Social Entrepreneurship in Global Comparative Context

MGMT 3000 (4 Credits / 60 class hours)

International Honors Program:
Social Entrepreneurship: Innovation, Technology, Design, and Social Change

Course Description
Social enterprises are revenue-generating businesses with a twist. Whether operated by a non-profit organization or by a for-profit company, a social enterprise has two goals: to achieve social, cultural, community economic or environmental outcomes; and, to earn revenue. On the surface, many social enterprises look, feel, and even operate like traditional businesses. But looking more deeply, one discovers the defining characteristics of the social enterprise: mission is at the center of business, with income generation playing an important supporting role.

This course highlights a number of innovative approaches and strategies that have evolved to addresses and further global social and economic development. The course introduces students to the concept of social entrepreneurship and how it is expanding globally across sectors and organizations. Students will examine the ever-changing demands and contexts in a globalizing world and learn to identify and evaluate the elements required to build and operate effective and scalable social enterprises. Students will be introduced to corporate strategies and challenges in aiding the poor in underdeveloped and underserved markets. Aspects of economic development and how it relates to social progress and issues of sustainable development are highlighted. The course also addresses the challenges and opportunities social entrepreneurship offers corporations through partnerships. Students will learn how companies and social entrepreneurs may create new and innovative sustainable business models that provide social value and also generate financial returns to both build and serve new markets at the bottom of the pyramid.

This is not a course on how to become a social entrepreneur or how to build a social enterprise, although some students may be so inspired as a result. The theory, promise and practice of this emerging and dynamic discipline will be closely examined.

The course will also explore, among other questions:
What is the potential of social entrepreneurship as a catalyst for social change?

What are the barriers, limits and constraints to achieving sustainable impact?

Focusing on global poverty gives us a context to look at social entrepreneurship as one approach to addressing complex and systemic problems. Issues and controversy are part of the terrain. For example,

- Is microcredit a sustainable strategy for poverty alleviation and women’s empowerment, or a path toward deeper indebtedness for the poorest or the poor?
- Are market-based interventions more effective in reaching vulnerable populations than distribution models of government, aid agencies or NGO’s?
- How do we evaluate the role of subsidy, sustainability and profit maximization in meeting the needs of the bottom billion?

**Methodology**

This course follows an interdisciplinary perspective that combines different knowledge and fields of expertise from both business and development. Seminars will rely on peer-reviewed articles across a wide range of disciplines as well as on policy documents and NGO/social venture reports. In addition to readings, seminars will be designed to stimulate student’s critical thinking and participation through using a combination of collaborative learning activities. The course will closely complement and be complemented by the courses as well as site visits and guest lectures in each country, in order to address and better understand social entrepreneurship in different global contexts.

**Materials**


**Learning Outcomes**

The Social Entrepreneurship in Global Comparative Context course comprises 60 class hours of instruction (4 credits). Upon completion of the course, students will be able to:

- Develop a working knowledge of the implications of local and global poverty-related social issues such as exclusion, lack of education, health services, hunger, homelessness, human trafficking, human rights etc.
- Understand and explain how social entrepreneurs creatively address and may play a role in solving such poverty-related social issues.
- Develop a working knowledge of sound management practices at tactical and strategic levels in social enterprises and cross-sector partnerships.
- Develop a working knowledge of the differences between executives, boards, stakeholders and the community and understanding of the relationship dynamics across such groups.
- Develop conceptual fluency with the following issues/topics:
• Social ventures, social businesses
• Cross-sector partnerships
• Social entrepreneurship, social intrapreneurship

• Develop language to communicate the multi-disciplinary nature of the core issues surrounding social entrepreneurship

Course Schedule

Palo Alto, CA, USA

Session 1: Introduction to Social Entrepreneurship
The terms “social entrepreneurship, social enterprise and social entrepreneur” will be introduced along with the students beginning to develop their own working definitions. Students will be presented an overview of the challenges of structuring, launching, funding and working with/for social ventures, through the eyes of entrepreneurs, investors, community leaders and other partners. The intricacies of remaining mission-driven, talent, ED/founder/board/staff relations, managing and sustaining growth, the changing role of corporate governance and leveraging cross sector partnerships and resources will also be discussed as the stage is set for examining the social enterprise movement in the United States as well as exploring this topic and growing phenomenon across cultures and continents.

