

BUS 4553

Social Enterprise

Course Outline

Winter 2012

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Classroom: 2B02, Tuesdays & Thursdays, 2:10-3:30 p.m.

Office Hours: Please make an appointment. I am available in person, by phone or on skype.

Steffen, Alex (Ed) *World Changing: A User's Guide for the 21st Century, Business – Introduction, p. 379:*

Today's successful business is about exploring new ways of making things happen in the world, seeing potential and pursuing it, and recognizing that now - perhaps more than ever – the market is receptive to thinking outside the box.

In some ways, business is the boldest and most exhilarating adventure we could embark on. But it's up to us to keep it fresh, or we risk falling into the groove of business as usual, spreading poverty and pollution, maybe getting a little richer but ultimately feeling sordid and hollow. Money made this way is an ethical cheat, often producing nothing of real value, and sometimes doing real harm. It's also boring: nothing is more tedious than rehashing old business models, paddling around in the backwaters, looking to squeeze just a little more profit.

If we can avoid the tired groove, we're likely to find the path towards world-changing business, full of men and women who see sustainability, fairness, and openness as prerequisites not just for a better company, but for a better life. These fine minds see a chance to do something extraordinary, to improve the state of the world, and just maybe, in the process, to get reasonably rich. This is the new frontier of business, full of innovative technologies, radically reimagined business models, counterintuitive opportunities – there's room for vision here, and the visionaries see a bright green future.

Course Objectives

The objectives of the course are to enable students to a) explore social enterprise as an alternative to traditional entrepreneurship; b) sample the range of hybrid organizations that do well by doing good; c) apply conceptual frameworks to create pro-social, for-profit business models; d) evaluate social opportunities in different settings and according to different personal priorities; and e) *make a difference!*

The course is designed for young leaders for whom making money is important – but no longer enough, who may have an urge to give back, or who are simply growing impatient with the pace at which traditional businesses tackle issues of global significance, from climate change to child poverty. The course also builds business modelling and critical evaluation skills useful to students contemplating careers in social investing, business consulting, or in international institutions (many of which are now actively embracing entrepreneurial solutions to address the millennium goals, stabilize post-conflict regions, and create transactions that add equity, social justice and gender empowerment by supporting the creation of markets and income-generating models).

Course Overview

This course provides a comprehensive introduction to social enterprise in developed and developing countries. It focuses on the unique entrepreneurial processes associated with the creation or discovery of positive social change. We explore the different mechanisms of value creation in organizations designed to combine doing good and doing well. It also engages the students in anticipating, evaluating and addressing the challenges of implementing such hybrid business models in different socio-economic, political and cultural contexts, ranging from affluence to extreme scarcity (rural villages in Africa or South America), and from stability to extreme volatility (urban slums, conflict zones).

The course complements the main offerings on Entrepreneurship by addressing the specific types and motivations of social entrepreneurs and by exploring the key differences between traditional and pro-social enterprise. It also dovetails with all the HBA2 electives on Corporations and Society by taking a closer look at the “difference-makers”, their attempts to diagnose and correct market failures, and their efforts to create socially- and environmentally-minded markets where none existed (e.g. green technologies in rural Africa, computing technologies for children missing out on an education, nutrition and healthcare in urban slums).

The course consists of four modules. Using the powerful symbolic analogy of the Fibonacci spiral (please see our course framework on page 9), we strive to logarithmically leverage our knowledge as we go from one module from the other.

We start from the centre, by meeting different types and generations of social entrepreneurs and tracking the evolution (and growing momentum!) of social entrepreneurship across time, geographies and sectors. The first module is designed as a broad survey of who social entrepreneurs are, and why they do what they do. It covers the types and the drives of social entrepreneurs. Our main focus in this first module is value creation. We add to what you have learned in the Ivey program so far, and build on your personal interests and outside causes (both charitable and entrepreneurial) by grappling with the importance of generating social and environmental value through business activities.

We then examine different types of social enterprises, so we begin to understand the choice and (re)configurations of activities social entrepreneurs pursue in order to unearth additional value. We start looking beyond value creation to the unique processes of creation and discovery of social opportunities, asking specifically whether and how generating social and environmental value may be monetized or even converted into superior economic value. The notion of profitability for non-profits, and the balance between profitability and impact gains deeper meaning in this module as we learn to unpack what social enterprises do to create and convert value; we also start exploring critical levers – how we can find them, sustain them and change them to maintain the desired balance between margin and mission introduced in module 1.

