

---

Office: Steinberg Hall – Dietrich Hall 3202  
Tel: (215) 573-2377  
Email: [vaa@wharton.upenn.edu](mailto:vaa@wharton.upenn.edu)

MW 3:00-4:30pm  
Classroom: VANC B10  
Office hours: W 4:30-5:00pm (or by appt.)

---

## Course Overview

Social entrepreneurship – new venture creation that profitably confronts social problems such as poverty and inequality, lack of access to healthcare and education, and climate change – has attracted considerable interest among individuals and organizations as a way of creating lasting and positive social impact. The tenet of this approach is that many complex social problems, when viewed through an entrepreneurial lens, can create opportunities to launch new ventures and organizations that address these problems in a profitable, sustainable, and scalable way. Social entrepreneurs aspire to solve some of today's most pressing challenges in both developed and developing economies by applying entrepreneurial thinking to create innovative products and services that deliver social and economic value. The process of addressing critical social challenges such as poverty, inequality, and environmental change through entrepreneurship can lead founders to create resource-lean not-for-profit and hybrid organizations pursuing both profit and social motives. Solving complex challenges through social entrepreneurship involves deeply understanding how to balance an organization's social mission with its profitability, analyzing and engaging with multiple stakeholders, including international organizations, government agencies, and non-governmental organizations (NGOs), sourcing capital from donors and investors, measuring impact, and scaling operations. This course draws on case studies of hybrid, for-profit, and mission-driven organizations that have effectively navigated these challenges, and enables students to gain hands-on experience with developing social venture plans within teams.

## Pre-requisites

MGMT 230/MGMT 801 are strongly recommended pre-requisites. Students are expected to have mastered the material covered in MGMT 230/MGMT 801. This course will focus on in-depth case studies of social ventures and social entrepreneurship within established companies. Students are expected to have completed required readings in advance and to have prepared the case materials for discussion.

## Grading

- 25% individual class attendance and participation
- 25% weekly homework assignments
- 50% team project: social venture plan (SVP)

## Course Pack

The course pack is available through Wharton Reprographics and includes the cases and required readings for this course. Mastery of the required readings and of the concepts discussed in class should be demonstrated in the final SVP presented at the end of the course. Recommended readings will be provided for those students who would like to pursue a career focused on CSR and social entrepreneurship and would like more insight into the challenges they will face.

## Recommended Readings

1. *The Social Entrepreneur's Playbook, Expanded Edition: Pressure Test, Plan, Launch and Scale Your Social Enterprise*, by Ian C. MacMillan and James D. Thompson (2013)
2. *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, by David Bornstein (2007)
3. *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs*, by Muhammad Yunus (2011)
4. *The Business of Good: Social Entrepreneurship and the New Bottom Line*, by Jason Haber (2016)

## Social Venture Teams

Extensive group work outside of class is an essential part of this course. This means that although the readings each week are relatively light, you will be expected to spend time outside of class developing your final project within your social venture plan (SVP) project teams. Course participants will therefore be **randomly assigned** into teams of **4-6 people** that will work together to prepare the project assignments.

## Team Contribution Ratings

You will be asked to complete a team member evaluation form to rate the contribution of each member of your team by assigning an effort score (out of 100%), where 100% denotes full participation and contribution to team effort. These scores will be used to assign a weight that will be applied toward an individual's final project grade. Individual grades may therefore vary within teams, depending on peer-assessment of your contribution. These ratings are intended to deter "free riding" within teams.

## Classroom Expectations

1. If you are an MBA, you recognize that the course is graded to the curve for MBAs. Undergraduate and non-Wharton students are not subject to grading to a curve.
2. 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 SVP team members' ratings of your contribution.
3. Please display your name tents and refrain from using laptops, cell phones, and other electronic devices during class. Please refrain from entering and leaving the classroom during class sessions; late entry or reentry will be allowed only under exceptional circumstances.

## Ethics and Use of Prior Materials

Academic integrity is a core value of the University. Penn's [Code of Academic Integrity](#) and [Plagiarism Policy](#) outline the University's policies on academic integrity and plagiarism. Plagiarism is using ideas, data, or language from previously published sources (including your own work) without specific or proper acknowledgment. Failure to properly acknowledge your prior work and the work of others will result in a failing grade for an assignment and possible disciplinary action by the University.

