



MGMT 8120/2120: Social Entrepreneurship

**Fall 2023 /Quarter 2 (0.5 cu)
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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 venture plans within teams.

Course Objectives

By the end of the course, you will know how to identify your key beneficiaries' needs, develop solutions to address these needs, evaluate the operational requirements needed to implement your solution, develop an operating income statement, evaluate, and balance your organization's social mission with its profitability, analyze and engage with key stakeholders, and assess your organization's progress over time to scale operations and social impact. You will also have developed a pitch deck for your social venture, which you can use to apply for Penn's Venture Initiation Program, Startup Challenge, and other business plan competitions, or develop into a for-profit, non-profit, or hybrid enterprise.

Recommended Courses

MGMT 8010/2300 are recommended courses that can be taken simultaneously. This course assumes familiarity with the material covered in the business fundamentals courses and a working knowledge of the concepts covered in those courses.

Grading

- 10% Weekly homework assignments (Canvas)
- 20% Individual quizzes (Canvas)
- 30% Attendance and participation
- 40% Team capstone project: Social Venture Plan (SVP)

Each of the grading components will be z-scored to adjust for your performance relative to other sections of this course. These components will be weighted by the percentages above to determine your final letter grade.

Grading Notes

MBA Grading. Please note that MBA students enrolled in the MGMT 8120 section will be evaluated relative to other MBA students in this course. The MBA grading will follow the Wharton MBA office requirements.

Non-MBA Grading. For non-MBA students enrolled in MGMT 8120/2120, we will use the following grading scale in determining the final letter grades:

Letter Grade	Percent Grade	4.0 Scale
A+	97-100	4
A	93-96	4
A-	90-92	3.7
B+	87-89	3.3
B	83-86	3
B-	80-82	2.7
C+	77-79	2.3
C	73-76	2
C-	70-72	1.7
D+	67-69	1.3

D	65-66	1
E/F	Below 65	0

Required Readings

Most of the required readings for this course are available for purchase through the **Study.Net Materials** link on Canvas. You should receive an email with login information from Study.net at the beginning of the term. Please contact customerservice@study.net with any login issues.

In addition, we will use the following book for additional readings in this course:

***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)**
[reference in syllabus: SEP]

This book is a thorough guide to the process of creating social enterprises, authored by Wharton emeritus professor Ian MacMillan, based on his decades-long research of social entrepreneurs. The book is on reserve at **Lippincott Library (available free-of-charge electronically at Course Materials@ Penn Libraries)** and available for purchase on Amazon and your local bookseller. All other required readings are available free-of-charge through our **Course Materials @ Penn Libraries** link on Canvas.

Recommended Readings

We recommend the following readings for anyone interested in pursuing social entrepreneurship as a career:

1. *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, by David Bornstein (2007)
2. *Building Social Business: The New Kind of Capitalism that Serves Humanity's Most Pressing Needs*, by Muhammad Yunus (2011)
3. *The Business of Good: Social Entrepreneurship and the New Bottom Line*, by Jason Haber (2016)

Classroom Expectations

Electronics: In class, the use of laptops, tablets, and other electronic devices is generally prohibited. Exceptions are the use of mobile phones for checking in at the start of class and during specific in-class activities, such as polls, role-plays, or simulations as permitted by the instructor to aid learning.

Code of Academic Integrity: Upholding academic integrity is a foundational principle of the University. We ask all students to acquaint themselves with Penn's [Code of Academic Integrity](#) and [Plagiarism Policy](#). Breaches of these policies will not only affect your grade for a particular assignment but could also result in broader disciplinary measures.

Moderate use of Generative AI permitted: You're permitted to employ generative AI tools, such as ChatGPT, for idea generation and brainstorming sessions. However, it's

crucial to recognize that content produced by these tools might be imprecise, incomplete, or pose other issues. Relying heavily on these tools might also hinder your personal creativity and independent thought process. Under no circumstances should you present work directly produced by an AI tool as your own. If you incorporate content created by an AI, ensure it's appropriately cited, just as you would with other sources—though bear in mind the potential variability in the quality of such sources. Violations like plagiarism or other forms of dishonesty will be strictly addressed in accordance with Penn's established policies.