Once we understand how social enterprises may hit a sweet spot where socially-minded actions magnify economic returns and vice-versa, we look further at how their business models evolve, how we track and reward financial and non-financial returns, and most importantly how we integrate unconventional thinking into what we already know about business models. In this module we also explore models that maximize accessibility and scalability, and begin to challenge some of the conventional wisdom of money-making by showing the financial and non-financial impact of micro-work (microenterprise, micro-franchise, micro-insurance); we also revisit the earlier topic of microfinance and expand that discussion into the broader issue of impact investing and innovations in social finance – if you are interested in exploring this further, please join us for the third *Social Innovation @ Ivey* forum on March 9, 2012 (1R40, 9 am - 5pm).

In the fourth and last model, we look at role models: we bring back in Ivey HBA and MBA and EMBA alumni who had engaged in making a change, as social entrepreneurs and/or consultants to social enterprises tackling issues from new forms of business (the B-corp) to social and economic experiments that reach out to marginalized segments of the populations to generate unprecedented triple bottom line value.

Overall, the course recasts both entrepreneurship and sustainability by asking challenging us to think outside the box and imagine the possibilities business organizations (by any name, from Mohammad Yunus's social business to Bill Gates' compassionate capitalism) can open, at home and around the world. It provides role models of thought leadership and action, by showing how enterprise can make a radical difference even under extreme conditions. It showcases the really tough trade-offs leaders have to consider when trying to address social and environmental issues. The course helps us think more critically about the tough issues organizations, small and large, traditional and unusual, are now facing; and it gives us hope that everyone can make a difference. The main takeaway from the course is to determine which difference is yours to make and prepare each of you so you can achieve the maximum impact once you get started.

Schedule

We meet Tuesdays and Thursdays, 2:10 – 3:30 pm in 2B02.

Table 1 on page 10 summarizes the dates and topics for our 20 sessions. The materials, reading assignments and discussion questions appear on eZone. Please check e-Zone regularly for this information and other course news as changes may be made throughout the term.

Materials

Custom Course Pack including cases and other readings as detailed in the assignments on eZone. The casebook is required, which generally consists of one case for each class session. I rely on innovative case formats, which include video case, multimedia approaches, live cases with guest speakers as well as learning labs. To maximize the returns from each experience, please follow my recommendations in when and how to engage the material for each session.

Weblinks to Required Readings (pdfs) are posted in ezone. Using these links saves both money and the environment (depending on your printing habits), but must be accessed on the UWO campus to bypass security logins.

There is no textbook required for this course but I would be happy to recommend additional readings, resources and references for anyone wishing to continue their learning journey in social entrepreneurship.

Expectations

You are expected to be fully engaged in the entire learning process. This means devoting time and energy to preparation before class, including team meetings, listening to others during class discussions and engaging in class discussions. Collective reasoning and discovery are critical to the successful application of the case method. Prior to any case discussion, engaging in discussions with (or examining notes from) others who may have already experienced a case is a clear violation of Ivey norms.

As a professional school, we place great emphasis on keeping regular commitments such as arriving to class and other events on time, attendance at every class, appropriate preparation for class, and submission of assignments on time. Our experiential learning process is premised on an expectation that a student will attend all scheduled classes and other assigned events that are part of the program. Missing a class cannot be fully compensated by an individual student, even if we ensure that the student has done the relevant individual and learning team preparation. As a professional courtesy, if you cannot be in class, please let me know in advance. Under University regulations, I may determine at what point absenteeism has become excessive and thus can prevent you from passing the course.

Using your computer during class for personal activities such as reading/writing email, writing letters, surfing the Web, playing games, etc. is distracting, counter-productive and violates Ivey norms. Please refrain from such activities.

