



## **MGB 291-2: Topics in Social Entrepreneurship, Course Syllabus**

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Graduate School of Management

University of California, Davis, Sacramento Campus

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MGB 291-2

Course Topic: Social Entrepreneurship

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Teaching Dates: Bi-weekly, Fridays and Saturdays starting 1/8/16

Class Times: Fridays 6-9 PM & Saturdays 1-4 PM

Campus: San Ramon

### **Overview**

Social entrepreneurship is the creation of innovative, sustainable solutions to social and environmental problems using business methods as the tool. Historically, such entrepreneurship took place predominately in non-profit corporations and government programs. Social enterprise born from social entrepreneurship is an active and growing field of business in which the entrepreneurs are creating value by combining purpose and profit predominately in markets that were heretofore ignored or missed. This field also includes "social intrapreneurship" where employees in existing commercial companies are developing new opportunities for their firms at a time when the market is experiencing a demand for socially responsible value creation. In these ways, social entrepreneurship is playing a role in moving corporate social responsibility from a cost center to a profit center and ultimately to new products and ways of doing business for an entire company. It is at the vanguard of creating new business models that are expanding the way value is created.

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 requires 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, as well as a successful major corporation with a brand-aligned social or sustainability agenda in order to create a win-win business proposition between the two. Because the field of social entrepreneurship is interdisciplinary and in still in its infancy, this course is introductory in nature and draws 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 inter-related elements:

1. Understanding the growing fields of social entrepreneurship, intrapreneurship and social enterprise, why they exist, and how they differ from their traditional, commercial peers
2. Understanding the unique motivations, opportunities, challenges, financing, business structures and management methods typical of social enterprises
3. Understanding the changing field of corporate social responsibility and sustainability and the opportunity it represents for taking social enterprise and its 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 for which the market is now willing to pay. How do they approach innovation and change that is different from their other business peers?
2. **Leadership**—In what ways are these entrepreneurs leading their respective fields to new value creation?
3. **Sustainability** – How are social entrepreneurs capitalizing their enterprises and generating income while maintaining their social and environmental missions? When it takes place inside an existing corporation through a social ‘intrapreneur,’ how is it different and similar?
4. **Impact and Performance** – What is the social impact of a social enterprise? What tools are available to measure that impact?

### Instructor

Charley Ansbach is 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 social entrepreneur projects for the US Labor Department under the Comprehensive Employment and Training Act in which he demonstrated the viability of taking select people from the ranks of the unemployed and helping them develop new small businesses around their

skills to take them from the welfare roll to the roll of small business tax-payer in their communities. Currently, he is working with innovative business models and technologies that successfully monetize the delivery of clean water to unserved areas of the world.

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 now has created a new firm designed to provide interim executive management services, enterprise development and funding to nonprofits and social entrepreneurs, as well as corporations looking for profitable ways to address their social responsibility agendas and/or completely redesign their prime corporate agendas. He was a multi-year judge on the Dell Global Challenge for social entrepreneurs, serves on multiple boards, including Roots of Peace and Innovation in Education Management. He is a contributing author to *Building Strong Nonprofits*, published by Wiley, 2010 and *The Handbook of Persuasion and Social Marketing*, published by Praeger, 2014. He is a global trainer/speaker on issues impacting the field.

### **Objectives**

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

- Have gained an understanding of social entrepreneurship and how social enterprises combine social mission and profit to create new business models for sustainable solutions to local and global challenges in established, neglected and emerging markets
- Have gained an understanding of the definition and history of social enterprise, the driving forces behind the growth of the phenomenon globally, the perspectives and goals of the entrepreneurs developing these new models and the resources that are available to support them
- Have gained an understanding of the fields of social entrepreneurship, social “intrapreneurism” and their role in the concept of “Shared Value” management that is spreading 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 corporate social responsibility goals

### **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 the assignments.

All assignments must 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) quizzes and class attendance/participation:

### **1. Team Project**

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 corporate social responsibility program willing to have you research potential social enterprise partnerships or acquisitions that would fulfill or help to fulfill their social responsibility/sustainability goals and provide a financial return. Research their company core business strategies, goals, and social/environmental CSR agendas (As your instructor, I will provide a letter of introduction for you to use in approaching companies). Write a summary of those goals and other criteria. Do a written summary and a 10-minute presentation about the company to the class. Turn in a copy and provide a copy 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 core business and goals, such as access to clean water, hygiene, food, or affordable housing. Establish criteria for identifying and selecting aligned social enterprises for and with your company. Find a minimum of 3 social enterprises that fit your company's strategies, brand and goals. 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 by 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): Go to your main company, present the proposed partner enterprises and show them the risks, benefits and opportunities associated with each acquisition choice. Include your team's recommendations regarding the options. Do a 30-minute oral and visual presentation on you company, your research and selection process, the aligned social

enterprises and the pros and cons from both sides on the potential for 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. Provide a copy of all materials to all of the cooperating companies.

