

## **MGMT 212/810: Social Entrepreneurship (1.0 cu)**

**Spring 2014- Version 1.1: 11/25/13**

**This syllabus is a game plan subject to moderate change, it is not a contract**

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### **Materials**

- **Textbook” “The Social Entrepreneur’s Playbook” by MacMillan and Thompson**
- **Bulk pack**

### **Course Description and Philosophy**

Please note this is NOT a course in not-for-profit or NGO management. Repeat, this is NOT a course in not-for-profit or NGO management.

This is a course on creating a business to attack a social problem and thereby accomplish both social impact and self-sufficiency. For this course, social entrepreneurship is defined as entrepreneurship used as a market-based catalyst to profitably confront social problems. This definition views social entrepreneurship as a distinct alternative to public sector initiatives. The basic thesis is that many social problems, if looked at through an entrepreneurial lens, create opportunity for someone to launch a venture that generates profits by alleviating that social problem. This sets in motion a virtuous cycle – the entrepreneur is incented to generate more profits and in so doing, the more the profits made, the more the problem is alleviated. **Even if it is not possible to eventually create a profit-making enterprise, the process of striving to do so can lead to a resource-lean not-for-profit entity.**

Creating a profitable social entrepreneurship venture is by no means a simple challenge. It involves deeply understanding how to prioritize a multi-mission entity, how to analyze and engage traditional agencies, how to formulate political strategies to develop influence and social assets in target beneficiary markets, how to forge negotiating strategies for securing resources, how to capture publicity for the enterprise, and generally how to minimize resource requirements.

**Note:** MGMT 806: *Formation and Implementation of Entrepreneurial Ventures* and MGMT 810 apply a common theoretical framework to businesses with differing value propositions; therefore, students should **not** plan their course of study to include both of these courses.

### **Social Venture Business Plan (SVBP) (55% of grade)**

In this course we will begin to demonstrate the validity of the societal entrepreneurship thesis. Student groups will conceive of possible social wealth generating ventures and then develop a plan to seed the formation of a business to implement the social solution as a formal experiment. Our hope is that a meaningful fraction of these plans will result in the actual launch of a social entrepreneurship enterprise.

The development of business plans for societal entrepreneurship ventures poses a significant challenge. Unlike an entrepreneurial project, where the prime purpose is the creation of a rent-generating enterprise, in this course we will be looking at dual pursuit of social wealth alleviation and rent generation followed by the development of a dual objective business plan. Seeking and securing viable funding for social enterprises also presents substantive challenges.

Funding for these ventures may stem from nontraditional sources such as not-for-profit foundations which are disposed to provide funding for the alleviation of social problems.

Thus a major component of the course is for teams of students to develop a Venture Business Plan. Individual students' grades will be determined by the score their team receives, adjusted by a peer review rating of their contribution, as described below.

### **"Live Case Study" Methodology**

In addition to traditional cases this course will employ what we call a "live case" methodology. The projects on which the student groups are working will be used as live cases to demonstrate the principles to be applied in social entrepreneurship venture situations. Instead of student groups having to prepare written cases we will employ live case methodology in the course through active discussion of the projects which the students are developing. In the live case study, a student will present operational or strategic challenges that he or she is facing in the social entrepreneurship venture. Class members will be expected to participate in the live case studies by making suggestions and presenting possible solutions to the speaker's challenges.

### **Readings Report: Project Team report (10% of grade)**

In addition, a considerable component of the course will involve your reading and internalizing theoretical materials germane to social entrepreneurship venturing. You should submit a readings report which summarizes the key insights you obtained from the readings and the degree to which they applied to your projects. **This is a project team report.**

### **Readings report description**

You will be required to submit a five page report describing how the bulk pack (not textbook) readings applied to your societal venturing project.

The structure is simple: Pick the five readings that you think were the most useful for a decision your team made about your venture. The reading does not have to support your decision, but please explain what concepts and conclusions were useful to you and how you incorporated the learnings into your venture.

Appendix: List all readings (including your five most useful) and rate each reading's usefulness along the spectrum: no value, some value, useful, very useful.

At the end of the appendix also include recommendations of any readings your team is aware of that did not appear in the required readings list, but you feel should be included.

Also indicate any readings that you had in other courses and which courses these were.

This report will then be used to improve the readings the next time the course is offered.

**Readings Report** will count 10% towards your final grade

**Nation Boosting Presentations** will count 15% of your grade

**Class participation** will count 20% of your grade

### **Prerequisites**

MGMT230 or MGMT801 are strongly recommended prerequisites. It is expected that much of the materials covered in MGMT 230 or MGMT 801 will have already been mastered or will be mastered early in this course.

The assigned readings in the course are heavy at the beginning of the course. As you get into the course your time will be spent preparing your SWBP, so reading load will be reduced. For each session the required readings must have been studied in advance.

From time to time, mid-course changes in presentations or materials may be made to accommodate schedule changes of visiting speakers.

