

MGB 291: Topics in Social Entrepreneurship Course Syllabus

(Version: July 2013)

Graduate School of Management
University of California, Davis at San Ramon
Fall 2013, Fridays 2:00 – 5:00 pm & 6:00 to 9:00

Instructor: Charley Ansbach
Email: cjansbach@ucdavis.edu
OR cansbach@ansbachassoc.com
Office Hours: By appointment

Office: TBD
Phone: 916-718-9221

Course Description:

Social enterprise is a rapidly developing field of business in which entrepreneurs are using business methods to solve social and environmental challenges heretofore ignored or missed by the market and addressed predominately with donor-driven models by the nonprofit sector. Increasingly, the resulting enterprises are moving from nonprofit to for-profit models, which in turn are impacting sustainability and strategic planning of existing companies, as well. The new challenge for management in this emerging field is balancing mission and margin. This field includes “social intrapreneurship” where employees in existing commercial companies too are developing new income opportunities for their firms by addressing social and environmental challenges in a profitable, scalable manner. All of this is creating new opportunities to move corporate social responsibility from a cost center to a profit center and take ‘good’ to scale. In this evolving context, social entrepreneurs are at the vanguard of creating new business models that they and others can ultimately use to “change the world.” As the traditional lines blur among nonprofits, government, and business, it is critical that business students understand the opportunities and challenges in this new landscape. Learning how to create a social enterprise and knowing it from its other commercial peers takes looking through a new ‘lens.’ Through guest speakers, case discussion, lecture, and student presentations this course will explore this emerging field. Students will learn to identify an existing social enterprise and an existing, successful major corporation with a brand-aligned social interest and create a win-win business proposition to partner the two. Because the field of social entrepreneurship is interdisciplinary and in its infancy, this course will be introductory in nature and will draw heavily from cases, speaker experience and student inquiry. Class discussion will be used and a premium will be placed on participatory, innovative thought.

The course will be structured around four elements that will be interwoven throughout:

1. Understanding the growing fields of social enterprise, social entrepreneurship and intrapreneurship and why they exist
2. Understanding the motivations, opportunities, challenges, financing, business structures and management methods typical of social enterprises
3. Understanding the changing field of corporate social responsibility and the opportunity it represents to take social enterprise and impact to scale
4. Understanding the impact of social entrepreneurship on the public and nonprofit sectors

When looking at a social venture or discussing a social entrepreneur we will examine the following elements:

1. **Innovation**-Social entrepreneurs are innovators who see opportunities others do not, design a solution and create change that the market will pay to sustain. How do they create and spread this innovation and change?

2. **Leadership**--What are the characteristics of social entrepreneurs' leadership?
3. **Sustainability** – How are social entrepreneurs capitalizing their enterprises and generating income while maintaining their social and environmental missions? If taking place inside an existing corporation, how is it different and similar?
4. **Impact and Performance** – What is the social impact of the enterprise? What tools are available to measure that impact and effectiveness of social enterprises?

About the Instructor

Charley Ansbach was an early adopter of social entrepreneurship in the 1970's before the name of the field became popular. He created one of the top five projects for the US Labor Department under the Comprehensive Employment and Training Act where he demonstrated the viability of taking select people from the unemployment ranks and developing new small businesses around their skills to take them from welfare rolls to the small business tax-payer rolls of their communities. Currently, he is working with innovative banking and investment groups to design new ways to engage institutional investors in the growth of the social entrepreneurship.

After serving nationally as a capital campaign director for Ketchum Inc. Charley opened Ansbach & Associates in 1985 to raise capital funding and provide management consulting for nonprofits and NGOs worldwide. He worked with world leaders, social innovators and major individual, corporate and foundation donor/investors to maximize the impact of their community actions. He sold that firm in 2012 to Skystone Ryan Inc, a global consultancy for NGOs, where he served as a managing partner. Charley is now part of a new firm designed to provide interim executive management services, business development and funding to nonprofits and social entrepreneurs, as well as corporations looking for profitable ways to address their social responsibility. He is a judge on the Dell Global Challenge for social entrepreneurs, serves on multiple boards, including the Global Center for Social Entrepreneurism at University of the Pacific, is a contributing author to *Building Strong Nonprofits*, published by Wiley, 2010 and is a global trainer/speaker on issues impacting the field.