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

2. **Quizzes** (30% of grade combined): The two quizzes 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 and given feedback in the forms of discussion and a grade.

### **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.

### **Course Materials**

#### **Required Reading**

- Levenson Keohane, Georgia. ***Social Entrepreneurship for the 21<sup>st</sup> Century: Innovation Across the Nonprofit, Private and Public Sectors.*** (McGraw Hill, 2013, ISBN 978-0-07-180167-6).
- Westaway, Kyle, ***Profit & Purpose.*** (John Wiley & Sons, 2014, ISBN 978-1-118-70855-2 (e-Pub), ISBN 978-1-118-70856-9 (Adobe PDF), ISBN 978-1-118-70861-3 (cloth)
- ***The Social Intrapreneur: A Field Guide for Corporate Changemakers*** (Copies provided in class)
- ***11 Innovative Crowdfunding Platforms for Social Good.*** <http://mashable.com/2011/10/20/crowdfunding-platforms-social-good/>
- ***From Start-up to Scale: Conversations from the Harvard Business Review - Bridgespan Insight Center on Scaling Social Impact.*** <http://www.bridgespan.org/getmedia/2e3147b3-939e-45b7-b7b2-dd7c959e1d9f/From-Start-up-to-Scale.pdf.aspx> (Copies provided in class)

### **Recommended (but not required) Reading**

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

### **Guest Speakers**

Several experienced guest speakers will join the class for discussions. The objective is to be able to share in their personal experiences and insights. There will not necessarily be a one-to-one match between the case discussion and the guest speaker in terms of specific topic for any individual class, nor will the guest speakers necessarily provide a POV that is consistent with what students have read or debated. They will bring real-world experience across a spectrum of topics within social entrepreneurship. It is in your best interest to be prepared to engage each guest on the areas of their expertise. The extent to which you come armed with specific questions and points of discussion, the more you will get out of their presence in the class. The schedule of speakers is subject to revision.

### **Class Outline:**

#### **Class 1: Introduction to the Class and a Summary of Social Entrepreneurship**

##### **Discussion Topics:**

- Create student project teams
- Discuss projects and quizzes
- Review report and presentation formats
- Review the importance of class preparation
- Distribute reading materials

##### **Class Summary:**

- Definitions and history
- Examples of social entrepreneurship in the nonprofit, public, and private sectors
- Funding, investment, and evaluation
- Sustainability, responsibility, and social entrepreneurship/intrapreneurism as a platform for creating value

- The challenges of partnerships, acquisitions and scale
- Government as a catalyst
- Creating value
- Opportunities for innovation

#### **Introductory Videos and Discussion:**

- The New Heros, PBS
- The Jaipur Foot. <http://bottomofpyramid.blogspot.com/2004/06/case-of-jaipur-foot.html>
- Skoll World Forum on Social Entrepreneurship. <https://www.youtube.com/watch?v=I2-cHGq8FMUS>
- SOCAP: <https://www.youtube.com/user/SOCAPmarkets>
- Shared Value: <https://www.youtube.com/watch?v=1vK3cxnP6I4>

**Assignment:** Write 1-2 page summary of 3 companies you believe are social enterprises and why, plus 3 you believe are not, and why.

#### **Reading for Next Class:**

*Profit & Purpose*, Introduction

*Social Entrepreneurship for the 21<sup>st</sup> Century*, Chapters 1-7

### **Class 2: Social Entrepreneurism: Definitions, History and Growth in the Nonprofit Sector**

#### **WRITTEN ASSIGNMENT DUE**

#### **Discussion Topics:**

- What are some key distinctions and similarities between nonprofit and for-profit corporations in terms of purpose, the creation of value, and management priorities?
- What is entrepreneurship?
- What is social entrepreneurship?
- What is a business enterprise?
- What is a social business enterprise?
- Discuss examples of which companies are and are not social enterprises and what constitutes the difference(s). Think, for example: Ben & Jerry's, Patagonia, Tom's Shoes, Walmart, Ford and ENRON.