### **Bulk pack**

The bulk pack is divided into two components: Required Readings and Supplemental Materials. Mastery of the required readings should be demonstrated in the final business plan presented at the end of the program. The supplemental materials are provided for those students who are determined to pursue a career in entrepreneurship focused on social entrepreneurship and want more insight and depth of understanding of the challenges they will face. This is not a career choice for the faint of heart.

### **Venture teams**

Extensive group work outside of class is an essential part of this course. Course participants are to form social venture teams of **at least five students** whose talents, skills and knowledge are complementary. If students are not in project teams by the project team formation deadline they will need to drop the class. Student project teams should sit together in the class.

### **GRADING**

Team and individual performance will be measured in determining the final grade of each student. Therefore, individual grades are likely to vary within each team.

The team grades will be determined as follows:

**Social Venture Business Plan** The overall quality and cohesiveness of the written Venture Business Plan will count 55% toward the grade, but for the individual team members this will be adjusted by the team's weighting of their individual contributions. Individual contribution to the team performance in the conceptualization, development, and presentation of the SWBP will be determined through peer review. The peer review scheme is as follows:

### **Nation Boosting Presentations**

Your team will also be asked to select situations where a meaningful percentage of a target population is under social duress. You will do a number of workshops in which you think of ways to use modern NetWare skills (IT/Internet/social networking technologies) to ameliorate the problem to which this population is exposed. Your team will present the results of work you have done during these Nation Boosting workshops. These presentations will count 15% in your final grade.

### **Readings Report**

You will need to should submit a readings report, which summarizes the key insights you obtained from the readings and the degree to which they applied to your projects. This will count 10% in your final grade.

### **Class Participation**

Class participation throughout the semester determines 20% of the final individual grade. Class participation will be determined by considering your attendance and active participation in class discussions. Your ability to demonstrate that you have prepared the materials assigned to a particular class and both the quality and the quantity of your contributions will be evaluated.

### **Your Team's Assessment of Your Contribution To The Team Effort**

You will be asked to use the team member evaluation form (attached at the end of the syllabus) to rate the contribution of each of the team members by assigning a percentage effort score to that member. These scores will be used to calculate the weight that will be applied to the individual's teamwork as illustrated by the example below:

PERCENTAGE GIVEN TO →		TO Person A	TO Person B	TO Person C
PERCENTAGE GIVEN BY →	BY Person A	NA	100	65
	BY Person B	85	NA	55
	BY Person C	75	100	NA
AVERAGE		80	100	60

**NOTE:** Allocate EACH member up to 100 points; **do NOT allocate 100 points across all project team members**

<b>GRAND AVERAGE</b> $(80 + 100 + 60)/3 = 80$
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The Member Weighting will then be calculated as follows:

	Person A	Person B	Person C
<b>Weighting</b> = Avg./Grand Avg. = Adjustment	80/80	100/80	60/80
Adjustment	1	1.25	.75

**So if the team report score was 70 points then:**

Person A would get  $1.00 \times 70 = 70$

Person B would get  $1.25 \times 70 = 88$

Person C would get  $0.75 \times 70 = 53$

**To repeat, the following weights determine the final course grade:**

- **55%** of your grade will be based directly on the grade given to the team for the SWBP, **adjusted by the group weighting system described above**
- **20%** of your grade is based on individual class participation
- **15%** of your grade will be based on your Nation Boosting presentations
- **10%** of your grade will be based on the readings report

**Some ground rules:** If you elect to take this class you are assumed to agree to the following conditions:

1. You recognize that the course is graded to a curve. There will be no more than 15% A's and 40% B's in the MBA class. There will be at least 10% LTs in the class.

2. You recognize that the instructor and TA will take great care to grade as fairly and evenly as possible and will not discuss grades at the end of the course.
3. You recognize that a significant percentage of your grade will be dependent on project team work, and will therefore abide by the weighting score developed from your peer project team members' ratings of your contribution.

**In addition:**

4. No cell phones. No texting/use of Smartphones, etc.

**Confidentiality**

The University is a community for the exchange of ideas and knowledge; policy discourages confidentiality arrangements. In those instances where confidentiality does not interfere with learning, the instructor will honor requests for confidentiality of student projects on a case-by-case basis. Students will be expected to respect the intellectual property of others.

**DETAILED SYLLABUS: This is a preliminary reading schedule, subject to modest change.** The numbers in the column headed “Readings” are the numbers of the articles in the readings list below. Required Textbook Chapter readings are labeled CHx for Chapter x.

