



# SOCIAL ENTREPRENEURSHIP MGMT 172

FALL 2017  
Tuesday and Thursday 12:10 – 1:50

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Office Lucas Hall 216M

Office Hours Tues/Thurs 2:00-3:15 (and by appointment)

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## Course Texts:

Eric Carlson and James L. Koch, *Building Successful Social Ventures—A Social Entrepreneurs Guide* (available as a download text)

Roger Martin and Sally Osberg, *Getting Beyond Better—How Social Entrepreneurship Works*, Harvard Business Review Press, 2015.

Case Studies (students can order cases from Harvard Business School and University of Michigan)

The Aravind Eye Hospital, Madurai, India: In Service for Sight, *Harvard Business School (9-593-098)*, V. Kasturi Rangan, 2009.

Husk Power, *Harvard Business School (9-815-023)*, Joseph B. Lassiter III and Sid Misra, 2015.

Course syllabus makes extensive use of online articles, field-based research reports, and the rich body of case materials developed through the Miller Center for Social Entrepreneurship (available on Camino).

## COURSE OVERVIEW

The worldwide burgeoning in entrepreneurial activity is being driven by opportunities and challenges created by technological, cultural, social, environmental, and political changes. A unique form of entrepreneurship, social entrepreneurship (SE), is blossoming in many regions around the world. Lauded as an important means for generating economic growth, addressing social issues, and creating community wealth, a growing number of thought leaders and organizations are fostering this entrepreneurial awakening. Collectively, they are contributing to the emergence of social enterprise as a “fourth sector” bridging the conventional rationalities of public, private and non-profit organizations. This emerging sector places social impact ahead of profits. It is unleashing creativity in solving vexing social problems and defining new market opportunities. It is also a potential well-spring for disrupting mainstream markets.

This course provides students with access to a proven approach to building and growing successful social mission ventures. It draws on Santa Clara University's leadership in working with organizations that are successfully addressing some of the most intractable problems in the world to engage students in analyzing and applying best practices and often market-based solutions to societal challenges of personal concern. It also taps more than 15 years of work by the instructor as founder of the Miller Center for Social Entrepreneurship (formerly the Center for Science, Technology, and Society) and co-founder of the Tech Museum Awards.

In project teams students will apply an integrated model for social business planning to develop their own social business concept and test it against the "tough love" criteria of impact investors. This model requires that they examine the deep structures within which the issue they are addressing is embedded; assess the robustness of their theory of change; and, apply a disciplined market-based approach to developing a sustainable and scalable solution.

The design of this course intertwines the three strands of thought leadership, best practices, and frameworks for developing and pressure-testing your own start-up idea.

- Strand 1 (foundational concepts) examines the transformative ideas of exemplary social entrepreneurs. This strand develops the concept of a social business which Nobel Laureate Muhammad Yunus defines as an enterprise created and designed to address a social problem; financially self-sustainable; with profits reinvested into the business to increase social impact. Greg Dees describes social entrepreneurs as individuals who:
  - Adopt a mission to create and sustain social value—not just private value.
  - Recognize and relentlessly pursue new opportunities to serve that mission.
  - Engage in a process of continuous innovation, adaptation and learning.
  - Act boldly without being limited by resources currently in hand.
  - Exhibit a heightened sense of accountability to the constituents served and for the outcomes created.

While social entrepreneurs address social problems or needs that are unmet by private markets or governments, they often work with as opposed to against market forces to increase the likelihood of developing sustainable and scalable solutions. Because of their emphasis on creating shared value, the enterprises they foster are often cited by prominent organizational scholars—including Michael Porter, Clayton Christensen, Stuart Hart, and the late C.K. Prahalad—as examples of how to fix capitalism and unleash new waves of innovation and growth.