NDAs: Our University thrives on the free and open exchange of ideas and knowledge. As such, we generally discourage the use of confidentiality agreements and non-disclosure agreements (NDAs). While engaging in class discussions, we ask that you treat others with kindness, empathy, and respect, and treat each others' ideas in the same way. Kindly refrain from disseminating ideas about ventures discussed in class externally without explicit permission.

Attendance and Participation (A&P)

Attendance and active participation are integral to success in this course. Together, attendance and participation account for a significant portion of the grade, with each constituting 50% of the A&P grade.

Attendance: We'll be using the aPlus+ attendance app to record and monitor attendance. The QR code for checking in will be accessible from the start and up to 10 minutes after the start of each class session. Please note that only those who check in within the first 10 minutes will be marked as present; any delay beyond this will register you as absent. Hence, it's essential to ensure timely arrival and check-ins to secure your attendance points. Ensure you're equipped with your phone for the QR code check-ins, and please remember that laptops and tablets are not allowed. Your commitment to punctuality and meaningful participation is highly appreciated and will reflect in your overall grade. Please note that your attendance is ultimately your own responsibility.

Participation: Additionally, your contribution during class discussions and activities will be evaluated. Participation will be graded on a scale of 1 to 3, based on the depth of involvement and the quality of comments shared. Your participation is necessary for everyone's learning and success in this course. Participation means actively listening, building on other's comments, contributing to the class discussion, participating in class activities, and being engaged in class. Participation will be evaluated holistically based on both quality and frequency as a check (2), check plus (3), or check minus (1). We will make every effort to encourage and enable your participation. Please note that your participation is ultimately your own responsibility.

First-Day Policy: We have a waiting list for this course. Please note that if you are enrolled in the course but do not show up on the first day of class, you will be dropped from the course.

Excused Absence Requests: To request an excused absence, you can either:

1. Fill out and submit an absence request form located under the 'Attendance & Video Requests' tab on Canvas.
2. Forward a Course Absence Notice (CAN) request via your advisor's office.

For medical or family-related absences, for privacy and confidentiality reasons, it's imperative to channel your request through your advisor's office or the student support office staff, who will then notify the teaching team. We cannot accept doctor's notes directly. We can grant up to two (2) excused absences. Any subsequent absence will lead to a reduction in your attendance and participation points. Since this could also affect your interaction with the class's content and discussions, we advise you to remain aware of this policy.

Video Recordings: We will use video recordings to track attendance. Please note that these recordings are exclusively for the purpose of attendance verification.

Lecture Notes: You are welcome to take notes during class. Please note that the lecture slides will be posted on Canvas at **5:00 p.m.** on the day of the lecture.

Team Formation

This course requires a significant amount of teamwork outside of class. Please note that you will need to **form teams of 3-5 people for your capstone project**. To get credit for this project and all related team assignments, you will need to be added to a team (you can drag and drop your and your team members' names to a team under the People tab on Canvas). Please be sure that you are in a team to get credit for this assignment. Additionally, at the end of the course, you will have the chance to provide private, confidential feedback about each member of your team. We will read these evaluations. In rare cases, where we discover that a person did not contribute to the team's effort, we will adjust the capstone grades to reflect contributions.

Weekly Homework Assignments

We will check your understanding of the course concepts with weekly team homework assignments. Each homework assignment will ask you to reflect on and apply the frameworks covered in class as a team to your social enterprise idea. Each assignment will be graded as a check/no check. Full credit (1 point per homework) will be awarded if one member of your team submits the assignment on behalf of your team **on time**. Everyone on the team will then receive credit for the submission. We will use the time stamp of the submission as posted on Canvas. Half a point (0.5 pt per assignment) will be awarded for each day that a submission is **late**, based on the time stamp of your submission on Canvas. Zero points (0 pt per homework) will be awarded for **missed** submissions and those that are more than two days late. There will be a total of **10 weekly homework assignments** posted on Canvas.

Quizzes

We will check your individual understanding of the course concepts with **four (4) individual quizzes** on each module. These quizzes cover core material from the lectures,

readings, and class discussions. These quizzes are to be completed individually, **open book, open notes, and not timed**. Please note that you will have only **one (1) attempt** to take the quiz. Quizzes close at **11:59 pm ET** on the date when they are due. Each quiz is worth 7 points and has 7 questions (1 point per question). Quizzes can be completed any time prior to their date and will be graded automatically in Canvas. Quiz answers will be posted **two days** after the deadline. We will deduct 50% of the points for each day late after the deadline for all late submissions. There will not be any partial credit awarded for submissions after the quiz answers have been released. Please see Canvas for further details and instructions.