## Confidentiality

The University is a community for the exchange of ideas and knowledge; policy discourages confidentiality and non-disclosure arrangements. Students will, however, be expected to respect the intellectual property of others.

## Weekly Homework Assignments (25%)

There will be weekly homework assignments (completed with your social venture team) on the topic covered

in class. The goal of these assignments is to help you and your team stay on track with your SVP project. For this reason, the assignments will be graded as “complete” (1 pt) if they are submitted completed and on time, or “not complete” (0 pt), if they are submitted incomplete and/or not on time. The assignment each week will involve completing a worksheet in Excel, provided ahead of class. Instructions on how to complete the assignment will also be provided in class. For the list of assignments and due dates, please see the course outline.

### **Attendance and Participation (25%)**

The course emphasizes class discussions and participation. For this reason, students are expected to attend class regularly and on time, and to be *well prepared to participate* by having read and prepared the case materials. Full attendance credit (1/1pt per session) will be awarded to students who come to class on time and attend class regularly. Full participation credit (1/1pt per session) will be awarded to students who consistently offer insightful and well-informed comments, listen to and build upon others’ comments, and contribute meaningfully to the class discussion during each session. If you must leave town for a personal or family emergency, please notify the instructor to make proper arrangements for missed sessions.

### **Team Social Venture Plan (SVP) (50%)**

The team project is a venture plan consisting of a *10-slide social venture plan deck* [scored out of 100pt]:

1. **Title** [5pt] – Provide company name, your names and roles, and contact information.
2. **Problem/Opportunity** [15pt] – Describe the pain that you are alleviating. [\*SVP Outline, Concept Statement, Segment Scoring Table]
3. **Value Proposition** [15pt] – Explain the *value* of the pain you alleviate. [\*Beneficiary Experience Table, Stakeholder Impact Table]
4. **Underlying “Magic”** [10pt] – Describe the features that make your offering special and difficult to imitate, using diagrams, flowcharts, prototypes or a demo. [\*Deliverables Table]
5. **Business Model/Operations** [10pt] – Explain how you will deliver your solution, and explain the unit economics of the venture. [\*Assumptions Checklist, Deliverables Table Worst-Case and Likely Operating Costs, Types of Costs, Stakeholder Impact Table]
6. **Go-to-Market Plan** [10pt] – Explain how you are going to reach your target beneficiaries/seed customers and launch your venture without encountering resistance from opponents [\*Beneficiary Experience Table, Stakeholder Mapping Table, Tactics Table]
7. **Competitive Analysis** [10pt] – Provide a complete view of the competitive landscape and the current and foreseen alternatives available to your beneficiaries. [\*Beneficiary’s Experience vis-à-vis the Most Competitive Alternative (CMA), Stakeholder Mapping Table]
8. **Management Team and Advisory Board** [5pt] – Describe the key players of your management team, including your venture team and board of advisors. [\*Advisory Board]
9. **Financial Projections and Key Metrics** [10pt] – Provide projected operating income statement, explain the physical units of output needed to deliver the desired social impact and financial goals. Explain the planned sources and uses of funds for asset purchases and replacement and operating costs. Compare the physical units of output needed for financial and social sustainability and explain how you will manage any gaps. [\*Scoping Table, Funding Table, Operating Income Statement, Asset Funding Table]
10. **Current Status, Accomplishments to Date, Timeline and Use of Funds** [10pt] – Explain progress made along key checkpoints for testing assumptions about the viability of your venture, progress to date, and the timeline for further checkpoints. [\*Checkpoint and Assumptions Table]

\*You will be asked to collaborate with your SVP team members on these planning documents along the way, as noted in the Course Outline below.

