



# Research on Teaching Methods of Enterprise Strategic Management Course

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## Abstract

By combining and planning the concept of strategic management, this article has designed a strategic management theory analysis system, providing the experience for teachers' strategic management teaching and providing direction for students' strategic management learning. First, teachers teach theoretical knowledge first, in-depth analysis of the relationship between the theoretical model of the strategic management discipline, and the classification of strategic management theory, so that students can better understand and apply the theoretical model. Teachers should first introduce students to students IFE models, Porter Five Power models, Porter Global Competitive Models, and SWOT models to students at the beginning of the class. Students use these models in case studies. Secondly, through case teaching, students are encouraged to deepen their understanding and application of theory. Finally, through the teaching methods distributed by task and students can further apply strategic management theory by completing the task problem. Improve students' ability to solve the actual issues of enterprises by using strategic management methods.

## Keywords

Strategic Management, Curriculum Teaching, Porter's Five Forces Model

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## 1. Introduction

Strategic management refers to the decision-making and management art of the overall and long-term development direction, objectives, tasks and policies, and resource allocation of an enterprise or organization in a certain period. The discipline of strategic management has strong practicality and artistry. Students need to fully understand the connotation of strategic management by relying solely on the teaching mode. Therefore, I combined the case teaching method and the task assignment teaching method with my understanding of strategic management. Organized the concept of planning through the patient and the teaching method of completing the task problem to guide strategic management learning effectively.

## 2. Teaching Case Background and Problems

### 2.1 Background of Teaching Cases

This case can test the student's ability to analyze the case's contents and data and use the strategic management model to plan the company's development. The case background is the development of TOMS Shoes in 2016. Margaret A. Peteraf, Sean Zhang and Meghan L. Cooney wrote the article "TOMS Shoes in 2016: An Ongoing Dedication to Social Responsibility, this article studies the development history of TOMS Shoes, the industry background, the business development model of charitable donation, cooperation with non-profit organizations and the content of the company's product innovation.

## 2.2 Teaching Case Problems

This paper will take the three problems as the breakthrough point, combined with the content of the case to design the subject teaching of strategic management and specific analysis of the issues. The questions in the paper refer to the final exam paper on Strategic management issued by Dr. Yong Jing Yi of Taylors University on February 21, 2022.

### Problems:

- 1) Diagnose and evaluate the competitive pressure of TOMS shoes in the international market by using the five forces framework and combining it with relevant examples. What are the two most critical competitive forces facing Tom's shoes in this case? Support your answer with justification.
- 2) Critically evaluate the three key factors contributing to the effective implementation of the underlying TOMS strategy.
- 3) Evaluate the company's generic competitive strategy for success over competitors. What strategy would you recommend for TOMS shoes in a rapidly changing environment?

## 3. Teaching Design

Guide students to use research results from the EFE model to help analyze Porter's Five Forces model. The EFE model mainly analyzes the opportunities and threats of enterprises, which belong to the external environmental factors of enterprises. The content of Porter's Five Forces model is the competitiveness of existing competitors, potential competitors' entry ability, substitutes' substitution ability, and the bargaining power of suppliers and buyers. These five abilities are also external factors.

Guide students to use the IFE model to analyze the critical competencies within an enterprise. The IFE model mainly studies the strengths and weaknesses of enterprises, which belong to the internal environmental factors of enterprises. IFE's findings can therefore be used to help analyze critical competencies within an enterprise.

Guide students to use Porter's Five Forces and Porter's universal competitive model of key competitiveness analysis firms. Through the research results of Porter's five Forces and key competitiveness, we can comprehensively select the company's appropriate strategic planning from the perspectives of external and internal environmental factors.

Guide students to analyze SWOT and three strategies for effective implementation using EFE and IFE models. EFE and IFE, respectively, study a business's strengths, weaknesses, opportunities and threats, which is what SWOT analysis is all about. The top three factors, chosen from IFE and EFE's strengths and opportunities, can be used as vital elements of the company's strategy.