Course Objectives:

At the end of the course, students can expect to:

- Have gained an understanding of how social enterprises combine social mission and profit to create new business models for sustainable solutions to local and global challenges in established and emerging markets
- Have gained an understanding of the evolving definition and history of social enterprise, the driving forces behind the growth of the phenomenon globally, the perspectives and goals of the entrepreneurs developing its new models and the resources that are growing to support it
- Have gained an understanding of the fields of social entrepreneurship, social “intrapreneurism” and their role in the emerging concept of “Shared Value” management among major corporations
- Have met leading social entrepreneurs who are using business skills to address complex social problems
- Have developed a win-win plan to engage a major corporation with scaling a brand-aligned social enterprise to increase social impact, generate profit and meet the goals of corporate social responsibility

Prerequisites:

There are no formal prerequisites for this class. This course will encourage students to draw upon the knowledge gained from core classes and apply it in traditional and innovative ways.

Grading

- A+** (rare, premium given for superior performance and participation far above the norm)
- A, A-** (outstanding performance well above standard)
- B+, B** (fully meets the requirements of the course)
- B-** (deficient performance and participation)
- C+** (significant deficiencies in performance and participation)

The class will divide into teams to complete major portions of this class.

All assignments need to be turned in on time. Details on the assignments will be distributed separately.

Six (6) items will comprise your grade: A team project with three (3) parts, two (2) tests and class attendance/participation.

1. Each student team will have a project made up of two parts that are linked to create the final third part, which is the final report. Each part, plus the final report, makes up one-third each of the total project grade.
 - Project Part 1 (30% of project grade): Identify a company with an active office of corporate social responsibility willing to have you research potential social enterprise partnerships or acquisitions that would fulfill or help to fulfill their social impact objectives and provide a financial return for their investment. Research their priorities, objectives, reported social/environmental impact actions (I will provide a letter of introduction for you to use in approaching companies). Write a summary of those goals, objectives and other criteria developed with the company. Do a written summary and a 10-minute presentation about the company, its goals and your criteria to the class. Turn in a copy of your presentation. Provide a copy of the written summary to the company to ensure agreement.
 - Project Part 2 (30% of project grade): Pick the social or environmental field that best aligns with your selected company's strategic interests and goals, such as access to clean water, hygiene, food, affordable housing, credit and the like. Establish criteria for identifying and selecting aligned enterprises for and with your company. Find a minimum of 3 social enterprises that address your company's interests and criteria. Contact the social enterprises to invite them to be part of your research project and share from their perspectives the pros and cons of a possible scaling partnership or acquisition with your company. Determine the degree to which each is ready and able to go to scale. Do 10-minute presentations in class to justify your selections of your three enterprises and the criteria you used to select them.
 - Project Part 3 (30% of project grade): Each team goes back to its main company, present its proposed partner enterprises and gets the companies' assessments. Do a 30-minute presentation and Q&A on you company, the selection process, the aligned social enterprises and the pros and cons from both sides on the potential for partnering/acquisition. Explain what you learned about the process and the

possibilities to make such partnerships work. Turn in a copy of your visual presentation and written report.

Teams will be graded on the content and quality of their written reports as well as oral presentation in which each member must play an active and relatively equal role.

2. Two quizzes (30% of grade combined): These tests are designed to determine your understanding of the text and lectures.
3. Class participation (20% of grade). This grade will be based on frequency and quality of your individual participation in the class discussions. It is partly subjective (quality) but mostly factual (how often). The reason for this aspect of the course is that effectiveness in business often relies on one's ability to represent an opinion or idea effectively in open, competitive discussion. This class is a place to practice.