Course Evaluation

Each component of your grade in this course will be assigned a percentage grade. Your final grade will be a weighted average of each of the components adjusted to meet the overall class average specified by the program. The grade for this course will be computed from the following components (each component is described in more detail below):

Class Contribution	40%	Every class (2%)
Group Project	30%	First Contact – February 2nd Problem Statement - March 2nd Final Submission – April 2nd
Individual Project	30%	April 10th

NOTE: For the group project, each member of the team will receive the same grade unless a majority of the members of the group inform their professor, in writing, that one or more members of the team have not contributed a reasonably proportionate share of the work. If a request is made for members of a group to receive anything other than the same grade, I will use a 360-degree peer-review process that allows every group member to evaluate every other group member. The professor will consider the results of the peer review in the assignment evaluation.

Class Contribution (40%)

Class contribution is a key factor in the success of the course. This portion of the grade recognizes your *contribution* to the learning of your classmates. Having to articulate your own views and critically listening to the views of others will enhance the learning process.

Your contribution to the learning of others, through the experience and insights you have, is a key part of this learning process. We will follow the usual Ivey norms: class attendance is mandatory; you are expected to come to each class, with the case and/or readings prepared and to contribute to the class discussion, either by starting the class session or by building on the contributions of others to move it ahead. People will be called upon to contribute, but it is safe to assume that waiting to be “cold-called” will not earn you a satisfactory contribution grade. You will need to contribute voluntarily.

Because much of the learning will be delivered through case studies, films, simulations, guest speakers, and lectures, in-class contribution is not merely about repeating facts, prior points of discussion, or simply agreeing with your classmates. A meaningful contribution is when you explain why you think the way you do, so that others can access and assess your argument. Focus on providing thoughtful and convincing arguments, which involve and integrate others’ viewpoint towards a higher collective learning ground.

I consider meaningful contributions to class discussion to include any comments, questions, or analyses which advance the general class understanding of the case, concept or issue, the major problems, key factors to consider, and appropriate decisions or plans of action that could be undertaken.

Come in with an open mind and a willingness to share your learning and participate in the learning of others, and you’ll find the classroom experience enriching. While it may not always be possible for all

students to contribute to each and every class, in grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the classroom, over the course of the semester, by making solid contributions on a regular basis.

Evaluation Process

In grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the class, over the entire course, not just a single class. The **quality, quantity and consistency** of your comments all count. Quantity matters, but quality and consistency are important to establish your presence in the class. Keep in mind, however, that I cannot judge quality without some quantity; greater consistency typically enables a better evaluation of your contributions as well.

I reward contributions that start us off productively, shape our discussion usefully, help us change direction when needed, provoke useful debate, and summarize the comments of others. To build on the comments of others requires you to listen and to consider the timing of your contribution. Your goal should be to provide insights that pass the "so-what" test. This can range from helping to sort out the key facts in a complex case to developing an analysis that builds on prior comments, thereby moving the class discussion forward. Repeating comments without adding additional value is not positively assessed.

In-class contribution, worth 40% of your final mark, will be evaluated on the following scale:

- 90-100: applies, analyzes, synthesizes course material
 - is willing to take risks in attempting to answer difficult questions
 - offers relevant, succinct input to class that advances the discussion
- 80-89: provides constructive feedback to group discussion
 - demonstrates ability to analyze/apply course material
- 70-79: offers clear, concise information relevant to class assignments
- 60-69: occasionally offers topical information of limited relevance
- 0-59: is not regularly in class (misses 25% or more classes)
 - provides little or no contribution to discussions
 - is disruptive or distracting to class
 - fails to follow flow of conversation
 - input is irrelevant, unrelated to topic or non-existent

Each day after class I review each student’s contribution to that class. In keeping with Ivey best practice, evaluations by your classroom peers will be one input to my grading. At the end of the course, I sum the daily points and rank the class by these totals. I use these scores as the first cut to assign grades based on my judgment of how good the top-scoring student is, how bad the lowest-scoring student is, where I should make grade breaks between the extremes, and individual strengths, weaknesses, and trends.

Peer Evaluators

Appointment of peer evaluators to classes is done by random assignment, and each of you will have one opportunity to evaluate your peers’ performance in a class over the course of the term.