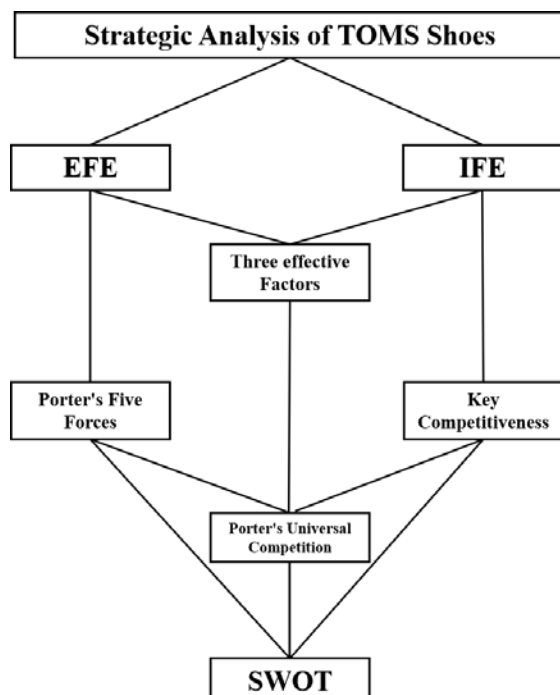


Figure 1. Strategic Analysis of TOMS Shoes Teaching ideas (Source, Author).

## 4. Teaching case practice

### 4.1 Construct EFE and Porter's Five forces model to analyze the external environment of TOMS shoes

#### 4.1.1 Construction of EFE model

Opportunities		Weight	Rating	Weighted Score
1	Society: With the growth of people's economic level, people's demand for high-quality shoe increases, and at the same time, people's sense of social	0.10	4	0.4
2	Classification: The largest segment of the market is the textiles and another footwear segment, with a market size of \$25.082 billion in 2016 (Statista, 2021)	0.08	4	0.32
3	Regions: The United States ranked first in the footwear industry in 2016. In second place was China (Statista, 2021)	0.04	3	0.12
4	Price: Textile shoes are relatively inexpensive and easy to attract more consumers, with a cost of about \$20.31 in 2016, much lower than sneakers at \$113.77 (Statista, 2021)	0.04	3	0.12
5	Sales channels: The proportion of online sales in the shoe industry is increasing year by year, accounting for about 16.1% in 2016-2017 (Statista, 2021)	0.04	2	0.08
6	New retail: The advent of social media has given shoe companies more sales and publicity channels	0.03	3	0.09
7	Technology: Improvements in shoe manufacturing technologies, such as 3D printing and new antibacterial materials, have increased the competitiveness and productivity of shoe companies	0.02	2	0.04
8	Population: Human activities have a tremendous negative impact on the global environment, and society needs shoes with less pollution to the environment	0.02	1	0.02
9	Economy: In 2016, the revenue of the market was 86.83 billion dollars, and the market grew at an annual rate of about 3.6% (Statista, 2021). Responsibility increases mainly manifested in charity	0.02	4	0.08
10	Competition: Industry giant Adidas posted a net loss of 44 million euros in the fourth quarter of 2015, giving other shoe companies an opportunity	0.01	1	0.01
Threats		Weight	Rating	Weighted Score
1	Rising costs: The cost of materials and wages in the shoe industry is expected to increase to more than 70% of the total cost from 2013 to 2020, with rubber prices rising by 7.6% on average and workers' wages increasing by 5.8% annually	0.12	4	0.48
2	Policy factors: The United States advocated in 2016, including reopening negotiations on the North American Free Trade Agreement, withdrawing from the Trans-Pacific Partnership and imposing taxes on Chinese goods. China is the second largest market for the American shoe industry, with sales of 80.446 billion DOLLARS in 2016	0.10	2	0.20
3	Trend wanes: TOMS "One for One" model helps poor kids' lives but doesn't change them. If customers realize this, the model's popularity may remain the same in the future	0.09	1	0.09
4	Ethical kidnapping: TOMS's "One for One" model has created a backlash from customers who want to buy the shoes but don't want to spend money on charity	0.09	2	0.18
5	Uncertainty: No company has previously combined shoes and donations in the market, and the experience reference needs to be improved. The development of this model is full of uncertainty	0.06	2	0.12
6	Market share is difficult to fight for: most of the shoe market in the United States is occupied by Levi's 15%, Nike 15%, Adidas 10%, and other brands	0.06	2	0.12
7	Instability of new technologies: In 2016, 3D printing, new materials and other technologies have not been on the market for a long time and are prone to safety and quality problems	0.03	2	0.06
8	Uncertainty of new sales channels: Uncertainty of sales methods of social media. In 2016, social media had not been listed for a long time, so no one can know whether social media will prosper or decline in the next few years	0.03	3	0.09
9	Startups struggle to grow: The shoe industry is stable and mature, and startups can't compete with older companies in terms of quality, price, and service	0.01	2	0.02
10	Uncompetitive: Because TOMS's "one for one" model promises donations, its prices are inevitably higher than those of other companies, making it uncompetitive	0.01	2	0.02
<b>Total EFE Score</b>		<b>1.00</b>		<b>2.66</b>