- Strand 2 (best practices) develops proven approaches to scaling a social venture business based on the Global Social Benefit Incubator (GSBI) *Business Planning Process*. This framework draws on more than a decade of work in the Miller Center for Social Entrepreneurship (formerly the Center for Science, Technology, and Society).
- Strand 3 (developing your own start-up idea) provides an opportunity to design and pressure-test your own start-up idea. Students will define a social problem and articulate a revenue generating solution. This strand will involve specifying a target population, identifying the most competitive alternative, and addressing operating realities. This phase of the course

will enable students to hone practical due diligence skills for assessing the economic viability of market-based approaches to serving unmet social needs.

Rather than *what* to think, this course focuses on *how* to think about designing the various facets of an economically viable and scalable social business. To facilitate understanding of what causes things to happen the way they do, business planning and venture development strategies are examined through theories of change and disruptive innovation. By applying this knowledge to the analysis of cases and developing a plausible start-up idea this course provides the foundational knowledge and skills for someday launching a social mission business, perhaps sooner than you may have imagined.

### **Course Objectives**

Students who successfully complete the requirements for this course will:

1. Analyze the role played by social entrepreneurs in addressing social need.
2. Understand the structure, constraints, and tradeoffs in designing business plans for addressing unmet human needs and underserved markets, including those at the base of the pyramid (BoP).
3. Synthesize knowledge from best practices in social entrepreneurship to develop a plausible social mission start-up idea for addressing a societal need in the United States or a developing country context.

### **Course Format**

The first two weeks of the course provides an overview of social entrepreneurship and the social business concept. It defines the elements of a social venture business plan and how they differ from a for-profit enterprise. This part of the course will consider how social entrepreneurs incorporate design thinking and theories of change to overcome mind sets which assume that social issues are intractable. A special emphasis is placed on poverty and base of the pyramid (BoP) needs.

Weeks 2 to 8 examine strategic issues in the development of socially entrepreneurial ventures, from defining the structure of plausible solutions to weighing constraints and tradeoffs in developing each element of a venture business plan. Particular attention focuses on the importance of understanding target markets, the culturally embedded nature of social innovation, critical capacity development milestones in organizational life cycles, and metrics for continuous improvement and adaptation.

During weeks 2 through 9 students will work in teams to carefully define a targeted problem and substantiate a proposed solution using a business planning framework formalized by Professors Eric Carlson and Jim Koch based on the pioneering work of Silicon Valley mentors and hundreds of start-up ventures in the Miller Center for Social Entrepreneurship and elsewhere.

In week 10 student teams will present the plans for their start-up ventures. Feedback will utilize “check list” guidelines built into the design of a forthcoming book on building better social

impact ventures. An alpha version of primary sections of this book was piloted in Santa Clara University’s MBA program in Summer 2016 and will be provided to the class at no charge.

**GRADE CALCULATION**

COMPONENT	POINTS
<b>INDIVIDUAL (70 POINTS)</b>	
<b>A. Class participation</b>	<b>20</b>
<b>B. Case assignments/discussion</b>	<b>10</b>
<b>C. Mid-term</b>	<b>20</b>
<b>D. Final Exam</b>	<b>20</b>
<b>TEAM (30 POINTS)</b>	
<b>A. Business Model Element Report</b>	<b>5</b>
<b>B. Social Business Plan (class presentation)</b>	<b>25</b>
<b>TOTAL</b>	<b>100</b>

**Grade Calculation: A > 90   B > 80   C > 70   D > 60   F < 60**

**COURSE REQUIREMENTS AND EVALUATION**

**Class participation**

Because class discussion is a critical component of the course, participation is essential, both for your own learning and that of other students. **Your classmates and I expect you to attend every class session having read the assigned material.** Because the course is interdisciplinary and the class is composed of students of various backgrounds, there is tremendous opportunity for you to learn from your peers and for you to help your peers learn from you – this will be aided by relating class material to your own personal experiences and sharing these connections in class.

**Case Assignments**

Students will be responsible for applying the Carlson and Koch framework to analyze the three cases in the course syllabus. They should develop recommendations for strengthening the impact, economic viability, and scaling of the ventures in each case. In addition, they should summarize takeaways from these base of the pyramid cases for addressing social issues in the United States.