Social Venture Plan (SVP)

The final deliverable for this course is a team capstone project called the Social Venture Plan ("SVP" for short). You and your team will work together throughout the course on weekly homework assignments that will help you select and develop an idea into your capstone project. The final deliverable for the course is a 10-slide Power-point "pitch" deck outlining your social enterprise plan, which will be worth a total of 100 points. This deck will consist of the following slides (to be compiled in this order):

- 1. Title** [5pt] – Provide company name, your names, roles, and contact information
- 2. Opportunity** [15pt] – Clearly identify the opportunity – explain the *need* you have identified and describe your proposed *solution* (product or service) that satisfies this need. Identify and size a readily addressable market. Demonstrate support for the uniqueness of your solution in addressing the identified need through the product or service you provide.
- 3. Value Proposition** [15pt] – Explain the *value* of the solution (product or service) you provide. Provide evidence that it is compelling. Identify the key benefits sought by customers and/or partners and explain the advantages of your solution over alternative solutions.
- 4. Prototype** [10pt] – Create a visual prototype (e.g., video, demo, mockup, wireframe, diagram) that describes the key features that make your offering special, unique, and difficult to imitate. This slide should elicit a "wow" reaction that makes it clear your solution is truly special and addresses the problem or opportunity you have identified.
- 5. Business Model** [10pt] – Explain how you will generate revenue from this solution: who pays you, what are your channels of distribution, what is your gross margins, etc. If applicable, drop the names of customers or organizations that are already using your product. Explain what makes your business model viable.
- 6. Go-to-Market Plan** [10pt] – Explain how you are going to reach your beachhead customers and launch. Who will be your first customers? How will you transition to attract mainstream customers? What promotions will you offer? What marketing campaigns will you launch?
- 7. Competitive Analysis** [10pt] – Provide a complete view of the competitive landscape and the current and foreseen alternatives available to your target customers. Explain the

sources of your competitive advantages relative to the most competitive alternatives available to your customers.

8. Management Team [5pt] – List your roles, backgrounds, and expertise that you bring to your team to make your venture a success. Describe the key players of your management team and identify potential members for your board of advisors that will bring additional expertise to your venture.

9. Key Metrics [10pt] – What are your key performance metrics and how will you deliver on these goals? Explain your desired performance outcomes and provide a high-level overview for how you plan to achieve these (e.g., using an operating income statement). Explain what assumptions underlie your ability to deliver the desired outcomes.

10. Timeline [10pt] – Explain the progress you and your team have made to date along key checkpoints and the timeline for further development. Provide a brief overview of the capital you'll need at each checkpoint and how you plan to use the funds (e.g., \$100K to hire a full-time software engineer).

Please be sure that your slides follow the format outlined above and contain all the required information. Please see the assignment details in Canvas for more information.

Tips: Each year, Penn hosts the [Y-Prize Competition](#). It is a fantastic opportunity to develop a business plan for the commercialization of a Penn-licensed technology through a startup. As a bonus, you can also get course credit to develop this plan as your capstone. If you choose this option, you can enter your final pitch deck in the Y-Prize competition for a chance to win \$10,000.

There is another clever "hack" for developing a startup. You and your team can develop a capstone around a technology available for licensing through Penn or other university-based technology transfer centers (e.g., at Stanford, MIT). Check out these technologies on sites such as the [Penn Center for Innovation](#).

MGMT 2120/8120: Course Outline – Quarter 2

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

Session	Day	Date	Lecture Topic	Case Readings	Weekly Assignments (Posted on Canvas)
1	M	Oct 23	Articulate Your Target Problem & Substantiate Your Proposed Solution	“Social Entrepreneurship: The Case for Definition” (SEP Ch 1)	(1) Reflect on a social problem that you find compelling. Explain why it is compelling.
2	W	Oct 25	Specify Performance Criteria	OpenIDEO (SEP Ch 2)	(1) Reflect on your potential screen-in/out criteria. (2) Identify a unit of revenue and unit of social impact for your proposed idea. (3) HW 1& 2: Startup Idea Board (Harmonize App)
3	M	Oct 30	Team Day (no lecture)	-	(1) Reflect on other problems posted on Canvas you found compelling and classmates who have similar interests; select a team to work on for your capstone project. (2) HW 3: SVP Team Formation - Form an SVP team with 3-5 people on Canvas.
4	W	Nov 1	Define and Segment Your Target Population	Sproxil (SEP Ch 3)	(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. (4) HW 4: Segment Scoring Table. **Quiz 1 due on Canvas**
5	M	Nov 6	Understand the Beneficiary Experience	CARE Kenya (SEP Ch 4)	(1) Define the set of activities associated with the requisite beneficiary