	Category	Components of in-class contribution
4	Outstanding	Several times a term, a student may make a truly grounded and ground-breaking contribution that lifts the learning experience to a new level of personal and professional meaning for all the participants. These are memorable, one-of-a-kind, in-the-moment “aha”-s that truly punctuate how a class gets to experience strategy. These contributions are rare and extremely valuable beyond the teaching point at hand.
3	Excellent	Comments add substantial value to the discussion. Student demonstrates willingness to take risks in attempting to answer difficult or unpopular

		questions. Student breaks new ground and raises the flow of discussion to a higher level, often by synthesizing material and applying multiple lenses/techniques. Adds energy and enthusiasm.
2	Significant	Comments add value to the discussion, beyond case facts. There is evidence of analysis rather than just the expression of opinion (although some espousal of opinion is acceptable, even necessary at times). Comments are linked to those of others, facilitating the flow of the discussion. Student demonstrates knowledge of readings and other relevant course material. Student incorporates relevant insights from other courses or current affairs.
1	Good	Comments advance the flow of the discussion (including responses to questions from the instructor). Student demonstrates clear grasp of case material. Information presented is relevant to the discussion.
0	Neutral	Statement of case facts; relevance not made clear. Present, listening, but silent. Absent from class.
-1	Unsatisfactory	Lack of preparation for class discussion; failure to listen. Criticisms are directed at others versus towards their ideas. Defensive or disruptive behaviour (e.g., aggression or withdrawal) is exhibited. Drains energy from class goals. Inappropriate use of laptop, cell phone, iPod, Blackberry or other devices.

Process: When your turn comes, you will receive a seating chart at the beginning of the class. Please keep track of contributions and, at the end of the class, take 5 minutes to assign each participant a score according to the grading chart below (for your convenience, this grading chart will be copied on the back of the seating chart you receive). Let me know who was absent that day. Please return your marked contribution sheet to me at the end of the class or if it takes you longer to complete, please drop it off at my office right after classes end that same day.

Scores. Please be candid; the scores you assign as a peer evaluator remain confidential to your peers; I use only the average of the peer evaluators’ score and compare it against my own evaluation of your performance that day. Because correlations between my own evaluation and your peer evaluations usually exceed 90%, you will receive the *highest* of the two scores for each respective class.

NOTE: You are encouraged to actively contribute in every class – including the session when you are asked to evaluate your peers. For the class in which you take this evaluator role, your contribution score starts at 2 (Significant). If you feel you made excellent or even outstanding contributions during that class, please don’t be shy and give yourself credit for those!

Privileged information. Prior experience with the industry/firm puts you in a privileged position. This information can be used to assist in the learning of your classmates, but can also compromise the collective reasoning and discovery process that are so critical to the success of the case method. For situations in which you have privileged information about a company, please let the instructor know by email in advance of class. This will give us the opportunity to draw on your experiences appropriately. If you do have privileged information because of your previous experiences, please take the learning process into consideration before you offer a comment. If you happen to know ‘what happened’ based on your own insights/experience of the firm, please refrain from sharing this information.

Missed classes. If you must miss a class, please inform the instructor in advance of class. You will not receive a contribution grade for that day, and there is no way in which you could make up in-class contribution for a missed session. If you miss more than three class sessions, you are at risk of failing the course given that the HBA program requires that you attend 75% of class sessions.

Group Project (30%)

The group project is an opportunity for a hands-on intervention with a social enterprise. This intervention would typically involve business model mapping and the identification or creation of new social opportunities that the chosen social enterprise could serve in their local community. I will make available a

list of London-based enterprises; you are also welcome to explore a social enterprise in any other community, as long as you can connect (personally or virtually) to the social entrepreneur.

Scope: Identify a social enterprise with a compelling triple-bottom line value proposition and/or an unusual business model that effectively converts social and/or environmental value into economic value (this organization can be public, for-profit or non-profit). Analyse the value proposition and the business model and explain how these have shaped and how they will likely impact economic viability of the social venture over the short-term (3-5 years) and the long-term (10-20 years). Recommend one business model change that could improve the economic viability of the social venture without jeopardizing its social mission. Reflect on the challenges of balancing mission and margin in social ventures during the implementation of business model changes in social ventures.

Goal: The main goal of the exercise is “to give back to the community” by making sense, documenting and improving the social viability of a social enterprise. The main learning will come by putting yourself in the shoes of the social entrepreneur – without being bound by all his/her constraints, bring all your experience and expertise to bear to help support what he/she is trying to do.