Figure 2. Strategic Analysis of EFE (Source, Author).

According to EFE analysis, TOMS's score is 2.66, higher than the average weighted score of 2.5. The company has a solid external position, excellent organizational performance, and can timely make the right strategy for industry opportunities and external threats (Hitt et al., 2016). However, the company also has shortcomings. A careful observation of the scores of opportunities and threats shows that the company's response to opportunities is much higher than that to threats, indicating that the company has an insufficient response to threats. The above analysis provides proof materials to prove TOMS's Porter's Five forces analysis, providing analytical support for TOMS's Porter's Five forces analysis.

#### 4.1.2 Analyze the Porter's Five forces analysis of TOMS shoes

Rivalry among competing firms: High

Industry competition is the most important of porter's five forces, and TOMS can only succeed if it has the edge over its competitors.

Through analysis of the EFE model, opportunities and threats for TOMS to compete among peers:

1) Adidas, the industry giant, had a net loss of 44 million euros in the fourth fiscal quarter of 2015. Adidas accounts for 10% of the global shoe market.

2) The market share is difficult to fight for, and the international shoe market is occupied by Levi's 15%, Nike 10%, Adidas 10%, and other brands (Turker, 2018). Less than 20% of the market is up for grabs, but several companies contest 20%. The companies at the top of the industry are equally competitive, with similar capabilities, and consumers can easily switch brands, say, from Adidas to Nike.

3) In addition, TOMGS is not competitive. Because of the "one for one" model of TOMS promising donation, the price of TOMS is higher than other companies, which is not competitive.

TOMS's strategy should be to differentiate itself from the big shoe companies by avoiding competition costs and protecting its profits to grow its own company.

Potential entry of new competitors: High

When the industry entry barrier is too low, many potential competitors will use lower market prices or better service to fight for limited market share. Unfortunately, the barriers to competition in the shoe industry are low.

Through analysis of the EFE model, opportunities and threats of TOMS in potential competitors:

1) The international footwear market's revenue in 2016 was 86.893 billion US dollars, with an annual growth rate of about 3.6%. This is a large market, which is bound to attract many new competitors (McPhee, 2014).

2) The United States ranks first in the footwear industry, followed by China, which has a considerable market. In addition, there are internationally famous footwear manufacturing markets in Zhejiang Province and Baoding City in Hebei Province, which are renowned for low prices and fast variety renewal, and will become the company's potential competitors.

TOMS may defend its market by lowering prices, offering better service and adding features when potential competitors threaten (Chan and Frisco).

Potential development of substitute products: High

Substitutes will cause tremendous competitive pressure. The competitive pressure on companies will increase when the industry has enough reserves and lower prices. There is a lot of competition for alternatives in the shoe industry. Users can choose from cloth, shoes, sneakers, or slippers.

Through analysis of the EFE model, opportunities and threats of TOMS in alternative development:

The first is the improvement in shoe manufacturing technology, such as 3D printing and new antibacterial materials, which has improved the competitiveness and productivity of shoe companies. However, new technologies have unstable factors. In 2016, 3D printing, new materials and other technologies had not been on the market for a long time and were prone to safety and quality problems.