## MGMT 212/812: Course Outline – Quarter 2

*Schedule and dates may change. The most up-to-date schedule is on Canvas.*

Session	Day	Date	Topic	Case	Assignment
1	Mon	Oct 21	Introduction to social entrepreneurship: Articulate Your Target Problem and Substantiate Your Proposed Solution	-	<u>Ahead of Class:</u> Prepare the reading and prepare 2-3 ideas for social challenges that you would like to work on solving. <u>HW:</u> (1) Form a team with 3-5 other students. (2) Develop screen-in criteria and use them to select a social problem for SVP.
2	Wed	Oct 23	Specify Performance Criteria	OpenIDEO	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Select SVP idea using screen-in criteria. (2) Specify unit of revenue and unit of social impact. Post a <b>1-pg SVP outline</b> with your names, with a short description of the <u>social problem</u> , your <u>proposed solution</u> , <u>unit of revenue</u> and <u>unit of impact</u> , and the <u>names of advisory board members</u> on Canvas by <b>midnight Oct 28</b> .
3	Mon	Oct 28	Define and Segment Your Target Population	Sproxil	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) specify 2-3 major beneficiary segments. (2) generate attractiveness features along which to score segments. (3) select a seed segment in which to test-launch your idea. Post your <b>Segment Scoring Table</b> on Canvas by <b>midnight Oct 30</b> .
4	Wed	Oct 30	Understand the Beneficiary Experience	CARE Kenya	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) define the set of activities associated with the requisite beneficiary experience. (2) Generate a <b>Beneficiary Experience Table</b> and post on Canvas by <b>midnight Nov 4</b> .
5	Mon	Nov 4	Analyze the Most Competitive Alternative	Arcadia Biosciences	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Identify the most competitive alternative (MCA). (2) Compare your solution to MCA along your <b>Beneficiary Experience Table</b> ; post on Canvas by <b>midnight Nov 6</b> .
6	Wed	Nov 6	Identify Operations Realities	Narayana Hospital	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Prepare a <b>Deliverables Table</b> identifying the types of costs for your venture. Prepare a <b>Funding Table</b> identifying the sources for funding each type of cost, and post on Canvas by <b>midnight Nov 11</b> .
7	Mon	Nov 11	Address the Inevitable Socio-politics	Barefoot College	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Identify key stakeholder in a <b>Stakeholder Impact Table</b> . (2) Identify key allies, opponents, and indifferents in a <b>Stakeholder Mapping Table</b> . (3) Identify tactics for working with allies, opponents, and indifferents in a <b>Tactics Table</b> . Post on Canvas by <b>midnight Nov 13</b> .
8	Wed	Nov 13	Develop a Concept Statement	Abbott	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> Write your <b>Concept Statement</b> (using the provided template) and post on Canvas by <b>midnight Nov 18</b> .
9	Mon	Nov 18	Frame and Scope the Venture	Better Ventures	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Scope the business in the form of the physical units of output needed to meet the minimum social impact. (2) Scope the business in the form of the physical units of output needed to meet the financial goals. (3) Compare the financial and social scopes. Check if $(2) \geq (1)$ for financial sustainability. Consider possible adjustments. Post your <b>Scoping Table</b> on Canvas by <b>midnight Nov 25</b> .
10	Wed	Nov 20	Specify Deliverables, Establish Assumptions and Checkpoints	Acumen Fund	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Update your <b>Deliverables Table</b> to estimate the operating costs for your venture. (2) Prepare a projected <b>Operating Income Statement</b> . (3) Outline the costs of maintaining and renewing assets in an <b>Asset Funding Table</b> . Post on Canvas by <b>midnight Nov 27</b> .
11	Mon	Nov 25	Launch Your Enterprise; Manage the Upside and the Downside	Sanergy	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> (1) Identify your key assumptions using an <b>Assumptions Checklist</b> . (2) Estimate likely and worst-case costs using your <b>Deliverables Table</b> . (3) Identify checkpoints (milestones) for testing your key assumptions using a <b>Checkpoints and Assumptions Table</b> . Post on Canvas by <b>midnight Dec 2</b> .
12	Mon	Dec 2	Scale Up Your Social Enterprise	Timberland	<u>Ahead of Class:</u> Prepare the case. <u>HW:</u> Post Final <b>SVP</b> pitch deck on Canvas by <b>midnight Dec 4</b> .
13	Wed	Dec 4	SVP Presentations	-	
14	Mon	Dec 9	SVP Presentations	-	

## COURSE READINGS

---

### SESSION 1 – INTRODUCTION TO SOCIAL ENTREPRENEURSHIP

---

Reading: “Social Entrepreneurship: The Case for Definition,” Roger L. Martin & Sally Osberg, *Stanford Social Innovation Review*, Spring 2007.

