



Topics in Social Entrepreneurship Course Syllabus

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Graduate School of Management
University of California, Davis
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Course Description:

Social entrepreneurship is a rapidly developing field of business in which entrepreneurs are using business methods to help solve social and environmental challenges otherwise ignored or missed by commerce and addressed predominately with often unsustainable donor-driven models by the nonprofit sector. This field includes “social intrapreneurship,” where employees in existing companies similarly are developing new income opportunities for their firms by addressing social and environmental challenges in a profitable, scalable manner. Using the social enterprise concept, it is now increasingly possible for major companies to move social responsibility from a cost center to a profit center. In this evolving landscape, social entrepreneurs are at the vanguard of creating new business models for neglected markets that corporations can emulate, partner with or acquire to take to scale. 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. Through guest speakers, case discussion, lecture and student presentations this course will explore this emerging field. Students will learn what a social enterprise is and how it is the same as well as different from other types of business. Students will be expected to develop a business plan summary and investment ‘pitch’ to scale a social enterprise. Because the field of social entrepreneurship is interdisciplinary and in its infancy, the course will be introductory in nature and will draw heavily from cases, speaker experience and student inquiry. The Socratic style of discussion will be used and a premium will be placed on innovative, limit-pushing thought and dialog by each student in class.

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

1. The field of social entrepreneurship
2. The situations, resources and business structures used by social entrepreneurs
3. The mechanics, tensions, and realities of starting and/or managing a social enterprise
4. The emergence of “social intrapreneurism” and the potential for scaling social and environmental solutions profitably throughout the business sector

When looking at a social venture or discussing a social entrepreneur we'll examine the following:

1. **Sustainability** – How are social entrepreneurs funding their enterprises? How is the enterprise sustaining itself financially? If inside another corporation, how is it managed?
2. **Impact and Performance** – What is the impact of the enterprise? Which tools are available to measure the impact and effectiveness of social enterprises?
3. **Innovation**-Social entrepreneurs are innovators who create change. How do they create and spread this innovation and change?
4. **Leadership**--What are the characteristics of social entrepreneurs' leadership?

About the Instructors

Charley Ansbach was an early adopter of social entrepreneurship. He created one of the 'top five' projects for the US Labor Department under the 1970s Comprehensive Employment and Training Act and demonstrated the viability of moving unemployed workers from welfare rolls to tax-payer rolls by creating new small businesses with and around their skills, while generating significant program income to foster its sustainability. Based on his success raising and earning capital in the public sector he became a capital campaign director for Ketchum Inc. He opened Ansbach & Associates in 1985 to partner with Ketchum and provide management and fundraising counsel to nonprofits locally, nationally and internationally, helping them raise millions of dollars for their missions. Charley also counseled corporate and foundation leaders on maximizing the impact of their community investments. He sold his firm in 2007 to Skystone Ryan, Inc. where he served as a Managing Partner until 2010. He now counsels corporations, social entrepreneurs and nonprofits on management, partnerships and profitable solutions to social challenges. Charley was appointed as the first adjunct professor at University of the Pacific's Eberhardt School of Business in social entrepreneurship. He is a judge on the Dell Global Challenge, serves on multiple boards, including the Global Center for Social Entrepreneurism, was a contributing author to *Building Strong Nonprofits*, published by Wiley, 2010 and is a global trainer/speaker on issues impacting the field. He is a graduate of Edinboro University (PA) and was a graduate fellow at Indiana University (IN).

Ken Larson works with companies, organizations and public agencies to make their commitments to employees and communities clear, their strategies compelling, their programs effective and their reports credible, while making their stakeholders an integral part of all those efforts. Ken worked for the Hewlett Packard Company for over 25 years as Director of Corporate Social Responsibility, California Region Government and Public Affairs Manager and Sacramento Area Public Affairs Manager, as well as Human Resources Manager for several HP businesses. He was responsible for ensuring HP's business practices added to shareowner value as well as to the desired social value and environmental sustainability for customers, employees, partners and communities around the world. He worked with external stakeholders, including socially responsible investors, NGOs and other parties on emerging standards and expectations of corporations in the area of global citizenship. He engaged with public, private and industry groups to communicate HP's positions and contribute to the discussion of the roles and responsibilities of corporations in social responsibility. He managed HP's "Citizenship" reporting processes for several years, including the 2004 HP Global Citizenship Report that received the top honor from CERES. Ken understands how partnerships with social entrepreneurs and internal social intrapreneurs take place in a major company. He has a Master's of Public Administration from UCLA and a Bachelor of Arts in Urban Affairs from Occidental College. He completed a year of graduate study in social welfare at the University of Stockholm, Sweden. In addition, he lived in Japan and traveled extensively through Southeast Asia.