The company should pay attention to developing potential alternative products, such as making cloth shoes made of new materials, 3D printed sneakers and enriching the company's styles. This can increase their competitive strength, and reduce competitive pressure.

Bargaining power of suppliers: Medium

A strong supplier will lead to an increase in the company's cost, which will affect the company's competitiveness. When there are many suppliers, the company's bargaining power will also increase, and the company's price will decrease.

Through analysis of the EFE model, opportunities and threats of TOMS bargaining power in suppliers:

The cost of making shoes will increase in the future, with material and wage costs in the shoe industry expected to increase to more than 70% of the total cost between 2013 and 2020. Rubber prices are expected to increase by an average of 7.6% annually, while workers' wages are expected to increase by 5.8% annually (Hopkins, 2015). The shoe market uses a lot of rubber, a commodity subject to supply and demand and futures markets.

Companies can reduce the risk of rising materials by hedging in the futures market and hedge the risk of increasing wages by setting up human resource companies to outsource employees.

The bargaining power of consumers: Low

When a company operates in an industry with a limited number of consumers or when consumers have multiple choices, consumers have strong bargaining power. Consumers in the shoe industry have a lot of bargaining power, but TOMS has shied away. TOMS has very little consumer bargaining power.

Through analysis of the EFE model, opportunities and threats of TOMS in consumer bargaining power:

With the growth of people's economic level, people's demand for high-quality shoes increases. At the same time, there is an increased sense of social responsibility, mainly in charity. TOMS TOMS in 2016 maintained a 58.4% gross margin. The reason is that the characteristics of the TOMS company are through a shoe to make charitable donations. When customers shop with the mentality of charity, the customers know the mode of the company is selling a pair of shoes or donating a pair of shoes, the price would be higher than ordinary shoes. At this time, the bargaining power of customers will decrease.

Because of consumers' weak bargaining power in charitable donation mode, the company can develop more consumers to make generous donations by extending the service period and increasing the service content.

## 4.2 IFE Model construction is used to analyze the internal environment of TOMS shoes

### 4.2.1 IFE Model Construction

The IFE model can be used to help analyze the two key factors of TOMS's competitiveness

IFE analysis provides support for two key competitiveness factors for TOMS

According to the IEF analysis, TOMS's score is 2.58, higher than the average weighted score of 2.5. The company has a solid internal position, excellent organizational performance, and can timely make correct strategies for inner strengths and weaknesses. However, the company also has shortcomings. By carefully observing the score of advantages and disadvantages, it can be seen that the company's response to benefits is much higher than its weaknesses, indicating that the company has an insufficient response to penalties. Through the above analysis, we have proof materials to prove the two key competitiveness factors of TOMS and provide analytical thinking support for the two key competitiveness factors.

### 4.2.2 Key competitiveness of TOMS shoes

**Social responsibility:** The company has a strong philanthropist style and corporate social responsibility, donating 50 million pairs of shoes to more than 70 countries in 2016.

With the improvement of people's economic level, the idea of giving back to society is becoming stronger and stronger. The company has caught people's mentality of wanting to do charity and launched the model of charitable donation. This model reflects the company's strong sense of social responsibility, shows an excellent corporate image, and plays a good role in driving society. A robust social sense of responsibility also brought massive profit for the company, TOMS, in 2016 to maintain a 58.4% gross margin. The reason is that the company has a substantial competitive advantage, the customer is buying shoes for charity purposes in the company, not seriously considering the price, consumers' bargaining power is meager, the footwear industry customers' bargaining power is high. But this model can create problems of moral kidnapping, which will be discussed later.

**Win-win cooperation:** The company can streamline its charity business and reduce operating costs through collaboration with donation partners.

Excellent business management and excellent department setup of TOMS significantly reduced the cost of the company. Companies in 70 countries donated 50 million pairs of shoes; this is extensive data, due to the situation of each country is different, if the company their donations will produce a high cost, the company adopts a way of cooperation with large donors, can reduce the investment in assistance, donated more money to the people in need. The donation company will also get more funds because of the cooperation with the company. However, this model will lead to the problem of donation corruption, which will be discussed later.