**Exams:** There will be a mid-term and final exam.

**Team Assignment**

In groups of three to four, students will develop a start-up idea for presentation in class. Start-up proposals should address each of the seven elements in the Carlson-Koch framework in a power point “investor presentation.” Each team member should be able to express their start-up concept as a coherent and compelling story encompassing.

- The organization’s mission—a concise 10 words or less mission statement, as well as an explicit statements of the values and vision of founders.
- A description of the target market and analysis of environmental enablers and constraints, as well as the factors that will drive adoption and market penetration.
- An analysis of the organization’s value proposition and the key expense and revenue drivers in its business model.
- A description of success factors, including core competencies in operations, talent, and cultural factors
- A delineation of organizational metrics and how they are to be used in practice to support decision making and continuously improve performance.

Power point slides are due on the day of your presentation. Case presentations will be limited to 10 minutes with an additional 5 minutes for questions.

### ***Class Schedule***

<b><u>Week</u></b>	<b><u>Date</u></b>	<b><u>Class Topics and Readings</u></b>	<b><u>Assignment Due</u></b>
1	Sep 19	<p><b><u>Overview of Social Entrepreneurship and Social Business Concept</u></b>  <i>Course Objectives. How social entrepreneurship works: (1) Understanding the world; (2) Envisioning a better future; (3) Building a model for change; (4) Scaling the solution.</i>            -Tech Awards video            -Review syllabus and grading.            -Social issues brainstorming.            - <b>Guclu, A., Dees, G. and Anderson, B.B.</b>, The Process of Social Entrepreneurship: (Camino)            - <b>Koch, J.</b> Assessing Your Start-Up (Camino)            -Pop Tech Video (The Art of Possibility)</p> <p><i>Reflections on fundamental questions: Getting beyond “better.” Why are we here? What are we to do?</i></p>	<p>Read syllabus            Draft student information sheet</p>
	Sep 21	<p><b><u>Beyond Better: Completeness of Vision</u></b>            - <b>Koch, J.</b> “A New Solidarity,” a Miller Center for Social Entrepreneurship blog (Camino).            - <b>Porter, M. and Kramer, M.</b> 2011. “Creating Shared Value—How to Reinvent Capitalism and Unleash a Wave of Innovation and Growth.” <i>Harvard Business Review</i>, January-February, 2011: 62-77. (Camino)            - <b>Martin and Osberg</b> (Forward, Ch.1-2)            - <b>Wimmer, N.</b> 2013. “The Art of Rural Business,</p>	<p>Complete assigned reading for Sep 21; and submit final student information sheet (include a social issue of greatest concern)</p>

*Journal of Management for Global Sustainability*  
(2): 107-119. (Camino)  
-Carlson and Koch (Ch. 1-3, Camino)

**In Class:**

- Cognitive empathy and compassion (TED video)
- Systems thinking (Our Kids: The American Dream in Crisis; Wimmer: Off-grid clean energy)
- Social issues (brainstorming and ranking)
- Preliminary Team Formation
- Discuss Assignment 1 (due September 28)

2 Sep 26

**Ideation and Paths to Scale**

(Replication: Neal Harrison, ICSF)

- Shaker A. Zahra, Eric Gedajlovic, Donald O. Neubaum, Joel M. Shulman. 2009. "A typology of social entrepreneurs: Motives, search processes and ethical challenges." *Journal of Business Venturing*, 24, 2009: 519–532. (Camino)

**In Class:**

- Lecture/discussion and GSBI Video

Complete assigned reading for Sep 26; further refinement of an urgent societal concern of personal interest

Sep 28

**Mission, Opportunity, Strategy**

- Carlson and Koch (Ch. 4, Camino)
- Martin and Osberg (Ch. 3-4)
- Koh, H., Karamachandani, A. and Katz, R. From Blueprint to Scale, *Monitor Group Report*, pp. 1-19 and Husk Power example (Camino)  
<http://acumen.org/idea/from-blueprint-to-scale/>