This session provides an overview of the course and a formal definition of social entrepreneurship. We will discuss the purpose and goals of social entrepreneurship, especially in relation to poverty alleviation and economic development in emerging economies, and compare this purpose and goals to those of more traditional models and approaches to entrepreneurship. We will also touch on the major themes of this course and discuss the place that social entrepreneurship occupies in the larger landscape of tools and techniques for addressing social problems, including governmental and non-governmental/non-profit approaches.

#### **Learning objectives:**

To understand 1) the definition of social entrepreneurship and the variety of approaches taken by organizations to create positive social impact, 2) be able to articulate the social problem that you would like to work on solving and your proposed solution, 3) be able to articulate what beneficiaries will need to do differently for your solution to work, 4) develop disqualifying criteria for screening out highly vulnerable ideas and screen-in criteria that will enhance the plausibility and attractiveness of your project. 5) understand the role of an advisory board and begin thinking about the types of individuals and organizations that you would need to have represented on your advisory board.

---

### SESSION 2 – SPECIFY PERFORMANCE CRITERIA

---

#### **OpenIDEO**

##### **Description**

The case describes OpenIDEO, an online offshoot of IDEO, one of the world’s leading innovation and product design firms. OpenIDEO leverages IDEO’s innovative design process and an online community to create solutions for social issues. Emphasis is placed on comparing innovation approaches within IDEO and OpenIDEO using real-world project examples. For OpenIDEO this includes increasing bone marrow donor registrations and improving personal sanitation in Ghana. In addition, this case explores the importance of fostering a collaborative online environment and designing innovative Base of the Pyramid (BoP) products and services.

#### **Learning objectives:**

To understand 1.) which performance criteria you would like to measure and use in planning your social venture, and to decide on 2.) a unit of social impact by which you intend to measure and monitor social performance progress, and on a unit of revenue by which you will measure and monitor financial performance progress and which you can validate with potential supporters of your venture.

#### **Setting:**

- Geography: Ghana
- Industry: Electron microscopes

---

## SESSION 3 – DEFINE AND SEGMENT YOUR TARGET POPULATION

---

### **Sproxil: Saving Lives Through Technology and Social Enterprise**

#### **Description**

Ashifi Gogo, founder and CEO of Sproxil, wants to scale his mobile product authentication technology to new applications and new regions, but he is uncertain which business model to use. Sproxil is a Nigeria-based company that verifies the authenticity of medicines using a scratch-off code and SMS. Students are asked to examine the role of private and public actors in verifying the quality of medicines as well as the advantages and disadvantages of non-profit and social enterprise models in providing people at the Base of the Pyramid with this much-needed service.

#### **Learning objectives:**

To learn how to 1.) specify major beneficiary segments that you would target for your social venture, 2.) generate a set of attractiveness features against which to score your segments and 3.) select the high-scoring seed segment with which you could test-launch your idea.

#### **Setting:**

- Geography: Africa
- Industry: Health care services, scientific & technical services

---

## SESSION 4 – UNDERSTAND THE BENEFICIARY EXPERIENCE

---

### **CARE Kenya**

#### **Description**

CARE's Rural Entrepreneurship and Agribusiness Promotion project is a new, market-driven approach to development in Kenya. Although the project has been successful from a development standpoint, it is not commercially viable. The sector manager must determine how to improve the project and make it commercially sustainable.

#### **Learning objectives:**

To learn how to 1.) understand and empathize with your target beneficiaries pain points, needs, current behavior, and alternatives, 2.) define the specific pain points or needs that you can address, the requisite beneficiary experience for a solution, and the associated activities, 3.) generate a Beneficiary Experience table and 3.) validate the proposed activities with your advisory board and target beneficiaries.