Format: Please be creative and visual, and take into account the culture of the social entrepreneur you are working with. I recommend using a photo-essay format that “paints” a picture of what the venture does using graphs, images, quotes and testimonials. Your narrative should be brief and vivid, punctuated by anecdotes you may have gleaned from the social entrepreneurs themselves (these anecdotes can be both historical and aspirational); your narrative should introduce your reflections and recommendations in ways that help the social entrepreneurs imagine how the changes you propose will influence the social enterprise – hopefully for the better. Alternative formats include powerpoints, animated slideshows, short plays, or Ted-talk style presentations.

Constraints: Whatever format you choose, the social entrepreneur should be able to access it and get through your submission in no more than 30 minutes. Plan to share your group project with the social entrepreneur. Your creativity should not crowd your key message, but rather bring it to the fore in a way that audiences without a business school education could connect with, and appreciate, what this social entrepreneurs tries to do and how they could do it even better.

Opportunities: A few interventions may be featured in our Social Enterprise Lab on March 9, 2010; a few others may evolve into ‘live cases’ for future classes or community-based programs. These opportunities are independent of your grade and entirely optional; if you are interested in having your project considered for any of these events (or any other dissemination opportunities), please let me know. Your project cannot be used in any way without your explicit consent.

Team: For this project, you will work in a *group of three to five people*. Please choose your group members carefully and actively manage your group, as the norm is for the project grade to be distributed equally among the team members.

Deadlines

By Thursday, February 2nd, one person from each team should email me your group’s membership and a paragraph describing the social venture you have chosen to work with. Please cc all team members on this message and list their full names in the body of your message.

By Friday, March 2nd, each group should have met/talked with representatives of the chosen social venture about their future goals and current bottlenecks, and thought through as a team about how you may be able to help this social venture more effectively reach their goal and/or overcome one of the key bottlenecks. Please email me and the contact person for your group at the social

enterprise you have chosen to work a short memo including a concise problem statement and your team's action plan (no more than one page or 500 words).

By Monday, April 2nd, the group should submit the final project to me and to the representatives of the social enterprise you have chosen to work with. Whenever possible we will set up a joint meeting later that week to ensure that your efforts were appreciated and achieve the maximum impact on the social venture you have chosen to work with.

Individual Project (30%)

For the individual report, due by *Monday, April 10th*, please develop a short (2000 word maximum plus any exhibits and references) personal reflection piece outlining your position and thoughts on your inner social entrepreneur. You can use any of the concepts, frameworks and cases discussed in the course, and any other personalities or causes that are meaningful to you to explain and illustrate why and how social enterprise may be/become part of your life, however the main goal of this assignment is both introspective and anticipative. Fast forward ten years into the future, even twenty if you'd like: *What would you like to have accomplished by then? How do you envision the path to those accomplishments? Looking back from then to now, what words of advice would you give to yourself as you embark on the journey?*

Plagiarism

Students must write their essays and assignments (at Ivey this includes case exams and reports) in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offense Policy in the Western Academic Calendar).

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (www.turnitin.com).