**In Class:**

- Team Assignment 1: Mission, Opportunity, Strategy (presentations)
- Ten word mission statement exercise (Starr)
- Logic Models
- Stages of development
- Living Goods Video (example)  
<http://skoll.org/2016/04/11/skoll-foundation-announces-skoll-awards-for-social-entrepreneurship/>

Complete assigned reading for Sep 28 and submit one-page summary of Team Assignment 1 (selected class presentations)

3 Oct 3

**External Environment Analysis**

- Carlson and Koch (Ch. 5)
- Martin and Osberg (Ch. 5)
- Drayton, B. and Budinich, V. 2010. "A New Alliance for Global Change," *Harvard Business Review*, September 2010: 57-64. (Camino)
- Case Study: The Aravind Eye Hospital, Maduri, India—In Service for Sight *Purchase access:*

Complete assigned reading for Oct 3 and submit two-page outline for Aravind case questions

<http://cb.hbsp.harvard.edu/cbmp/access/69508557>

**In Class:**

- **Aravind video and case discussion**
- **Criteria for Team Assignment 2 (due Oct 10)**

	<b>Oct 5</b>	<b><u>Target Market</u></b> - <b>Rangan, V.</b> et.al. 2011. "Segmenting the Base of the Pyramid," <i>Harvard Business Review</i> , June 2011: 113-117. (Camino) - <b>Jain, S. and Koch, J.</b> 2015 Conceptualizing Markets for Underserved Communities: Trajectories Taken and the Road Ahead, forthcoming in <i>Sustainability, Society, Business Ethics, and Entrepreneurship</i> , Amy Guerber And Gideon Markman (eds.) 2016, World Scientific Publishers. (Camino) - <b>Simanis, E.</b> 2012. "Reality Check at the Bottom of the Pyramid," <i>Harvard Business Review</i> , June 2012: 120-125. (Camino) - <b>Carlson and Koch</b> (Ch. 6) <b><u>In Class:</u></b> -Criteria for Team Assignment 3: Target Market (due Oct 10)	Assigned reading for Oct 5
4	<b>Oct 10</b>	<b><u>Completeness of Vision</u></b> - <b>Thompson, J. and MacMillan, I.</b> 2010. Making Social Ventures Work, <i>Harvard Business Review</i> , September 2010, 67-73. (Camino) <b><u>In Class:</u></b> - Mission, Opportunity, Strategy ("theory of change" and "acceptable space" critiques) - <b>Team Assignments 2 &amp; 3: External Environment and Target Market (presentations)</b> -Team meetings	Complete assigned reading for Oct 10 and submit one-page summaries for Team Assignments 2 and 3; presentations for selected teams
	<b>Oct 12</b>	<b><u>Operations and Value Chain</u></b> - <b>Carlson and Koch</b> (Ch. 7) - <b>Hammond, A., Koch, J., and Noguera, F.</b> 2009. "The Need for Safe Water as a Market Opportunity," <i>Innovations</i> 4 (3), 107-117 (Camino) <b><u>In Class:</u></b> - <b>Discuss criteria for Assignment 4: Operations and Value Chain</b>	Complete assigned reading for Oct 12
5	<b>Oct 17</b>	<b><u>Value Chain Innovation</u></b> - <b>Charles Baden-Fuller, Stefan Haeflinger,</b> 2013.	Complete assigned reading for Oct 17 and submit one-page summary of