#### **Setting:**

- Geography: Kenya
- Industry: Agriculture, forestry, fishing & hunting

---

## SESSION 5 – ANALYZE THE MOST COMPETITIVE ALTERNATIVE

---

### Arcadia Biosciences: Seeds of Change

#### Description

Arcadia Biosciences is an entrepreneurial California agricultural biotech company seeking to earn carbon credits by modifying commodity crops for use in China and India. Eric Rey, Arcadia's CEO, faced a strategic inflection point in early September, 2008. The company had a plan to share carbon credits allocated by the United Nations Clean Development Mechanism Executive Board to China, for use of Arcadia's rice varieties, since they enabled farmers to reduce nitrogen fertilizer use, in turn lowering greenhouse gas emissions. But the company's proprietary traits for nitrogen use efficiency, salt tolerance, and water use efficiency also had more conventional paths to market based on licensing deals to large seed companies. Alternatively, Arcadia could acquire a seed company and develop and market its seed directly. A different near-term growth area involved commercializing enriched safflower oil which had undergone several proof-of-concept tests and for which Rey foresaw a clear market in nutritional supplements and functional foods. The case provides context on the company; describes advances in crops genetics focused to climate change and associated resource issues of fertilizer use, water use, and soil salinity; and poses strategic choices for a start-up company operating at the intersection of business, agriculture, and climate change.

#### Learning objectives:

To learn how to 1.) identify and compare the advantages and *disadvantages* of your solution versus the most competitive alternative (MCA) for your target beneficiary segment(s), 2.) think through and develop a plan for how you will handle the disadvantages of your solution and exploit the advantages for your key segment(s), and 3.) validate with your advisory board and target beneficiaries that the target segment(s) can be persuaded to embrace your proposed solution and change their behavior to accommodate your solution if needed.

#### Setting:

- Geography: China, India
- Industry: Agribusiness, Biotechnology, Water supply

---

## SESSION 6 – IDENTIFY OPERATIONS REALITIES

---

### Narayana Hrudayalaya Heart Hospital: Cardiac Care for The Poor

#### Description

The case describes the mission, vision, and strategy of a team of entrepreneurs headed by a charismatic heart surgeon who founded a heart hospital in Bangalore, India. The purpose of the hospital was to offer health care for the masses. This tertiary care hospital performed over 4,000 surgeries a year (approximately half on pediatric patients), which is more than that performed by The Cleveland Clinic and the Mayo Clinic (ranked #1 and #2 in the United States) combined. The interesting aspect of its business formula was its ability to offer such complex surgeries as CABG (popularly known as bypass surgery) for about \$2,000, which was substantially less than other similarly equipped hospitals in India. Its founder has already entered other complementary activities, such as a statewide insurance scheme for rural farmers –Yeshaswini. The founder has ambitious plans for a comprehensive “Walmartization” of health care in India.

### Learning objectives:

To learn how to 1.) identify all the activities your enterprise must deliver to ensure that your beneficiaries actually experience what you propose and that your solution is actually superior to the most competitive alternative, 2.) identify all the capabilities your enterprise will need to execute your solution and plan how you will develop or secure needed capabilities, 3.) identify the capabilities your beneficiaries will need in order to experience the benefits you envisage, identify which ones they do not currently have, and plan how you will develop or secure the capabilities your beneficiaries lack, 4.) identify the types of costs you will incur to deliver these capabilities and determine funding sources for these costs.

### Setting:

- Geography: India
- Industry: Health care services

---

## SESSION 7 – ADDRESS THE INEVITABLE SOCIO-POLITICS

---

### Barefoot College of Tilonia: Lighting Up Rural Lives

#### Description

In September 2013, Sanjit “Bunker” Roy was honored with an award for his vision and leadership in addressing global problems through his novel organization, Barefoot College (Barefoot). Barefoot’s mission was to improve the lives of impoverished rural residents by upgrading their existing skills with training so the villages and their residents were self-sufficient. When he started the college in the state of Rajasthan, India, in 1972, Roy never dreamed that Barefoot would be able to affect the lives of millions of people in 24 countries. Barefoot’s global footprint was spreading at a rapid pace with requests for even more locations. Roy wondered whether he should freeze the organization in its present state or continue to increase its presence with a centralized headquarters. Alternatively, he could replicate the autonomous model on a smaller scale, still adherent to the beliefs, values, and assumptions that were the foundation of Barefoot College.