## 4.3 Three factors contributing to the effective implementation of TOMS strategy

The most crucial strategy of TOMS is the model of charitable donation. It sells shoes in the way of "one for one" to achieve two purposes. The first is to make profits, and the second is to make donations.

By analyzing the IFE and EFE scores of TOMS, select the three factors with the highest scores from the strengths and opportunities as the key factors of the company's strategy and conduct a critical analysis.

1) *Strength -- Strong social responsibility:* The company has a strong philanthropist style and corporate social responsibility, donating 50 million pairs of shoes to more than 70 countries in 2016. The score is 0.38, which is the highest score for advantage factors.

<b>Strengths</b>		<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>
1	Social responsibility: The company has a strong philanthropist style and strong corporate social responsibility, donating 50 million pairs of shoes to more than 70 countries in 2016	0.08	4	0.32
2	Win-win cooperation: Through cooperation with donation partners, the company can streamline its charity business and reduce its operating costs	0.07	4	0.28
3	Strong brand influence: With unique charitable donations, the company has a high reputation and brand loyalty around the world	0.06	3	0.18
4	Whole wish shopping experience: The company satisfies customers' charity mentality through charitable donation sales. This model allowed the company to maintain profit growth in the 2008 financial crisis, with the company's annual average growth rate of 145%	0.05	3	0.15
5	Great products: the company not only sells shoes but also develops new glasses to restore eyesight for children in poor areas	0.04	3	0.12
6	Corporate culture: Let young employees and experienced employees work together to improve the ability of innovation and stability	0.03	2	0.06
7	The success of social commerce: The company attaches importance to developing social media platforms and attracts interested customers through advertising and volunteer participation in donation activities. In 2016, the company had more than 2 million followers on Twitter	0.03	3	0.09
8	High margins: TOMS maintained a gross margin of 58.4% in 2016 (Statista, 2021)	0.03	3	0.09
9	Develop environmental protection industry: The company provides products such as vegan shoes and shoes made from recycled plastic mixtures to demonstrate corporate social responsibility	0.01	1	0.01
10	Unique corporate story: The company was founded with two different goals: to make a profit and to help poor children in Argentine villages. The company uses stories to attract users to charity	0.01	1	0.01
<b>Weaknesses</b>		<b>Weight</b>	<b>Rating</b>	<b>Weighted Score</b>
1	Revenue decline: Toms's revenue declined 23.6% year-over-year in the second quarter of 2016 to \$84 million compared to \$110 million in the second quarter of 2015 (Statista, 2021)	0.10	3	0.30
2	High leverage: The company's leverage ratio was 12.6 times as of the second quarter of 2016. The average leverage ratio in the industry is about ten times (Statista, 2021)	0.08	3	0.24
3	The quotation of TL of the company has been declining from 2014 to 2016, and the quotation of 306.5 million TL (Term Loans) due in 2020 has decreased by 12 to 13 percentage points (Statista, 2021)	0.08	2	0.16
4	Significant decline in EBITDA: TOMS adjusted EBITDA for 2016 fell more than 72% year-over-year to \$5 million compared to \$18 million in the second quarter of last year (Statista, 2021)	0.07	3	0.21
5	Corruption of cooperative donations: Companies choose to cooperate with larger organizations and lack supervision of grants, which is prone to corruption	0.05	1	0.05
6	Lack of novelty: The company's success is introducing a simple donation model. If this model is adopted for a long time, customers will lack originality and reduce shopping	0.05	2	0.10
7	Short establishment time: The company has only been established for ten years, from 2006 to 2016, and its comprehensive strength is weaker than other large companies	0.05	1	0.05
8	Ignoring physical stores: The company attaches importance to e-commerce and most of its sales are online, ignoring the influence and publicity power of physical stores	0.05	2	0.10
9	Lack of advertising: The company focuses on the promotion of social media rather than celebrity endorsement or shopping mall promotion. Lack of multi-channel advertising promotion	0.04	1	0.04
10	Competitor entry: Such a simple donation approach by a company is so easy to imitate that it will inevitably attract competitors	0.02	1	0.02
<b>Total IFE Score</b>		<b>1.00</b>		<b>2.58</b>

**Figure 3. Strategic Analysis of IFE (Source, Author).**



A solid social sense of responsibility brought massive profit for the company TOMS, TOMS in 2016 to maintain a 58.4% gross margin because the company has a substantial competitive advantage, the customer is buying shoes for charity purposes in the company, not seriously consider the price, consumers' bargaining power is meager, the footwear industry customers bargaining power is high.