Attendance and Class Participation:

This class will rely heavily on the interaction between the students, the instructor and the guest speakers. As such, it is critical that you come to all classes well-prepared and ready to contribute. It is expected that you will attend all class sessions. If you must miss a session, please contact the instructor in advance. Missing more than one class session may adversely affect your class participation grade.

Required Readings:

Textbook

- Levenson Keohane, Georgia. ***Social Entrepreneurship for the 21st Century: Innovation Across the Nonprofit, Private and Public Sectors.*** (McGraw Hill, 2013, ISBN 978-0-07-180167-6).

Other Readings

- The Social Intrapreneur: A Field Guide for Corporate Changemakers, (need to sign up) <http://www.sustainability.com/library/the-social-intrapreneur?path=library/the-social-intrapreneurs#.UUcyday8evE>
- 11 Innovative Crowdfunding Platforms for Social Good. <http://mashable.com/2011/10/20/crowdfunding-platforms-social-good/>
- "Why Entrepreneurs Don't Scale," Harvard Business Review <http://exodus-consulting.com/Entrepreneurs/Why%20Entrepreneurs%20Don%27t%20Scale.pdf>
- "The Definitive Guide to Scaling Social Enterprise." Campo. <http://mariaocampo.wordpress.com/2012/05/04/the-definitive-guide-to-scaling-social-enterprise/>

Recommended Reading:

1. Erickson, Gary. *Raising the Bar: Integrity and Passion in Life and Business: The Story of Clif Bar, Inc.*
2. Prahalad, C.K. *The Fortune at the Bottom of the Pyramid.* (Wharton School Publishing, 2006, ISBN 0-13-187729-1).
3. Social Enterprise Alliance, *Succeeding at Social Enterprise: Hard-Won Lessons for Nonprofits and Social Entrepreneurs.* (Jossey Bass, 2010, ISBN 978-0-470-40532-1).
4. Schwartz, Beverly. *Rippling: How Social Entrepreneurs Spread Innovation Throughout the World.* (Jossey Bass, 2012, ISBN 978-1-118-13859-5).

Detailed Class Schedule:

IMPORTANT NOTE: DUE TO THE LENGTH OF EACH CLASS, COME TO CLASS #1 HAVING ALREADY READ CHAPTERS 1 - 7 OF *SOCIAL ENTREPRENEURSHIP FOR THE 21ST CENTURY*

Class 1 & 2: Introduction to Social Entrepreneurship

Discussion Topics:

- What is a social enterprise?
- What is social entrepreneurship?
- What is going on in the business and social environments that is causing these new companies to be formed worldwide, i.e. why are entrepreneurs creating them? What need are they filling? How are they different from other businesses and entrepreneurs?
- What is not a social enterprise?
- Is social enterprise a new idea?
- Who are some of the early and leading innovators?
- What are examples of success and failure?
- What basic metrics and methods of evaluation are used to measure success?
- What is the relationship to nonprofit and for-profit corporations?
- What is a hybrid corporation?
- Who were the early funders and how has that part of the field evolved?
- What are some of the unique investment considerations when dealing with the social enterprise field?
- What is the impact of technology?
- What is driving the growth of the field?

Videos of indicative social entrepreneurs and their enterprises

- The Jaipur Foot. <http://bottomofpyramid.blogspot.com/2004/06/case-of-jaipur-foot.html>
- Skoll World Forum on Social Entrepreneurship. <http://www.skollworldforum.org/>
- Tour of Dell Social Innovation Challenge at: www.dellchallenge.org

Create student project teams

Discuss projects and quizzes

Review report and presentation formats

Reading for next class:

Social Entrepreneurship for the 21st Century, Chapters 7 – 13

The Social Intrapreneur: A Field Guide for Corporate Changemakers, Read all (need to sign up)
<http://www.sustainability.com/library/the-social-intrapreneur?path=library/the-social-intrapreneurs#.UUcyday8evE>

Discussion to prepare to deliver presentation of Project Part 1 for each team

Class 3-4: The Social Enterprise, Impact Investing & the Evolving Role in Corporations, Emerging Markets and Sustainability Strategies

Team Presentations, Part One: 10-minutes by each team on company selection, social enterprise search criteria, et al.