### Learning objectives:

To learn how to 1) determine who benefits from your business and who is at risk of negative impact, 2) identify all stakeholders, even those not directly affected by your business but capable of impacting it and determine how active each one is or soon will be and how much clout each has to affect others; 3) identify *key allies* and whether you have the ability to deploy them, *primary opponents* and whether you have the capabilities to neutralize them, and *needed indifferents* and whether you will be able to mobilize them.

### Setting:

- Geography: India
- Industry: Social advocacy organizations

---

## SESSION 8 – DEVELOP A CONCEPT STATEMENT

---

### Abbott and the AIDS Crisis (A)

#### Description



In 1999, the 20-year-old AIDS crisis had ravaged many developing countries on the continent of Africa. Of the estimated 33.4 million people living with HIV/AIDS worldwide in 1998, almost two-thirds (22 million) were in sub-Saharan Africa, considered the “global epicenter” of the disease. Already 12 million had died, and life expectancy in the region plummeted from 62 years to 47. Chicago-based Abbott Laboratories had responded at the start of the AIDS outbreak by developing the HIV diagnostic test kit and then, later in the crisis, developed some of the state-of-the-art HIV/AIDS drugs. Abbott executives, led by new CEO Miles White, wanted to address the crisis in sub-Saharan Africa, but in a specific, efficient, and effective way. This case details the evolution of the AIDS crisis, Abbott Laboratories’ HIV/AIDS drug production, and the company’s efforts-in 1999-to find other ways to battle HIV/AIDS globally.

### **Learning objectives:**

To learn how to 1) develop a concept statement, 2) articulate the problem and proposed solution, 3.) summarize the business proposition including the unit of social impact and unit of revenue, 4.) scope the market and competition in relation to your target beneficiaries’ most competitive alternative (MCA) and state how your solution is better than the MCA, and 5.) map the social-political landscape, including key stakeholders, allies, and opponents.

### **Setting:**

- Geography: Africa
- Industry: Pharmaceuticals

---

## **SESSION 9 – FRAME AND SCOPE THE VENTURE**

---

### **Better Ventures: Backing Entrepreneurs Building a Better World**

#### **Description**

This case centers on BV as it seeks to raise \$20 million for its first standalone fund between 2014 and 2016. Wes Selke and Rick Moss, the two BV co-founders, had built their experience in impact investing when they founded and managed Hub Ventures (HV) (a smaller accelerator-type fund of \$500,000) immediately prior to founding BV. Encouraged by the economic return and social impact from those early-stage, mission-driven HV investments, both Selke and Moss decided in late 2014 to raise a separate and much larger fund called Better Ventures Fund II (BVFII). This new fund would allow BV to make larger initial investments in its early stage portfolio companies and provide the needed capital to make add-on investments in subsequent financing rounds. The case discusses the challenges of raising capital for this new fund as well as BV’s investment and impact theses, deal sourcing, and post-investment approach. The case eventually explores the next steps for BV, after successfully raising this first-time fund.

### **Learning objectives:**

To learn how to 1.) scope your venture in the form of the physical output you will need to meet the social frame (your minimum social impact goals) and your financial frame (your profit or break-even goals), 2.) compared your social and financial goals and evaluated whether your financial goals can be met while you achieve your social impact goal, 3.) evaluate the plausibility of a sustainable business given your financial and social frames, 4.) run your project by your advisory board and by people on the ground to assess the acceptability of your social and financial goals and identify obstacles to implementation.

### **Setting:**

- Geography: California, USA
- Industry: Venture capital

---

## SESSION 10 – SPECIFY DELIVERABLES, ESTABLISH ASSUMPTIONS AND CHECKPOINTS

---

### Acumen Fund: How to Make the Greatest Impact

#### Description

This case explores management’s challenge of how to best use a \$10 million contribution to make the greatest impact for the poor. Acumen Fund is global philanthropic venture capital fund that seeks to prove that small amounts of philanthropic capital, combined with large doses of business acumen, can build thriving enterprises that serve vast numbers of the poor at the base of the pyramid. In recent years, the organization has expanded its work into talent building and knowledge creation. Students learn the different roles intermediary organizations like Acumen Fund play in facilitating the development of successful Base of the Pyramid ventures and why are these efforts needed.

