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How A Former Shoe Salesman Supports Microbusiness In The Developing World

By James O'Brien

Wayne Elsey had been a shoe man almost all his life. From humble beginnings as a stock boy in a shoe store, Elsey went on to hold leadership roles at a number of shoe companies. And he might have stayed in the shoe business if he hadn't turned on the television one day in 2004.

The ocean floor off the coast of Sumatra had shattered, sending massive waves ashore. Villages, towns and cities were destroyed. Nearly a quarter of a million people lost their lives. But amid the destruction, a lone image gave Elsey an idea that would change the lives of thousands of survivors and eventually create thousands of small businesses in developing nations.

"I saw this single shoe wash up on the shore," Elsey said. "And it just rocked my world."

For Elsey, the lone shoe was a sign. Leveraging his business experience, corporate resources, and the advice of logistics experts, Elsey created Soles4Souls, a non-profit that would send 250,000 shoes to communities struck by the waves.

Since its founding in 2004, Soles4Souls has distributed more than 19 million pairs of shoes to those affected by natural disaster and by poverty in 127 countries. Elsey has since stepped down from his leadership role at Soles4Souls, but his mission is hardly finished. In fact, it's expanded — rather than just giving shoes to those in need, Elsey's latest venture uses shoes and clothing to launch micro-enterprises throughout the developing world and in recovering communities.

Empowering Microbusinesses Globally

Charitable donations are ideal for helping communities get back on their feet after a disaster. Helping those communities achieve sustainable economic stability, however, requires something else entirely.

Funds2Orgs, Elsey's newest project, uses an innovative business model to help struggling communities create sustainable revenue sources. Funds2Orgs harnesses the staff and volunteers of non-profits in the US to collect gently used shoes, clothes, and handbags for donation. These items then go to developing nations, where micro-enterprises sell them on the local market.

"There is one lady in Haiti who has made huge strides in her enterprise and now is going to be able to pay for private school for her son," said Elsey. "She was making literally nothing and is now making upwards of \$70 per day, average, marketing the gently worn shoes."

According to Elsey, the secondary market for the items sold by Funds2Org's micro-enterprises can represent more than 80 percent of commerce in developing regions like Haiti. However, these markets have few — if any — reporting standards. Elsey hopes that recent efforts to gather data will result in some shareable statistics about the impact his organization and the small

businesses they've fostered are having on local markets and the micro-enterprises themselves.

Even without the support of hard data, the Funds2Orgs model has been successful enough for Elsey to expand his operation.

"We are actually in the planning stages of having a depot in Haiti that will be managed by one of our distributors," he said. "They started with nothing, and now they are going to be a resource for hundreds and hopefully thousands of others. They are making huge strides to become sustainable."

Helping Non-Profits Sustain Funding

Funds2Orgs' impact on sustainability isn't limited to developing nations.

"There were three gaping holes in the non-profit space," Elsey said. "But the biggest area that I saw, and continue to see today at a huge rate . . . is sustainability."

This issue often arises when non-profits lack the resources to raise their own funds. To combat this issue, the non-profits that work with Funds2Orgs are paid a per-pound rate for the items they gather.

"Since April 1, 2012, our average non-profit is generating over \$5,600 in revenue per event," Elsey said. "This might be as quick as 30 days for some. We had one guy who generated \$42,000 in revenue in 60 days. That's huge."

Deborah Roberts, booster club president for the Siegel Lady Stars girls basketball team in Murfreesboro, Tennessee, raised money via Funds2Orgs last summer. She and the team brought in some \$6,300.

"We collected 30,050 shoes, which weighed 15,847 pounds," she said, noting that storing all those pairs turned out to be feat in itself.

By providing a simple but effective way for these organizations to raise necessary funds, Elsey and Funds2Orgs are helping non-profits help others.

Extending the Reach to Those in Need

The scope of Funds2Orgs won't end with shoes, clothes, and handbags. According to Elsey, the company is considering expanding its offerings to include other items, like mattresses and cell phones.

Meanwhile, Soles4Souls' work has also gone beyond just footwear. The organization's in-country partners often supply additional services to those in need.

"One of our partners works in the eastern Visayas region to provide medical care and programs to children in the Philippines," said CEO and president Buddy Teaster.

He added that on the island of Mindanao, another partner, "provides education, feeding and sponsorship programs in Davao City . . . and we distribute shoes through their current programs."

Whether they're creating small businesses, providing funding resources for non-profits, or donating necessary goods to people around the world, Elsey and the organizations he founded continue to help those in need get back on their feet.