation and we can engage with them and we can all get behind what a better tomorrow looks like and do our part, we got to keep trying to address the things that we know we can and make a change in the ways that we know is possible through

our companies, through our customers, through our giving partners, all the different ways that we have available to us.

Simon Mainwaring:

And let me end by asking you one question I ask all our guests, which is looking towards the future, how would you define business success?

Amy Smith:

I think business success is twofold. Certainly, I think companies should make money. No doubt about it. I think that's really important. And I think that they should find the best possible way to give as much of that away as they can while still maintaining a successful business. So still investing in the business, still making sure that it runs effectively, that it is a strong and growing business, but also investing as much as they can in making the world a better place. And I think the combination of those things in partnership with the nonprofit community and engaging their customers in that process is success.

Simon Mainwaring:

Amy, I can't thank you enough for the time and the insights today and just such enormous respect for the example that TOMS has set long before it was popular, long before it was top of mine. Long before the heavyweights and Titans of business have contributed to this conversation about purposeful business. Everybody listening really appreciates the work that's being done at TOMS and anything we can do to help or to inspire you moving forward, we'd love to do. Any way you direct us so that we can help support some of the efforts that you're doing right now.

Amy Smith:

Yeah. I think the biggest one right now is we're really focused on mental health and COVID-19. Anyone can text TOMS to 741741 and get mental health support free and confidentially. And I think that that's something that we have been very passionate about passing on. I think it's something that is easy and accessible and we all need a little support.

Amy Smith:

I know I've had moments of like, "Oh, I'm really feeling overwhelmed. I'm not sure what to do. I don't know how to keep my family safe. I don't know if I should go to the grocery store." There are so many new things that we're trying to process that is one small way that we can all support each other with a very tangible resource right now in the moment and to normalize and talk about mental health, I think is critical right now.

Amy Smith:

So, that's a very tangible way to support. Of course, we'd love you to come buy some TOMS and get excited about the beautiful products we have coming up this spring and summer. And we hope you find something that you love at www.TOMS.com. But beyond that, just being part of our community and sharing these resources with others and wearing that TOMS product as a badge of honor, would be something we would love everyone to be doing.

Simon Mainwaring:

Thanks so much, Amy, you truly are a company that embodies this idea of leading with we and really putting business in the service of everyone's interest. So thank you so much for your time, for your insights and also for your commitment to something that's so important now more than ever.

Amy Smith:

Thank you. It's been so fun chatting.

Simon Mainwaring:

Thanks everyone for listening. There's no more powerful example than a large corporation using its scale to literally solve today's greatest challenges, but you can too, no matter the size of your business. Think about your business in new ways, solve for the challenges of our day and work together in new ways so that you can scale your business growth and impact. And if you'd like to learn more about We First go to www.wefirstbranding.com where you'll see some of the programs we've done for brands, just like yours. See you on the next episode of Lead With We.

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