Required Reading:


Dees, Gregory J. (2012) David Brooks, Politics and Social Entrepreneurship. FuquaSchool of Business at Duke University website


Session 2: The Rise of Social Entrepreneurship
Social entrepreneurship has been on the rise over the past twenty years and its entrepreneurs are developing innovative new business models that blend traditional capitalism with solutions addressing the long-term needs of our planet from maternal health in Sub-Saharan Africa to agricultural transformation in East Asia and public/charter school funding in the United States. Social entrepreneurs are incubating groundbreaking innovative new models including new synergistic partnerships with
governments, companies, traditional non-profits and foundations and building businesses incorporating technology to create new solutions and opportunities for clients and investors alike.

Pamela Hartigan, director of the Skoll Center for Social Entrepreneurship at Oxford University, says, “Social entrepreneurs are mad scientists in the lab…They’re harbingers of new ways of doing business.” Students will have the opportunity to visit some of their “labs” including social innovation incubators and meet with the new breed of investors and philanthropists that are helping to launch such ventures.

**Required Reading:**


**São Paulo, Brazil (instructional hours)**

**Session 3: Social Enterprise in Brazil**

Brazilian entrepreneurs leverage their deep intellectual, social, and natural resources to drive greater prosperity and create wealth. A country and culture known for its extraordinary capability to embrace change and uncertainty and in the course of doing so, produce incredible innovation. It is no wonder Brazil is home to the second-greatest number of Ashoka Fellows on the planet. (India is first.) What is it about Brazilian culture and the country that has created such a fertile ground for social enterprise? Who are these innovators and Ashoka Fellows?

**Required Reading:**


**Session 4: The Business of Change**

Like all business pioneers, social entrepreneurs are absolutely determined to drive change with their innovative ideas. Both aim, in effect, to disrupt a status quo they see as sub-optimal.

As European Union architect Jean Monnet put it, "Nothing changes without men; nothing lasts without institutions." We need change-makers; we need their agency -- the creativity, discipline and drive they
bring to the challenges confronting humanity and the planet. But what is it more specifically that makes successful changemakers so distinctive, disruptive and so indispensable? What does it take to become such a changemaker? What role can and does business play in helping in transforming the way we think about and address some of the greatest challenges facing our world?

Required Reading:


Orsato, Renato J. (2007) Case: Empowering the Bottom of the Pyramid Via Product Stewardship: Tetra Pak Entrepreneurial Networks in Brazil. INSEAD Social Innovation Centre


Other Resources:


Session 5: Establishing Context: Global Poverty

The eight Millennium Development Goals (MDGs), which set out to free people from extreme poverty and multiple deprivations worldwide, expire at the end of this year - 2015. What progress has been made? What needs to happen next?

Today more than 2.7 billion people are still living on $2 a day or less, and that number is greater than the total population of the planet in 1950, when the global fight against poverty really began. The reasons for the failure of traditional methods to end poverty are many and varied and well known to practitioners everywhere. Do social enterprise and cross sector partnerships hold the key to poverty alleviation?

Required Reading:

Changemaking Today, Ashoka’s Online Magazine retrieved from: http://changemaking.ashoka.org/


Session 6: Blurring the Boundaries Between Business, Government and Corporation

Cross-sector partnerships are commitments between or among public, private, and/or non-profit institutions in which individuals from these organizations commit various resources and agree to work cooperatively toward shared goals. Such partnerships have become an important way of achieving overarching development goals. These collaborations have the potential to harness the unique capabilities and resources of each sector and produce outcomes that surpass those of any sector acting in isolation.

This week students will learn how value may be created through partnerships across sectors. Conceptual frameworks for assessing the value of such partnerships will also be examined by visiting organizations with such partnerships in place and speaking with the key initiators, liaisons, facilitators and/or brokers of such partnerships.

Required Reading:

Brazil’s Vox Capital’s Investing Fund Gets $4M Equity Investment from MIF. (October 29, 2012).


The Emerging Fourth Sector website. retrieved from: http://www.fourthsector.net/learn/fourth-sector


Session 7: The Challenge of Scalability/For Profit Social Ventures

What does it take to create a “scalable” and profitable social venture? What are the ingredients for success? Can such models be replicated?

Required Reading:


Required Viewing:

Le Lam, Lawrence (Director) and Kingle-Watt, Rik (Director). (2014). Not Business as Usual. Institute B. [Video] Retrieved from:
https://www.youtube.com/watch?v=p_TCDS-V6Aw

Dhaka, Bangladesh

Session 8: Social Enterprise in Bangladesh
Home to both Grameen and BRAC, Bangladesh is often cited as an example of the immense potential of social enterprise to bring about large-scale change in addressing poverty alleviation. What, if anything, is unique to Bangladesh when taking a closer look at its experiences and successes with social enterprise? Are there lessons to be learned for other countries?