Together, these instructors will guide students to an understanding of social entrepreneurship from the perspective of an independent entrepreneur and a corporate social intrapreneur.

Course Objectives:

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

- Acquired an understanding of the fields of social entrepreneurship and social “intrapreneurism”
- Met leading social entrepreneurs and intrapreneurs who are using business skills to address complex social and environmental problems in sustainable, profitable ways
- Developed a basic business plan and investment ‘pitch’ for scaling an existing social venture

Prerequisites:

There are no formal prerequisites for this class. This course will draw heavily upon the core classes, and will give students an opportunity to integrate the content from these core classes.

Grading and Class Participation:

- All assignments need to be turned in on-time.
- Details on the assignments will be distributed separately.
- The class will divide into teams to complete major portions of this class.
- Each student will:
 - Turn in the 3 assigned research and opinion assignments throughout the course **(15% of grade)**.
 - Be responsible for active and engaged participation in class discussions. Each student will be expected to interact with the guest speakers. The extent to which each student is prepared to engage the guests and drive discussion for the class’s benefit will reflect favorably on his/her review. Class participation in general will be evaluated on frequency and quality **(25% of grade)**.
- Each student team will:
 - Select an existing social enterprise and develop a preliminary concept for taking it to scale, which is due by the third class **(10% of grade)**.
 - Do weekly updates and discussion of progress on their final business plans **(10% of grade)**.
 - Final in-class written reports and in-class presentations of business plans and investor ‘pitch’ presentations:
 - i. Working in teams of three to four people each team will develop the concept, basic business plan for scaling an existing nonprofit social enterprise and do an investment ‘pitch’ for their company. Teams will be graded on the oral presentation in which each member must play an active and relatively equal role, as well as the written report and pitch deck.
 - ii. Presentations will take place on classes 9 and 10 and the written plan is due on week 10 **(40% of grade)**.

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)

Attendance and Class Participation:

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

Required Readings (Sections will be assigned):

Complete course readers plus a collection of readings and cases that are listed under individual class sessions.

1. Schwartz, Beverly. *Rippling: How Social Entrepreneurs Spread Innovation Throughout the World*. (Jossey Bass, 2012, ISBN 978-1-118-13859-5).
2. Grayson, David, McLaren, Melody, Spitzack, Heiko. "Social Intrapreneurs-An Extra Force for Sustainability." <http://www.som.cranfield.ac.uk/som/dinamic-content/media/social%20intrapreneurs%20occasional%20paper.pdf>
3. Prahalad, C.K. *The Fortune at the Bottom of the Pyramid*. (Wharton School Publishing, 2006, ISBN 0-13-187729-1).

Recommended Reading:

1. Erickson, Gary. *Raising the Bar: Integrity and Passion in Life and Business: The Story of Clif Bar, Inc.*
2. Drucker, Peter, E. *Innovation and Entrepreneurship*.
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. *The Social Intrapreneur: A Field Guide for Corporate Changemakers*, <http://www.sustainability.com>
5. Social Impact Exchange website: <http://www.socialimpactexchange.org>

Detailed Class Schedule:

Class 1, April 1, 2013: Introduction to Social Entrepreneurship

Discussion Topics:

- What is a social enterprise?
- Is it a new idea?
- What is causing these new kinds of companies to be forming worldwide, i.e. why are entrepreneurs creating them? What need are they filling?
- What kinds of businesses fall into this field?
- How are they the same or different from any other companies?
- How are they similar and/or different than nonprofit organizations and other social service providers?
- Who is creating social enterprises?
- Are they successful? In what terms?
- What are some examples?
- Where is all this activity and innovation heading?