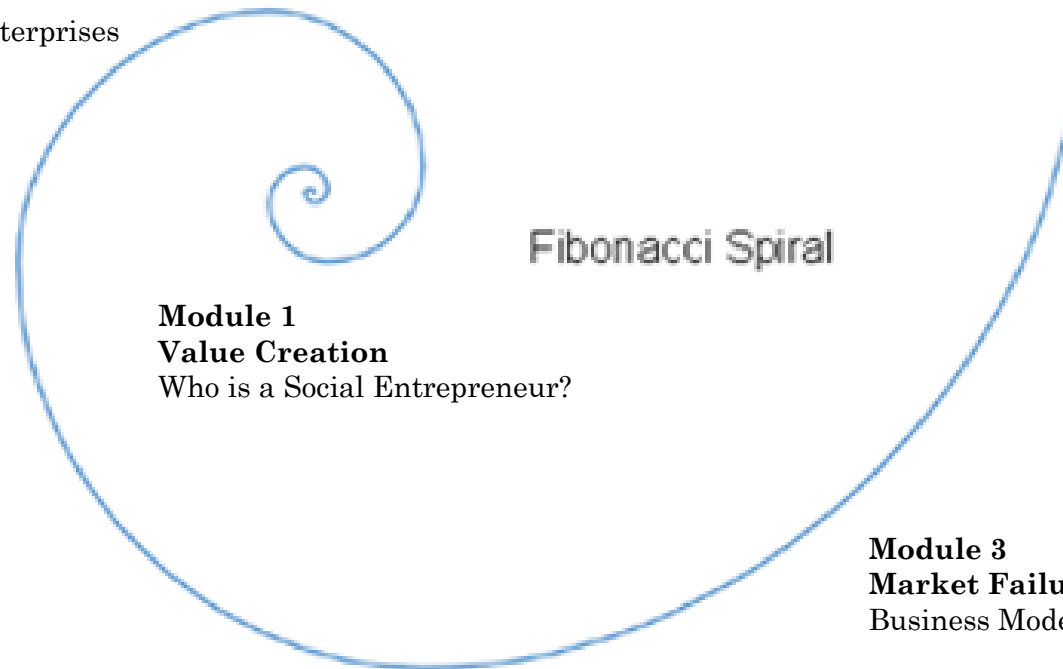
Questions or Issues

My office is Room 1N54, and you can reach me by phone, 519-661-4114, or e-mail, obranzei@ivey.uwo.ca. If you have any questions or concerns, please stop by any time during office hours or make an appointment.

Oana Branzei
January, 2012

Course Framework 4553 Social Enterprise

Module 2
Value Conversion
Continuum of Social Enterprises



Module 1
Value Creation
Who is a Social Entrepreneur?

Module 4
Frontier Markets
New Forms of Social Enterprise

Module 3
Market Failures
Business Models of Social Enterprise

The Fibonacci Spiral is a [logarithmic spiral](#) whose growth factor is ϕ , the [golden ratio](#). That is, a golden spiral gets wider (or further from its origin) by a factor of ϕ for every quarter turn it makes.

TABLE 1: Session Summary

	Session	Date	Case	Takeaways	Please note:
Module 1 Value Creation	1	January 10	<u>Coconets vs. Gorongosa</u>	Types of Social Entrepreneurship	Discussion with Video Cases
	2	January 12	<u>Kick Start vs. Playpumps</u>		Contrast Cases; Debate
	3	January 17	<u>Grameen Bank</u>		Discussion; Exercise
	4	January 19	<u>Kiva</u>		Multimedia; Multipart Case
	5	January 24	<u>YOU</u>		Live Case, On-site Case, Note: <u>Leave @ 1pm; Back @3:30 pm</u>
Module 2 Value Conversion	6	January 26	<u>Me to We</u>	Continuum of Social Enterprise	Learning Lab; Guest Speaker Note: <u>2B02, 12:50-2:10 pm</u>
	7	January 31	<u>Veja vs. Green Soldiers vs. Tom's Shoes</u>		Structured Exercise; Note: <u>Each team signs-up to present or to challenge one of the three ventures.</u>
	8	February 2	<u>Oliberté</u>		Live Case; Guest Speaker
	9	February 7	<u>Aravind</u>		Part I - 12:50-2:10 pm
	10	February 7	<u>Aurolab</u>		Part II – 2:10-3:30 pm Note: <u>Replaces our February 9th class.</u>
Module 3 Market Failures	11	February 28	<u>CONASE vs. Seviagro vs. Corporacion Solar</u>	Business Models of Social Enterprise	Structured Exercise; Team Role-play
	12	March 1	<u>Yogurt Mamas</u>		Learning Lab
	13	March 6	<u>Microenterprise vs. Microfranchise</u>		Retrospective & Prospective; Sampler
	14	March 8	<u>M-pesa</u>		Learning Lab
	15	March 13	<u>London Farmers' Market</u>		Live Case; Guest Speaker
Module 4 Frontier Markets	16	March 15	<u>C-Corporation S-Corporation B-Corporation</u>	New Forms of Social Enterprise	Retrospective & Prospective; Sampler
	17	March 20	<u>Bullfrog Power</u>		Live Case
	18	March 22	<u>Specialisterne</u>		Case
	19	March 27	<u>Goodwill Industries</u>		Learning Lab
	20	March 29	<u>Haiti</u>		Learning Lab

Learning Labs: The learning lab format involves protagonists making real-time decisions & reflecting on past decisions.

Recommended events: *Social Innovation @ Ivey*, March 7th, 1R40, 9 am - 5 pm.