Required Reading:


http://www.pbs.org/newshour/updates/jita-bangladesh/

Session 9: The Role Social Enterprise Plays at the World’s Largest NGO: BRAC
How does “the most astounding social enterprise in the world,” think about and address development?

Required Reading:


HBS Case: BRAC

Session 10: Capital Funding and Finance
Typically, traditional startups rely on the following channels of capital: network investments, banking, equity debt, convertible debt, crowdfunding etc. with a relatively straightforward process for funding channels that are revenue options models. Social enterprises don't have the same flexibility in leveraging
capital the way traditional startup ventures do. How exactly are social ventures different? How do social entrepreneurs successfully secure funding and finance their ventures?

Required Reading:


HBS Case Grameen Danone

Required Film: The Bonsai People: The Vision of Muhammed Yunus. Directed by Holly Mosher

Session 11: Innovation and Intervention at the Bottom of the Pyramid

C.K. Prahalad believes that corporations seeking to create new markets addressing the needs of the billions of poor people living at the bottom of the economic pyramid can — and should — use that effort to drive sustainability and innovation within their own ranks and learn to “do more with less.” What kind of value has been created by social entrepreneurs and companies working with people at the Bottom of the Pyramid?

Required Reading:


HBS Case: CARE and/or HBS Case Project Shakti.


Kampala, Uganda

Session 12: Social Enterprise in Africa

There are a number of inspiring social entrepreneurs driving transformational change in Africa. Who are they? How is working in Africa similar as well as different in comparison to working in the US, Brazil or in Bangladesh as a social entrepreneur?

Required Reading:


Session 13: Measuring Social Impact: Methods, Metrics and Markets

There is an increased interest among both donors (to nonprofits) and investors (in for-profit social enterprises) as well as venture philanthropists for greater accountability for money intended to be used for social purposes. Many business leaders want to give back to society and as a result, large amounts of money are flowing into social enterprises in the form of start up capital as well as philanthropic gifts. But these savvy and sophisticated donors and investors also want the accountability and performance excellence that they have come to expect in the for-profit world. They want evidence that their investments are making a difference and that there is a measurable return. Such investors and donors want more clarity on the objectives, the paths to and measures of success. They know that without clear performance measures organizations usually cannot determine whether they have succeeded or failed. What does it take to measure social impact and social ROI?

Required Reading:


Session 14: Seeking Market Based Solutions & Impact Investing

Social entrepreneurs are hampered by traditional forms of financing. They have typically have none or very limited access to capital markets and minimal flexibility to experiment at various stages of growth. It has been suggested that the biggest obstacle to scale in the social sector is a lack of effective funding models.

This is in stark contrast to the world of venture capital. Just as the formation of the venture capital industry ushered a new approach and mindset toward funding innovation within the private sector, impact investing has started to bring opportunities to harness entrepreneurship and capital markets to also drive social improvement. This trend will bring much needed change to the social sector. What are some of the opportunities that come with a market based solutions approach and impact investing? How can and should such opportunities be identified and evaluated?

Required Reading:


Session 15: Corporate Intrapreneurship I

Intrapreneurs play a potentially powerful role in business — they are individuals or teams that act as entrepreneurs to serve the best interests of the larger organization, with or without official or recognized support. They incubate bold new ideas within the safety of the corporate fold, taking advantage of its strengths in market share, customer footprint, and distribution channels, without letting risk aversion, lack of legal precedent, or organizational inertia hold them back.

Social intrapreneurs are employees who, instead of starting their own social enterprise externally, bring their disruptive ideas to market and to more customers sooner, and with the help of corporate support and funding can have significant environmental or social impact. Social intrapreneurs conceived of GE’s Ecomagination product lines, Intel’s super-efficient water reuse programmes, and Levi’s Water-less jeans. What does it take to be a social intrapreneur? Can this be taught or learned?

Required Reading:
Case on Ethos Water at Starbucks

Session 16: Corporate Intrapreneurship II and Final Thoughts

Millennials reportedly tie their personal values and passions more closely to their work than previous generations, expecting and demanding more from their employers. With an influx of technically savvy workers entering companies, the new crop of social intrapreneurs is likely to grow in both numbers and influence. Social intrapreneurs are not social entrepreneurs, their start-up enterprises are driven entirely by social mission. What lessons can we take from both approaches in moving forward in terms of bringing about change for social good?

Required Reading:

From CSR (Corporate Social Responsibility) to CSE (Corporate Social Enterprise) Outside Inc. Website.
Grayson, David et al. (March, 2014).