Presentations:

- PowerPoint Presentation: A Brief History and Overview of Social Entrepreneurship
- Tour of Dell Social Innovation Challenge at: www.dellchallenge.org

- Michael Porter Lecture: www.youtube.com/watch?v=z2oS3zk8VA4
- Create student project teams
- Discuss final projects

Reading:

- “Social Capitalists” in *Fast Company* Magazine, by Cheryl Dahle
www.fastcompany.com/magazine/102/open_social-capitalists-intro.html
- *Rippling*, pages 18-62

Case:

Grameen Bank: www.gsbapps.stanford.edu/cases/documents/SM116.pdf
 Maharishi Institute: www.maharishiinstitute.org

Assignment: One-page write-up by each Team on its selected social enterprise to take to scale. Prepare 5-minute Team presentation (each member must participate somewhat equally)

Class 2, April 8, 2013: *The Blurring Boundaries Between Nonprofits, Governments, Corporations and Business (Social Enterprise)*

Assignment due:

- One-page write-up by each Team on its selected social enterprise to take to scale
- Five-minute Team presentation on the social enterprise selected and why it should and can be taken to a greater scale (all team members must participate)

Guest Speakers:

- Gail Johnson Vaughn, CEO, Mission Focused Solutions
- Christina Espanosa, CEO, GenteGas, SA

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 legal structure(s) do social enterprises use?
- What is the Fourth Sector?
- 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? If not, why?

Reading:

- “Capitalizing on Convergence”, James E. Austin, Roberto Gutierrez, Enrique Ogliastri, & Ezequiel Reficco
http://www.ssireview.org/articles/entry/capitalizing_on_convergence
- “The Competitive Advantage of Corporate Philanthropy,” Porter and Kramer.
- *Succeeding at Social Enterprise*, Chapter 2. “Doing Good Versus Doing Well: Balancing Impact and Profit”

Case:

- Google.org

- The Jaipur Foot. <http://bottomofpyramid.blogspot.com/2004/06/case-of-jaipur-foot.html>

Assignment: Each Team writes a one-page summary of the proposed business plan to scale its selected social enterprise

Class 3, April 15, 2013: *The Business of Change*

Assignment due:

- 1 page summary by each Team of business plan for scaling

Guest Speaker: Camilla Nelson, Global Community Engagement Program Manager HP Office of Sustainability and Social Innovation, retired

Discussion Topics:

- Would you invest your own capital in a new or expanding business?
- What criteria would you use to assess the risk of such an investment?
- Should businesses care about their impact on the community and the environment and if so, why? What if it hurts their bottom-line? What is the purpose of a business?
- Would you care if the company you invest in causes damage to people or the planet as long as it gives you a good financial return?
- 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 enough impact and profit to attract investment?
- What would you look for in a business plan for any company? What is useful information and what is vital for making an investment decision? Why?
- Are using plans for a start-up as or more important than a plan for expansion?
- What tends to fail 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 two examples from the *Rippling* text and discuss what a business plan for each of those companies might look like.
- Discuss the business plan requirements for the final project and the content of an effective investment 'pitch'

Video:

HUMANOSPHERE, (Top high school, college and senior SE pitch competition winners), <http://humanosphere.kplu.org/2012/10/seattle-pitches-social-enterprise/>

Reading:

- "Social Entrepreneurship: Leadership that facilitates societal transformation --An exploratory study," by Alvord, Brown, and Letts.
- "Creating Social Change: 10 Innovative Technologies," John Voelcker
http://www.ssireview.org/articles/entry/creating_social_change_10_innovative_technologies/

- “How to Write a Great Business Plan,” Sahlman.
<http://e145.stanford.edu/upload/articles/sahlman.pdf>
- *Rippling*. Pages 68 to 94

Assignment:

- **Prepare oral progress report**
- **Each student pick any social enterprise and write a two-page summary of its purpose (the need/want/problem it addresses), the solution it created, the source of income, and its business model**

Class 4, April 22, 2013: Capital/Funding/Financing

Assignment due:

- Team progress reports on business plan development
- Two-page summary of a social enterprise and its purpose (the need/want/problem it addresses), the solution it created, nature and scale of its market, the source of its income, and its business model

Guest Speakers: Julia Burrows, President & Executive Director, Greenwise Joint Venture

Discussion Topics:

- What is a social impact investor? How do they differ from venture philanthropists and how are both different from traditional venture capital and market investors?
- What kinds of investments do social impact investors make?
- Approximately how much money is available to invest through social impact investment pooled funds worldwide?
- Where do most social enterprises get financing for start-up, establishment, growth and expansion?
- How do they measure ROI?
- Do they provide an exit strategy for investors?
- What pressures are/may be impacting the investment market that may make getting funding for a socially responsible company easier than for one that is not?

