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Soles4Souls Implements Buddy System

By NEIL WEILHEIMER

NASHVILLE — For Buddy Teaster, the Soles4Souls CEO who regularly runs 100-mile races, there are dozens of comparisons between his personal hobby and the grueling professional efforts he is putting into the organization that fell from prominence in the footwear industry two years ago.

His hours are long, and the slog can be painful.

Since inheriting Soles4Souls' damaged reputation in the fall of 2012, Teaster has worked methodically to rein in costs, rebuild the nonprofit's credibility, expand its microenterprise initiatives and double the impact of the shoes being given away. The group also added six new board members since February, including three from the footwear industry.

"Our biggest problem today is that we don't have enough shoes," Teaster said during an interview at company headquarters in Old Hickory, Tenn. "If we tripled the number of shoes we collect, they'd be gone in an instant. The demand on the microenterprise side and from the people in need of new pairs, we can't even come close to meeting."

To help aid those in need, Teaster has challenged the organization with an ambitious goal for the year: to increase the number of new and used pairs it collects by at least 20 percent.

He said the bulk of its donated product still gets distributed in Haiti, but in recent months Soles4Souls has begun working more heavily in such countries as Moldova and Honduras, with budding operations also in Bolivia and Ghana.

While Teaster will meet with industry executives at FN Platform this week, he also hopes to show off how its mission works best. On Sunday, Soles4Souls partnered with Big Brothers Big Sisters of Southern Nevada to hand out free shoes to hundreds of local children.

Here, Teaster discusses some of the biggest challenges he still faces and where the group will go next.

Since taking over, you pruned staff and sharpened the mission. Why all the drastic changes?

BT: We've had to make some very difficult decisions about staffing levels, both here in Nashville and at our warehouse in Alabama. In January 2013, we reduced the number of our staff in Alabama, and we increased everybody to a living wage. And in Nashville, mostly by attrition, we've shrunk the staff. At the peak, Soles4Souls was about 60 employees; now we are 35.

You also cut other expenses. How did you do that?



Buddy Teaster inside the charity's Nashville warehouse.

Photo By Allen Clark Photography

BT: In the year ended June of 2013 [the organization's most recent fiscal year], our expenses were about \$45 million [down from \$52 million in 2012 and \$72 million in 2011]. A lot of that came through being much more conservative about how we value gifts-in-kind. We're no longer moving product through here that's not directly related to our mission — and on the rare occasion we do, we value it as conservatively as we can.

Before you arrived, Soles4Souls' gifts-in-kind numbers were quite high, giving the appearance of being one of the fastest growing charities. Is that why you changed the formula?

BT: When it comes to valuing gifts-in-kind, there aren't any real standards. We could each run a nonprofit and get the same bottle of water — you could say it's worth \$10, and I could say it's worth \$5. That's not a standard. These funny games can be played, and we don't want to be a part of that. There's nothing wrong with the other approach. We just wanted to take a position where I could look anybody in the eye and say this is why we accounted for those items that way.

How have you worked to restore the group's image?

BT: On a local level, it's old-fashioned methods of getting out, meeting with foundations, corporate citizens. Talking to people not necessarily related to our mission but who are influential in town. We are telling them, here's our story, here's what's happened. We are much more conscious about providing the services we do to people in Nashville. Nationally, we've been more industry focused. When the negative stories came out about us in The Tennessean in 2011, individuals knew about the mission, so there was little fallout there. But people in the industry had questions: Who's running it? Who are you guys? What are you doing with donations? Since then, it's been a lot of one-on-one meetings, going to FN Platform, to FFANY, and explaining what we've done since.

What major plans do you have for 2014 and beyond?

BT: We want to double our impact in the next three years. We are still working to identify what that really means. The obvious things, such as doubling our revenues and doubling the number of shoes, might be part of the equation. But as we get more focused on the fighting-poverty part of our mission, the equation could include the number of entrepreneurs we are working with.

How will you collect more shoes?

BT: In addition to meeting with more people in the industry for new shoes, on the used side we've just opened a sorting facility in Toronto to give us more access to the Canadian market. Also, because bringing shoes back across the border is expensive and complicated for reporting reasons, we'll be able to ship shoes right from Canada to our microenterprise partners.

What's the biggest misperception about Soles4Souls today?

BT: It's the role of microenterprise. I think everybody understands one part of what we do — of giving shoes away for free — which we are committed to doing. That's an easy thing to digest. Explaining microenterprise to people takes a little more time. A lot of businesses love that story, the cliché of teaching people to fish instead of giving them fish. The idea of a hand up, not a handout, appeals to lots of people running businesses. As we get a chance to retell that story, we are getting a great reception to it. It really works and can have a huge impact on poverty.

What are you most excited about?

BT: I'm 50 years old, and I have never been happier working in my entire life than I am right now. It's because of the things we can do to help people change their lives and the lives of their families.