Evaluation and Grading Criteria

Description of Assignments:

Student Journal (10%)
Each week there will be a series of prompts from which students may choose to respond. Students may also choose to reflect on team dynamics, a newfound interest or passion for social entrepreneurship, thoughts on a particular target population they have an interest in helping or learning more about, or past experiences and how these may have shaped or influenced students leadership in their final project teams. Reflections are due weekly.

Personalized Entrepreneurial Life Plan (10%)
Based on Life Entrepreneur (book) frameworks. This is meant to be a reflective series of weekly assignments, with the final deliverable designed to assist with future personal and professional decisions. Students will also regularly meet and work with a peer “leadership/advisory group” throughout the semester to help them stay on course for their Life Entrepreneur work.

Service Learning (10%)
Each student will complete at least 20 hours of service over the course of the semester. (5 hours per country?) The service should be entered in the top line of the weekly Journal entry.

Interview (10%)
Each student will have the opportunity to conduct an informational interview with a social entrepreneur of their choosing.

Country Cases (45%)
Students will work closely in small teams and evaluate an existing social enterprise in each country for scaleability and impact and readiness for partnership with another business entity. At the end of each country stay, teams will present the organization with their findings and strategic recommendations.

Assessment:

- Student Journal 10%
- Entrepreneurial Life Plan 10%
- Service Learning 10%
- Interview 10%
- Country Cases 45%
- Participation 5%

Rubric: An “A” represents truly outstanding work that exemplifies through analysis, superior insights and crystal clear presentation. A “B” signifies highly competent work that accomplishes the task at hand very well, through considerable thought, reasonable analysis and an organized presentation. A “C” represents adequate work that meets basic requirements but does not demonstrate distinction in terms of analytical insight or organization. A “D” is characterized by poorly or partially completed work that reflects a lack of initiative, inconsistent analysis and/or erratic presentation. Plus and minus indicate relatively better or poorer work within each category. There is no A+.
N.B. Papers/reports without thematic ideas or arguments – those that lapse into mere narration or description, or whose arguments are buried within the text – will be graded with their low level of organization.

Grading Scale

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<th>Comment</th>
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<td>90-93%</td>
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<td>below 64</td>
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<td>Fail</td>
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Expectations and Policies

- **Show up prepared.** Be on time, have your readings completed and points in mind for discussion or clarification. Complying with these elements raises the level of class discussion for everyone.
- **Have assignments completed on schedule, printed, and done accordingly to the specified requirements.** This will help ensure that your assignments are returned in a timely manner.
- **Ask questions in class. Engage the lecturer.** These are often very busy professionals who are doing us an honor by coming to speak….
- **Comply with academic integrity policies** (no plagiarism or cheating, nothing unethical).
- **Respect differences of opinion** (classmates’, lecturers, local constituents engaged with on the visits). You are not expected to agree with everything you hear, but you are expected to listen across difference and consider other perspectives with respect.
- In keeping with IHP policy, **late papers will drop one point per day**, unless other arrangements have been made in advance. Course assignments are due at the beginning of the day.
- **Electronic Devices:** The use of mobiles, smart phones or laptops is not permitted in class sessions. The idea behind this policy is to guarantee an environment in which constant attention and concentration are maintained.

Please refer to the **SIT Study Abroad Student Handbook** for policies on academic integrity, ethics, warning and probation, diversity and disability, sexual harassment, and the academic appeals process.
Suggested Readings and Other Materials

Membership Organizations, Conferences, Incubators and Potential Investors

Business for Social Responsibility (BSR) Conference and Membership Organization
Harvard Social Enterprise Conference
Investor's Circle
Net Impact (NI) Conference and Membership Organization
Social Enterprise Alliance (SEA) Conference and Membership Organization
Social Venture Partners (SVP) Conference and Membership Organization
Schwab Foundation

Consulting Firms

- http://www.bridgespan.org
- http://www.fsg.org/
- http://redf.org/
- http://www.generonconsulting.com/
- http://reospartners.com
- http://berkana.org
- http://aliainstitute.org

Poverty


Social Entrepreneurship

Hamm, Jon. (2002). Why

Scalability

(2013). 4 Scalable Social Enterprises. Trendhunter for Social Good retrieved from:
http://www.trendhunter.com/slideshow/scalable-social-enterprises

Startups: What is Involved in Scaling? Question posed on Quora website Retrieved from:
Measuring Impact


Cross Sector Collaboration


Brazil


Bangladesh


Uganda