	<p>“Business Models and Technological Innovation,” <i>Long Range Planning</i>, 46, 419-426. (Camino)</p> <p>- <b>Desa, G. and Koch, J.</b> 2014. Scaling Social Impact: Building Sustainable Social Ventures as the Base of the Pyramid, <i>Journal of Social Entrepreneurship</i>. (Camino)</p> <p><b><u>In Class:</u></b></p> <p>-Team Assignment 4 (presentations)</p> <p>-Discuss criteria for assignment 5 (due Oct 26)</p> <p>-Team meetings</p>	<p>Team Assignment 4 with in-class presentations for selected teams</p>
	<p><i>Oct 19</i>    <b>Mid-Term</b></p> <p>-Team Meetings</p>	
6	<p><i>Oct 24</i>    <b><u>Impact Business Models and Husk Power Case</u></b>  <a href="http://cb.hbsp.harvard.edu/cbmp/access/69508557">http://cb.hbsp.harvard.edu/cbmp/access/69508557</a>  <b><u>In Class:</u></b>  -Husk Power Case Discussion (class)  -Criteria for Assignment 6 (due Oct 31)</p>	<p>Read and analyze HPS Case, submit two-page summary for HPS case questions</p>
	<p><i>Oct 26</i>    <b><u>Organization and Human Resources</u></b></p> <p>-<b>Carlson and Koch</b> (Ch. 8)</p> <p>-<b>Bloom, P. and Chatterji, A.</b> 2011. “Scaling Social Entrepreneurial Impact,” <i>California Management Review</i> 50 (3): 114-133 (Camino)</p> <p>-<b>Seelos, M. and Mair, J.</b> 2012. “What Determines the Capacity for Continuous Innovation in Social Sector Organizations,” <i>Stanford Center for Philanthropy and Civil Society</i>, pages 10-25 (Camino)</p> <p><b><u>In Class:</u></b></p> <p>-Team Assignment 5: Organization and Human Resources (presentations/discussion)</p>	<p>Complete assigned reading for Oct 26 and submit one-page summary of Team Assignment 5 with in-class presentations for selected teams</p>
7	<p><i>Oct 31</i>    <b><u>Business Model</u></b></p> <p>- <b>Carlson and Koch</b> (Ch. 9)</p> <p>- <b>Martin and Osberg</b> (Ch.6)</p> <p>- <b>Hammermesh, R.</b> et. al. 2002. “Note on Business Model Analysis for the Entrepreneur,” <i>Harvard Business School</i>, 9-802: 48 (January 22, 2002). (Camino)</p> <p>- (Optional) <b>Seelos, C. and Mair, J.</b> 2007. “Profitable Business Models and Market Creation in the Context of Deep Poverty: A Strategic View,” <i>California Management Review</i>, November 2007, 49-63. (Camino)</p> <p>- (Optional) <b>Koch, J. L., and Caradonna, T.M.</b></p>	<p>Complete assigned reading for Oct 31 and submit one-page summary of Team Assignment 6 with in-class presentations for selected teams</p>



2006. “Technologies and business models that work in developing countries,” *International Conference on Information and Communication Technologies and Development*, University of California, 2006 (Camino)  
 - (Optional) **Hammond, A.** 2011. BoP Venture Formation for Scale, Chapter 7 in London, T. and Hart, S, 2011. *Next Generation Business Strategies for the Base of the Pyramid*, FT Press, Upper Saddle River, New Jersey, 2011, 193-215. (Camino)

**In Class:**

**Team Assignment 6: Business Model**  
 (presentations/discussion)

Nov 2 **Guest Speaker (Amanda North, CEO and Founder, Artisan Connect)** Complete assigned “A-Case” reading  
 -Discuss criteria for Assignment 7 (due Nov 7)

8 Nov 7 **Metrics** Complete assigned reading for Nov 8 and submit one-page summary of Team Assignment 7  
 -**Carlson and Koch** (Ch. 10)  
 -**Blank, S. 2013.** “Why the Lean Start-Up Changes Everything.” *Harvard Business Review*, May 2013: 66-72. (Camino)  
 - **Ebrahim, A. and Rangan, V.** 2014, “What Impact: A Framework for Measuring the Scale and Scope of Social Performance,” *California Management Review*, 56 (3): 118-141. (Camino)  
 -(Optional) **Sawhill, J. and Williamson, D.** 2001, “Mission Impossible? Measuring Success in Nonprofit Organizations,” *Nonprofit Management in and Leadership*, 11 (3), 371-386. (Camino)  
 - (Optional) **Kaplan, R.** 2001, Strategic Performance Measurement and Management in Nonprofit Organizations, *Nonprofit Management and Leadership* (11) 3, 353-370. (Camino)  
**In Class:**  
 - **Team Assignment 7: Metrics (presentations)**  
 - Team meetings