Reading:

- “Sources of Financing for New Nonprofit Ventures,” Dees & Dolby.
“Impact Investing: Bold Models to Drive Development at Scale,” Rockefeller Foundation. <http://www.rockefellerfoundation.org/uploads/files/e026aed8-dc3f-496f-acf4-56524cafb523.pdf>
- 11 Innovative Crowdfunding Platforms for Social Good.
<http://mashable.com/2011/10/20/crowdfunding-platforms-social-good/>
- Venture Philanthropy, Defined.
<http://www.socialinnovationeurope.eu/magazine/finance/articles-reports/venture-philanthropy-defined>
- Succeeding at Social Enterprise, Chapter 5. “The Life Cycle of Social Enterprise Financing”

Class 5, April 29, 2013: *Social Entrepreneurship and the challenges of scale*

Assignment due: Team progress reports on business plan development.

Guest Speaker: Bill Mueller, CEO & Managing Partner, Valley Vision, Inc

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 taking social enterprises to scale?

Reading:

- "Why Entrepreneurs Don't Scale," Harvard Business Review
hbr.org/product/why-entrepreneurs-don-t-scale/an/R0212J-PDF-ENG
- "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?" <http://www.quora.com/Startups/What-is-involved-in-a-startup-scaling>
- *Succeeding at Social Enterprise*. Chapter 3. "Business Planning for Enduring Social Impact"

Case:

- Healthpoint and Proctor & Gamble

Assignment: Each student writes a one to two-page report profiling three of the largest income earning nonprofits operating locally, nationally or internationally

Class 6, May 6, 2013: *Competition and Measuring and Managing Performance*

Assignment due:

- Progress report on business plan development.
- One to two-page report profiling any three of the largest income earning nonprofits, locally, nationally or internationally

Guest Speaker: David Wilcox, CEO, ReachScale

Reading:

- "Social Enterprise 2.0: Moving toward a sustainable model," Jim Schorr.
- "Should Nonprofits Seek Profits," Foster and Bradach
- *Succeeding at Social Enterprise*, Chapters 11. Building a Performance Measurement System: Using Data to Accelerate Social Impact

Assignment: Each student writes a one to two page summary of a social intrapreneur driven social enterprise business developed within a major corporation.

Class 7, May 13, 2013: *For-profit Social Venture Models*

Assignment due:

- Progress report on business plan development.
- One to two page summary of a social intrapreneur business developed within a major corporation

Guest Speaker: Keely Stevenson, CEO, Bamboo Finance

Reading:

- “Social Intrapreneurs-An Extra Force for Sustainability.” Grayson, McLaren, Spitzack. <http://www.som.cranfield.ac.uk/som/dinamic-content/media/social%20intrapreneurs%20occasional%20paper.pdf>
- “Focusing the Social Marketing Concept,” Rangan. students.gsm.ucdavis.edu/Courses/Fall2011/MGB291.pdf
- “A Roadmap for Natural Capitalism,” Lovins. salient.nohomepress.org/wp-content/uploads/.../hbr-rminatcap.pdf

Cases:

- New Schools Venture Fund. www.newschools.org/
- Ikea. <http://www.iisd.org/business/viewcasestudy.aspx?id=119>

Class 8, May 20, 2013: *Making a Pitch for Funding*

Assignment due: Team progress reports on business plan development.

Presentation: “Pitch” PowerPoint
Sample Pitch Winners Videos

Guest Speaker: David Hytha, Sofinnova Ventures

Discussion Topics:

In-class ‘pitch’ practice

Reading:

- How to Pitch Your Social Enterprise. <http://www.socialbrite.org/2008/10/14/how-to-pitch-your-social-enterprise/>
- ZERO DIVIDE, “7 Pitching Tips for Young Social Entrepreneurs: From the Social Enterprise Alliance Summit 2011.” <http://www.zerodivide.org/node/2262>
- SE ToolBelt, “Social Enterprise Elevator Pitch.” <https://docs.google.com/document/preview?id=1iXNRxaLnuwkpWQG51QIGX7vgYB6xE29isor8H5e6UpE&pli=1>

Case:

- Winners pitches on Dell Global Challenge 2012

Class 9, June 3, 2013: *Highlights and Future of Social Enterprise*

Assignment due: None

Discussion Topics:

- Final Q&A discussions on Team projects
- Review and Q&A on semester lessons on social enterprise
- New directions in Social Enterprise and emerging career opportunities
- Global competitions in social enterprise development

Reading:

- Calendar of 2012 nonprofit & social change conferences.
<http://www.socialbrite.org/2012/01/02/calendar-of-2012-nonprofit-social-change-conferences/>
- Skoll World Forum on Social Entrepreneurship.
Skollworldforum.org/

Class 10, June 10, 2013: *Final presentations (in-lieu of exam)*

Assignment due:

- Student presentations of investment pitches
- Written copy of completed business plan and pitch deck