- Are social entrepreneurship and social enterprise new ideas?
- Who are some indicative innovators?
- Broadly speaking, what has gone on historically and is going on now in business and society 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? Why are students worldwide studying the topic?
- To what degree is the nonprofit sector embracing social enterprise and what are the opportunities, challenges and new developments?
- How is philanthropy changing to address the emergence of social entrepreneurship?
- What is venture philanthropy?
- How are funders measuring and evaluating the impact of social entrepreneurs
- What is online funding for social entrepreneurship
- What is prize funding?
- What is asset related funding?

**Reading for Next Class:**

- *Social Entrepreneurship for the 21<sup>st</sup> Century*, Chapter 8-10
- *The Social Intrapreneur: A Field Guide for Corporate Changemakers: pages 1-26*

**Class 3: Social Impact as Value in the Private Sector**

**Guest Speaker(s):** TBD

**Discussion Topics:**

- Describe the shift from entrepreneurship to enterprise
- Summarize and discuss the changing income profile of nonprofits
- Discuss the challenges and opportunities for social entrepreneurship in the nonprofit sector.
- What are social intrapreneurs?
- What role do they play?
- Discuss examples of intrapreneurship.
- What are the similarities and differences between independent social entrepreneurs and intrapreneurs?



**Reading for Next cCass:**

- *Social Entrepreneurship for the 21<sup>st</sup> Century*, Chapters 11-13
- *The Social Intrapreneur: A Field Guide for Corporate Changemakers*, Pages 27-60

**Class 4: The Social Entrepreneurship's Evolving Role in Corporations, Emerging Markets, Value Creation and Sustainability Strategies**

**Quiz 1: Classes 1-3 (taken as a team)**

**Team Reports: Part 1**, 10-minutes by each team on company selection/engagement

**Discussion Topics:**

- How do social enterprises fail?
- What is a hybrid corporation?
- What is the Fourth Sector?
- What legal structure(s) do social enterprises tend to use and why?
- What are the critical differences, challenges and opportunities involved in managing social enterprises versus other enterprises?
- What is micro-financing, why is it important in social entrepreneurship and how does it work?
- What is the concept of "Shared Value" and how is it impacting corporate strategy and its relationship to social enterprise?
- If social enterprise and intrapreneurship are where corporate social responsibility and nonprofit social service converge what may be their future impact on each of those sectors?
- Is social enterprise the tip of the spear of where business overall 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 21<sup>st</sup> Century*, Chapters 14-15
- *Profit & Purpose*, Chapter 1
- 11 Innovative Crowdfunding Platforms for Social Good. <http://mashable.com/2011/10/20/crowdfunding-platforms-social-good/>

## **Class 5: Social Entrepreneurism and Social Enterprise on the Public Sector Evaluating success (and failure) in the field of Social Entrepreneurship and Social Enterprise**

### **Video & Discussion:**

Shared Value: a management approach to creating social impact and sustainable value

### **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**

- *Social Entrepreneurship for the 21<sup>st</sup> Century*, Chapters 14-15
- *From Start-up to Scale: Conversations from the Harvard Business Review - Bridgespan Insight Center on Scaling Social Impact.* Pages 3-22

## **Class 6: From the Field: Discussions with Practitioners from Social Enterprise & CSR**

**Team Reports: Part 2** 10-minutes by each team on selected social enterprises

**Guest Speakers:** TBA

### **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 any business and specifically 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?

**Assignment:** Prepare for quiz

### **Class 7: Trends in Social Entrepreneurship & Enterprise**

#### **QUIZ 2: CLASSES 5-7**

#### **Discussion Topics:**

Looking back, and forward:

- Challenges in defining social entrepreneurship and social enterprise
- Challenges, opportunities, and examples of social enterprise and 'intraprise' start-up, finance, management and scaling
- Current and future trends in social enterprise, hybrid corporations, partnerships and acquisitions, government involvement, market changes, and the creation of value

### **Class 8: Final Project Presentations**

- **FINAL** student presentations

### **Class 9: Final Project Presentations**

- **FINAL** student presentations

***Class 10: There is no separate final exam***