Nov 9 **Guest Speakers (Juli Betwee, Pivot Point Consulting; Dennis Reker, GSBI Mentor)**  
 -Living Case, *Practice Makes Perfect*

9 Nov 14 **Assessing Impact, Accessing Capital, a Path Forward (Miller Center Guest Speaker)**  
 - **Social Progress Index**  
[www.socialprogressimperative.org](http://www.socialprogressimperative.org)

- Carlson and Koch, Ch. 12-13
- Martin and Osberg (Ch. 7)
- (Optional) Bannick, M., and Goldman, P., 2013, Priming the Pump, Omidyar Network (Camino)
- Team Project Deliverables (Review)

*Nov 16*    **Class Discussion**

- Systems thinking: Integrating Carlson and Koch framework with *Getting Beyond Better*
- Team Project Deliverables: Workshop on Presentations and Executive Summary

**Workshop and Team Meetings**

10    *Nov 28*    **Class Presentations**

*Nov 30*    **Class Presentations**

*Dec 5*    **Final Exam** (1:30 – 3:30)

## Student Information Sheet

- Name: \_\_\_\_\_
- Major: \_\_\_\_\_
- Minor: \_\_\_\_\_
- Anticipated graduation date: \_\_\_\_\_
- Home City \_\_\_\_\_
- Self-Introduction:

Write a brief self-introduction that includes what matters most to you and how Santa Clara University has influenced your development. If you have traveled in an emerging country or done volunteer work that addresses the needs of a marginalized population in the US or elsewhere, how has it influenced your thinking? What issues in our contemporary world and society concern you? What do you hope to learn in this class that will help you to achieve your personal goals? Watch first 7 minutes of following video and “give yourself an A.” You will enjoy the entire video!

Ben Zander’s Pop Tech Video

[http://poptech.org/popcasts/benjamin\\_zander\\_poptech\\_2008](http://poptech.org/popcasts/benjamin_zander_poptech_2008)

## POLICIES

Please read this syllabus and these policies carefully and sign below. It is a contract, just like the ones a business professional will make with customers, employers, creditors, regulators, and the community.

1. **Assignments:** No late assignments will be accepted. No exceptions. If you cannot make class, submit your assignment online and early. All written assignments should be in 12-point font, professionally typed and have 1-inch margins.
2. **Group work:** All team members will get the same grade on group assignments. On the last day of class I will request each group member to provide feedback on other members of the group. If there is consensus that a particular group member is slacking or not contributing, that person will have their group-work grade reduced by one whole letter grade.
3. **Academic integrity:** “Students are expected to do their own work and to cite any sources they use. A student who is guilty of a dishonest act in an examination, paper, or other work required for a course, or who assists others in such an act, may, at the discretion of the instructor, receive a grade of “F” for the course. In addition, a student found guilty of a dishonest act may be subject to sanctions, up to and including dismissal from the University, as a result of the student judicial process as described in the Student Handbook. A student who violates copyright laws, including those covering the copying of software programs, or who knowingly alters official academic records from this or any other institution is subject to similar disciplinary action.”  
(Source: Santa Clara University Undergraduate Bulletin, <https://www.scu.edu/academics/bulletins/undergraduate/Academic-Integrity.cfm>)
4. **Disabilities Resources:** To request academic accommodations for a disability, students must contact Disabilities Resources located on the second floor of Benson. Phone numbers are (408) 554-4111; TTY (408)554-5445. Students must register and provide documentation of a disability to Disabilities Resources prior to receiving academic accommodations."

I have read and understood this syllabus, and accept the policies for this course:

Signed: \_\_\_\_\_ Student ID: \_\_\_\_\_ Date: \_\_\_\_\_