*Weakness - Lack of novelty:* The company's success is a simple donation model, but customers are visually tired, curious about new things, and willing to pay for them. When companies keep the same shopping pattern for a long, customers will lack freshness and reduce shopping.

2) *Strength -- Win-win cooperation mode:* The company can streamline its charity business and reduce operating costs through cooperation with donation partners. The score is 0.28, ranking second in the score of advantage factors. Excellent business management and excellent department setup of TOMS significantly reduced the cost of the company. Companies in 70 countries donated 50 million pairs of shoes, this is extensive data, due to the situation of each country being different, if the company their donations will produce a high cost, the company adopts a way of cooperation with large donors, which can reduce the investment in assistance, donated more money to the people in need. The donation company will also get more funds because of the cooperation with the company.

*Weakness -- Corruption of cooperative donation:* The company chooses to cooperate with large donation organizations but also faces the problem of lack of supervision of assistance. In 2016, the company donated 50 million pairs of shoes worth hundreds of millions of dollars. However, the company has no special donation department, and the lack of supervision of donation operations will quickly lead to Corruption.

3) *Opportunity -- People's demand for charity:* With the growth of people's economic level, people's need for high-quality shoes increases and their sense of social responsibility increases, which is mainly reflected in charity. The score is 0.4, the highest score on the chance factor. With the improvement of people's economic level, the idea of giving back to society is becoming stronger and stronger. The company has caught people's mentality of wanting to do charity and launched the model of charitable donation. This model reflects the company's strong sense of social responsibility, shows an excellent corporate image, and plays a good role in driving society.

*Threat - buying trend weakening and moral kidnapping:* TOMS "' One for One "model only helps poor kids' lives but doesn't change them. If customers realize this, the model's popularity may decline. TOMS's "one for one" model can create a backlash from customers who want to buy the shoes but don't want to spend money on charity.

#### 4.4 Evaluate the adaptability of Porter's general competitive strategy to TOMS

##### 4.4.1 Build Porter's general competitive strategy model

1) *Low-Cost provider strategy:* Strive to achieve lower total cost than competitors and attract a wide range of buyers (Lasserre, 2017).

According to the statistics, the most significant part of the footwear industry is textiles and other footwear, with a market size of \$25.082 billion in 2016. Materials and other footwear are significantly higher than in different categories. As seen from the price, textile shoes are relatively cheap and easy to attract more consumers. The price in 2016 was about \$20.31, far lower than the \$113.77 for sports shoes.

TOMS's main products are cloth shoes, whose high sales volume and low prices give the company a competitive advantage over other footwear companies. However, the company can only sell at a low cost for a short time, which is not conducive to the long-term development of the company.

2) *Broad Differentiation strategy:* Try to differentiate the company's offerings from those of competitors that appeal to a wide range of buyers

The most crucial strategy of TOMS is the model of charitable donation. It sells shoes in the way of "one for one" to achieve two purposes. The first purpose is to make profits and the second is to make donations. Consumers' bargaining power and product replacement power are very high in the footwear industry (David et al., 2017). TOMS makes consumers' bargaining power and product replacement power very low through the purpose of charity, because only by buying TOMS shoes can the goal of charitable donation be realized. However, TOMS should not be allowed to use this model of the generous donation. New models should be added, such as walking 5,000 steps daily in TOM's shoes.

3) *Focused Low-Cost strategy:* Focus on cost and provide low-cost products for price-sensitive niche buyers

For small and low-cost markets, TOMS doesn't fit, because TOMS's newer, comprehensive strength is low, if r&d niche markets will invest a lot of costs, but this is a low price of the market, so the income is meager, lead to the company take years to spread development costs, so the strategic risks are huge.