DATE	TOPIC	MATERIALS DUE	READING
1/15	INTRODUCTION	Playpump	BOOK intro 1, 2
1/22	SE plan content, NationBooster projects		<b>CH1</b> , 3,4
1/27	What works?		<b>CH2</b> ,5,6
1/29	PROBLEM SPECIFICATION, PERFORMANCE CRITERIA		7,8,
2/3	SEGMENTATION <b>OF</b> TARGET POPULATION AND SEED SEGMENT SELECTION		<b>CH3</b> , 18
2/5	Project proposals and team formation		9,10,11
2/10	BRIEFING: NATIONBOOSTER WORKSHOPS AND PRESENTATIONS	<b>TEAM FORMATION COMPLETED</b> <b>If you are not in a team of at least five by now you will be assigned to one</b>	14,15,16
2/12	BENEFICIARY EXPERIENCE AND DELIVERABLES TABLES	TEAM PROJECT: PROBLEM SPECIFICATION	<b>CH4</b> ,
2/17	Guest speaker: Runa tea	TEAM PROJECT: SEGMENTS AND SEED SEGMENT	
2/19	MOST COMPETITIVE ALTERNATIVE AND CAPABILITY TABLES	TEAM PROJECT: EXPERIENCE AND DELIVERABLES TABLES	<b>CH5</b> 19,20
2/24	OPERATIONS REALITIES: COST AND ASSET TABLES		
2/26	WORKSHOP: COST AND ASSET TABLES	TEAM PROJECT: MCA AND CAPABILITY TABLES	<b>CH6</b>
3/2	<b>Guest speaker: Jim Thompson</b>	TEAM PROJECT: COST AND ASSET TABLES	12,13
3/5	NATIONBOOSTER PRESENTATIONS	<b>NATIONBOOSTER1: Harsh Life hassles</b>	
3/17	STAKEHOLDER IMPACT TABLE AND STAKEHOLDER MAPPING		<b>CH7</b> , 21
3/19	SOCIOPOLITICAL STRATEGY		<b>CH8</b> ,
3/24	CONCEPT STATEMENT	TEAM PROJECT: SOCIOPOLITICAL STRATEGY	
3/26	FRAME AND SCOPE		<b>CH9</b> , 17
3/31	NATIONBOOSTER PRESENTATIONS	<b>NATIONBOOSTER2: Netware</b>	
4/2	Workshop: Framing and scoping	TEAM PROJECT: CONCEPT STATEMENT	CH10
4/7	<b>Guest speaker</b>		
4/9	ASSUMPTION/CHECKPOINT TABLE	TEAM PROJECT: FRAME AND SCOPE	CH11
4/14	CHECKPOINT ASSUMPTION WORKSHOP		
4/16	NATIONBOOSTER PRESENTATIONS	<b>NATIONBOOSTER 3: Fallow human capital</b>	
4/21	LAUNCH	TEAM PROJECT: CHECKPOINT/ASSUMPTION	<b>CH12</b> 22,23,24
4/23	DOWNSIDING		<b>CH13</b>
4/28	SCALE UP	TEAM PROJECT: “LIGHT FOOTPRINT” STRATEGY	<b>CH14</b> , 25
4/30	Wrap up		



## Reading list.

1. Dees and Backman, "Social Enterprise: Private Initiatives for the Common Good," Harvard Business School note #9-395-116.
2. Dees & Oberfield, "Note on Starting a Nonprofit Venture," HBS 391-096
3. Rangan, Karim, and Sandberg, "Do Better At Doing Good," HBR 96308
4. Dees, "Enterprising Nonprofits," HBR 98105
5. The Not-So-Great Professor: Jeffrey Sachs' Incredible Failure to Eradicate Poverty in Africa
6. Theroux, Paul, "Africa's Aid Mess"
7. Easterly, William, "The Ideology of Development", Foreign Policy.
8. Rosset, Peter. "Preventing hunger: Change economic policy". Nature, Vol. 479 November 24, 2011.
9. D.G. McNeil "Five years in, Gauging Impact of Gates Grants" New York Times, December 20, 2010.
10. Bajaj, V "Microlenders, Honored with Nobel, are Struggling" New York Times, January 5, 2011.
11. Brooks, David, "Smart Power Setback", New York Times, June 21, 2011.
12. C.K. Prahalad, Allen Hammond "Serving the World's Poor, Profitably" September 2002 Issue Reprint # R0209C
13. Karamchandani, Ashish, Kubzansky, Mike, and Lalwani, Nishant, "Is the Bottom of the Pyramid Really for you"? Harvard Business Review.
14. Altering Clothes and Lives, With Design
15. Bridging the Clothing Divide
16. Can Coffee Kick Start an Economy?
17. R. Gunther McGrath and Ian C. MacMillan "Discovery-driven planning," Harvard Business Review, Volume 73, No. 4, July-August 1995. pp. 44-54.
18. PATH case
19. Acumen case
20. Bhanoo, N. Sindya, "The PeePoo, a Biodegradable Toilet for the Developing World", New York Times, September 26, 2011
21. MacMillan, I.C. "The politics of new venture management," HBR Nov./Dec., 1983.
22. Letts, Ryan, & Grossman, "Virtuous Capital," HBR 97207
23. Dees & Dolby, "Sources of Financing for New Nonprofit Ventures," HBS 391-097
24. Foroohar, Rana, "Where the money is".
25. Why Some Countries Go Bust

**TEAM MEMBER EVALUATION FORM**  
**(to be submitted on the last day of class)**

**You may send via email**

Team Name:

Your Name:

Team Member's Name  
(Please print)

% Effort

(Min 0%, Max 100%)

***DO NOT RATE YOURSELF***

*NOTE: Each team member, other than yourself, should be assigned a percent effort score between 0% and 100%. The % effort column will therefore NOT add up to 100*