Discussion Topics:

- What is the relationship of social enterprises to other companies, markets?
- What is their relationship with traditional nonprofits and government services?
- What is the Fourth Sector?
- What legal structure(s) do social enterprises use and why?
- What are the critical differences, challenges and opportunities involved in managing social enterprises versus other enterprises?
- What is the concept of “Shared Value” and how is it impacting corporate strategy and its relationship to social enterprise?
- If social enterprise is where corporate social responsibility and nonprofit social service converge what may be the future impact on each of those sectors?
- Is social enterprise the tip of the spear of where business overall might or must go to remain relevant and profitable in tomorrow’s markets? If so, why or why not?

Reading for next class:

Social Entrepreneurship for the 21st Century, Chapters 14 - 21

Class 5-6: The Impact of Social Entrepreneurism and Social Enterprise on the Public Sector

TEST: MAIN ISSUES DISCUSSED IN CLASSES 1 AND 2

Team Presentations: 10-minutes by each team on social enterprise selection criteria, scaling potential, company alignment, et al.

Discussion Topics:

- If part of the reward you want to earn is to improve some facet of the environment or society as well as make money how will you know if the investment is successful?
- If established companies find it hard to not cause damage and less damage is needed to sustain the global community where will new ideas come from and how will they get started and go to a big enough scale to have a meaningful impact and profit to attract investment?
- What fails more often: good ideas and a weak team or a great team and a weak idea?
- What can happen in a social venture when earning more money is in conflict with making a bigger positive social impact and how might it be addressed?
- Discuss the business plan requirements for the class final projects.

Readings for next class:

- 11 Innovative Crowdfunding Platforms for Social Good.
<http://mashable.com/2011/10/20/crowdfunding-platforms-social-good/>
- “Why Entrepreneurs Don’t Scale,” Harvard Business Review

- <http://exodus-consulting.com/Entrepreneurs/Why%20Entrepreneurs%20Don%27t%20Scale.pdf>
- “The Definitive Guide to Scaling Social Enterprise.” Campo.
<http://mariaocampo.wordpress.com/2012/05/04/the-definitive-guide-to-scaling-social-enterprise/>
- “Startups: What is Involved in Scaling?” (Need to sign in)
<http://www.quora.com/Startups/What-is-involved-in-a-startup-scaling>

Class 7-8: From the Field: Discussions with Practitioners from Social Enterprise & CSR

Guest Speakers & Discussion:

- Social Entrepreneur
- Social Enterprise Manager
- Impact Financier
- Corporate CSR Manager
- CSR/Social Enterprise Dealmaker
- Mission Driven Corporation

Discussion Topics:

What does ‘going to scale’ mean?

How is it done?

How much ‘scale’ is enough? How do you know?

What are some key challenges for businesses trying to go to scale? For social enterprises?

What are some methods for taking a social enterprise to scale?

What role can major corporations, like multinationals, play in getting social enterprises to scale?

Team reports on project progress

Class 9-10: Trends in Social Entrepreneurship & Enterprise

TEST: MAIN ISSUES DISCUSSED IN CLASSES 3 AND 4

Assignment due:

- **FINAL** student presentations of CSR/social enterprise partnerships
- Written copy of completed plans and presentations

Discussion Topics:

The challenges of social enterprise leadership

The challenges of social enterprise management

The challenges of social enterprise finance

The challenges of gaining market share

Current and future trends in social enterprise

Class 11: There is no separate final exam