#### Learning objectives:

- 1.) Identify cost drivers of the deliverables required and estimate the operating costs for your venture, establish a projected income statement allowing you to compare projected revenue with projected costs of running the venture, outline the costs of maintaining and renewing assets that will require up-front investment, and identify potential sources of funding for your operations and the acquisition and maintenance of assets.
- 2.) Identify and document your assumptions, understand which assumptions have the greatest impact on your venture, develop a checkpoints and assumptions table designed to test no more than 10 “most important” assumptions, structure checkpoints in keeping with the philosophy of learning at low expense, and update your stakeholder impact table and modify your tactics in the face of unfolding sociopolitical realities.

#### Setting:

- Geography: Africa, India, Pakistan
- Industry: Venture capital

---

## SESSION 11 – LAUNCH, MANAGE THE UPSIDE AND THE DOWNSIDE

---

### Sanergy: Tackling Sanitation in Kenyan Slums

#### Description

This case centers on Sanergy, a five-plus-year-old hybrid organization, that has become a high profile, high growth, social enterprise, known initially for its Fresh Life toilets deployed in the Mukuru and Mathare slums of Nairobi, Kenya. Sanergy’s co-founders launched their social startup out of the 2011 MIT 100K business plan challenge and quickly received national attention in the press. By 2013, the firm had raised a “Series A” equity round from Acumen, Eleos Investment Management (Eleos) and Novastar, the team had also begun its operations in Kenya to more rapidly build-out both sides of its business: (1) in its non-profit business, deploying Fresh Life Toilets to improving access to hygienic sanitation in Nairobi’s informal settlements sanitation business, largely using a franchisee model; and (2) in its for-profit fertilizer business, with its Evergrow Organic Fertilizer, produced by Farm Star, sold to small- and medium-sized farmers in need of rich soil supplements. This case examines both Sanergy’s hybrid business model and “sustainable sanitation value

chain” in detail and explores the challenges the social enterprise entity will face as it continues to scale up both businesses and seeks to reach the breakeven point by 2018.

**Learning objectives:**

To learn how to 1.) identify the key skills you will need to start: sales, operations, financial and cash flow, and negotiating skills, 2.) set up a program to minimize the commitment of funds until you have revenues to justify them, 3.) specify the characteristics of your target “first five” beneficiaries and set up table to compare expectations to actual results, 4.) continue testing assumptions at key checkpoints and redirect (and re-plan) the project accordingly when there is a significant difference between expected and actual results, 5.) continue monitoring shifts in the socio-political landscape to avoid getting blindsided.

**Setting:**

- Geography: Kenya
- Industry: Water, sewage & other systems

---

**SESSION 12 – SCALE UP YOUR SOCIAL ENTERPRISE**

---

**Timberland: Commerce and Justice**

**Description**

When Jeffrey Swartz became the third generation in his family to lead the Timberland Co., he pursued a strategy in which commerce and justice were “inextricably linked.” Community involvement, environmental management, and global labor standards became not addenda to the commercial strategy, but integral parts of it. Spanning more than 10 years of Swartz’s innovative leadership, this case presents a well-developed, value-centric business in which management faces two emerging challenges: how to measure the impact of its social justice activities and how to export its values-based strategy abroad. Focuses on strategic management of a corporate social responsibility (CSR) program. The development of Timberland’s innovative commerce and justice strategy sheds light on ways in which strategic alignment can provide energy, synergy, and resources critical to developing a successful CSR program within a for-profit company.

**Learning objectives:**

To learn how to 1.) put together a definition of failure and a disengagement plan, 2.) celebrate early, even if modest, successes and recognize those on the team who are responsible for them, 3.) consult with your advisory board to identify and put in place warning signals of both negative and positive second-order effects, 4.) recognize options for changes in mission or strategy from one enterprise type to another and (for projects under profit or financial sustainability duress) look at alternative organizational formats in the aspiration cascade.

**Setting:**

- Geography: New Hampshire, USA
- Industry: Footwear