4) *Focused Differentiation strategy:* Focus on specific buyer groups to meet specific product needs

For TOMS, this strategy may be suitable for the company's development, but it has the same third point: it is hazardous. This strategic model ignores the price factor, so it can set a relatively high price, but there are two problems. The

first problem is that the sales of high-priced products are limited. The second problem is that TOMS is a charitable donation company, and selling too much can cause ethical issues.

5) Best-Cost Provider strategy: By providing more value to customers, the product is of high grade but the cost is lower than competitors

By making products with higher quality or more features, but at a lower price than their competitors, TOMS will be able to beat their competitors and improve their competitiveness. A sneaker costs \$113.77, while a knit shoe costs \$20.22. If TOMS were to develop a knit shoe that does the same thing as a sneaker but costs only \$80, it would increase sales.

#### 4.4.2 Evaluate the strategies available for TOMS shoes

*Above all, TOMS can choose point 5 and point 2, with the optimal cost strategy of point 5 as the main, and the broad but different strategy of point 2 as the auxiliary.*

Through the fifth strategy, the company can quickly increase market share and profit by providing products with higher quality or more functions but at a lower price than competitors. Through the strategy of the second point, the company avoids the low price brought by competition through differentiation with competitors. And constantly develop new donation modes, to bring freshness to consumers.

By combining the two strategic models, TOMS focuses on developing the fifth point, so that TOMS can maintain its competitive advantages with the same products. Secondly, TOMS creates the second point, so that TOMS can bring profits in the market of different products and improve the company's overall competitiveness.

#### 4.5 Make strategic planning for TOMS shoes through SWOT model

*This paper also provides a more specific strategic plan for the company through SWOT strategic analysis.*

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##### SO Strategies

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- 1 Carry out four large-scale charity sales every year to increase the company's sense of responsibility and influence (S1, S3, O9)
  - 2 Develop three kinds of environment-friendly cloth shoes with a high price (S5, S9, O7, O4)
  - 3 Attach importance to the American market. In 2017, the turnover of the American market increased by 25% and the gross profit maintained by about 60% (S2, O3)
  - 4 Combine new retail with social media and join The Red Book, a social media APP from China (S7, O6, O3)
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##### ST Strategies

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- 1 Two prices are adopted for the same commodity, one with the donation and the other without assistance (S1, T4)
  - 2 Hedging in the form of futures can reduce the rising cost of materials and maintain a gross profit of about 60% (S2, T1)
  - 3 Employ the donated children to work in the company and conduct media publicity to let customers know that the company is not a blind donation (S6, T3)
  - 4 Develop products of different industries, such as clothes and glasses, to increase competitiveness (S5, T6, T9, T10)
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##### WO Strategies

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- 1 Employ an experienced marketing director and financial director to improve the company's financial problems (W1, W2, W3, W4, O1, O2, O3)
  - 2 Establish a department responsible for a charitable donation, so that the company can donate by itself and reduce cooperative donations (W5, O9)
  - 3 Update the donation model. Walking 10,000 steps a day in TOM's shoes will help you donate to charity, reduce car use and help the environment. (W6, O8, O9)
  - 4 Enrich advertising channels and increase advertising in media and shopping malls (W9, O6)
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##### WT Strategies

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- 1 Add two production plants in China to cope with tariff and profit drop (W1, T2)
  - 2 Acquisition of other shoe companies (W7, T9, T10)
  - 3 Attracting venture capital/financing to go public, coping with risks of high leverage and rising cost (W2, T1)
  - 4 Add ten physical stores in the US, combining online with offline sales (W8, T8)
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## 5. Conclusion

The model of strategic management discipline can be applied not only to enterprises but also to the development of individuals. Through the model, the internal and external advantages and disadvantages of individuals or organizations can be analyzed, as well as the gap with competitors. Therefore, students must learn strategic management methods in their future work and personal life. Teachers should conduct in-depth research on strategic management teaching methods and enable students to master strategic management analysis skills by combining case analysis with task problems.

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