					<p>experience using the Beneficiary Experience worksheet.</p> <p>(2) HW 5: Complete the Beneficiary Experience Table.</p>
6	W	Nov 8	Analyze the Most Competitive Alternative	<p>Arcadia Biosciences</p> <p>(SEP Ch 5)</p>	<p>(1) Identify the Most Competitive Alternative (MCA)</p> <p>(2) Compare your solution to the MCA using your Beneficiary Experience worksheet.</p> <p>(3) HW 6: Identify the Most Competitive Alternative.</p> <p>**Quiz 2 due on Canvas**</p>
7	M	Nov 13	Identify Operations Realities	<p>Narayana Hospital</p> <p>(SEP Ch 6)</p>	<p>(1) Identify the types of costs for your venture using the Deliverables worksheet</p> <p>(2) Identify the sources for funding each type of cost using the Funding worksheet</p> <p>(3) HW 7: Complete the Deliverables/Funding Table.</p>
8	W	Nov 15	Address the Inevitable Socio-politics	<p>Barefoot College</p> <p>(SEP Ch 7)</p>	<p>(1) Identify key stakeholders: allies, opponents, and indifferent agents in a Stakeholder Mapping worksheet.</p> <p>(2) Come up with tactics for working with allies, opponents, and indifferent agents in a Tactics worksheet.</p> <p>(3) HW 8: Complete the Stakeholder Impact Table.</p>
9	M	Nov 20	<p>Develop a Concept Map</p> <p>(pre-recorded session- enjoy Thanksgiving break!)</p>	<p>Abbott</p> <p>(SEP Ch 8)</p>	<p>(1) Develop a Concept Map for your social venture and start working on your slides for the final SVP deck.</p> <p>(2) HW 9: Complete the Concept Map.</p>

			Note: No Class on Wednesday Nov 22nd - Thanksgiving Break		**Quiz 3 due on Canvas**
10	M	Nov 27	Frame and Scope the Venture	Better Ventures (SEP Ch 9)	<p>(1) Scope the business in the form of the physical units of output needed to meet the minimum social impact.</p> <p>(2) Scope the business in the form of the physical units of output needed to meet the financial goals.</p> <p>(3) Compare the financial and social scopes. Can you achieve financial sustainability under your current plan? Why or why not?</p> <p>(4) HW 10: Complete the Scoping Table.</p>
11	W	Nov 29	Specify Deliverables, Establish Assumptions and Checkpoints	Acumen Fund (SEP Ch 10)	<p>(1) Update your Deliverables Table.</p> <p>(2) Prepare a projected Operating Income Statement.</p> <p>(3) Outline the costs of maintaining and renewing assets in the Asset Funding Table.</p> <p>**Quiz 4 due on Canvas**</p>
12	M	Dec 4	Launch Your Enterprise; Manage the Upside and the Downside	Sanergy (SEP Ch 11)	<p>(1) Identify checkpoints (milestones) for testing your key assumptions.</p> <p>(2) Work on your final SVP deck.</p>
13	W	Dec 6	Scale Up Your Social Enterprise	Timberland (SEP Ch 12)	Final SVP pitch deck due on Canvas by 11:59pm on December 8th .
14	M	Dec 11	Optional OH for UGR students		SVP team feedback due on Canvas 11:59pm.

COURSE READINGS

SESSION 1 – ARTICULATE YOUR TARGET PROBLEM AND PROPOSED SOLUTION

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 – TEAM DAY

None

SESSION 4 – 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 5 – 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 6 – 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 7 – 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 8 – 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 9 – 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 10 – 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 11 – 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 12 – 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 13 – 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

SESSION 14 – OPTIONAL OH FOR UGR STUDENTS

None