

# MANAGEMENT 3548

## Social Entrepreneurship

*Educating and Exciting students about Opportunities brilliantly disguised as unsolvable problems*

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*Former, Director of Global Social Benefit Incubator*

*Author, Building Successful Social Ventures*

# CLASS TOPICS

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- Course Objectives
- Concepts
  - Social Entrepreneur
  - Social Business / Social Impact Ventures
- How social entrepreneurship works
  - Martin and Osberg: *Getting Beyond Better*
  - Example: Global Social Benefit Incubator (*Accelerator*)
- Social venture business planning paradigm
  - Carlson and Koch: *Building Successful Social Ventures*
  - Why we wrote the book
- Course: Syllabus, Project, and Grading

# SOCIAL ENTREPRENEUR

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**Dees: *Social Entrepreneurs* are innovative, opportunity oriented, value creating, change agents**

- 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

# EXERCISE

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*Problems that require innovation in your home country or region of the United States*

**What do you feel passionate about?**

# Social Entrepreneurship Worksheet

Think about some problems or opportunities related to social entrepreneurship in your home country (if International) or state (if U.S.) in each of these four sectors. What do you feel passionate about?

**Health**



**Environment**



**Personal Passion**



**Education**



**Economic  
Development**



# SOCIAL ENTREPRENEURSHIP

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## INNOVATION

- Service
- Technology or process
- Product
- Access or ease of use
- Distribution
- Financing

## SOCIAL BENEFIT OR IMPACT

- Reduce/eliminate a problem
- Lower cost per outcome
- Provide easier access
- Improve functionality (value)
- Preserve or stimulate culture
- Strengthen collective efficacy (agency)

# SOCIAL BUSINESS

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An enterprise “with *primarily social objectives whose surpluses are principally reinvested for that purpose* in the business or community, rather than being driven by the need to maximize profit for shareholders and owners.”

- *World Bank Development Marketplace*

An enterprise that is innovating on behalf of a disadvantage group (e.g., the poor) and reinvests any “surplus” income in the enterprise.

- *Muhammed Yunus, Nobel Laureate*

# COMPARING FINANCIAL ROI (FROI) AND SOCIAL BUSINESS ROI (SROI)

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	FROI	SROI
Opportunity	Make money	Make impact
Context	Market	Market failure
People	Capitalist motive	Social motive
Risk and Rewards	\$, impact	Impact, \$



# HOW SOCIAL ENTREPRENUSHIP WORKS

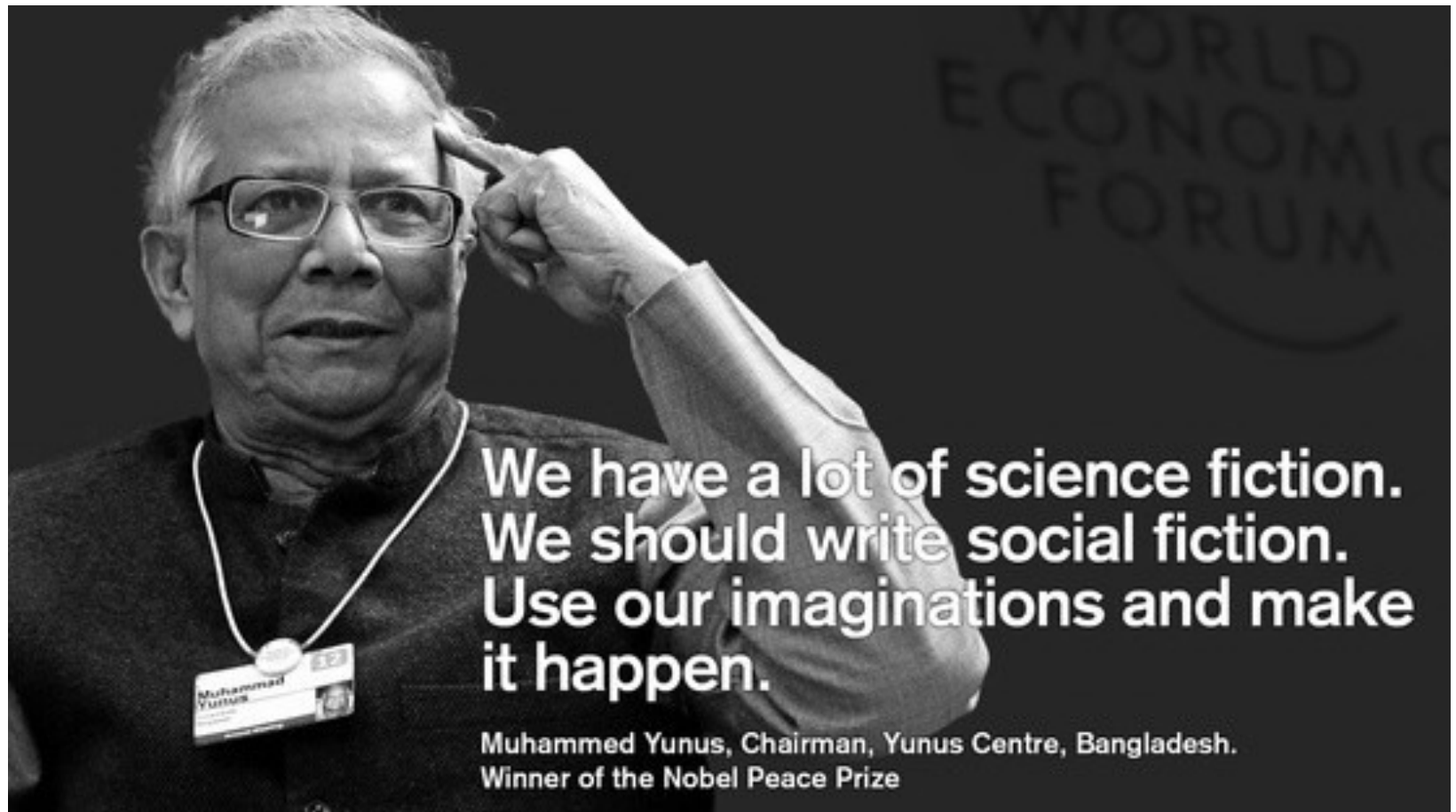
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1. Understanding the world
2. Envisioning a better future
3. Building a model for change
4. Scaling the solution

# MDGs 2000

- Health
- Education
- Economic Development
- Environment
- Human Rights

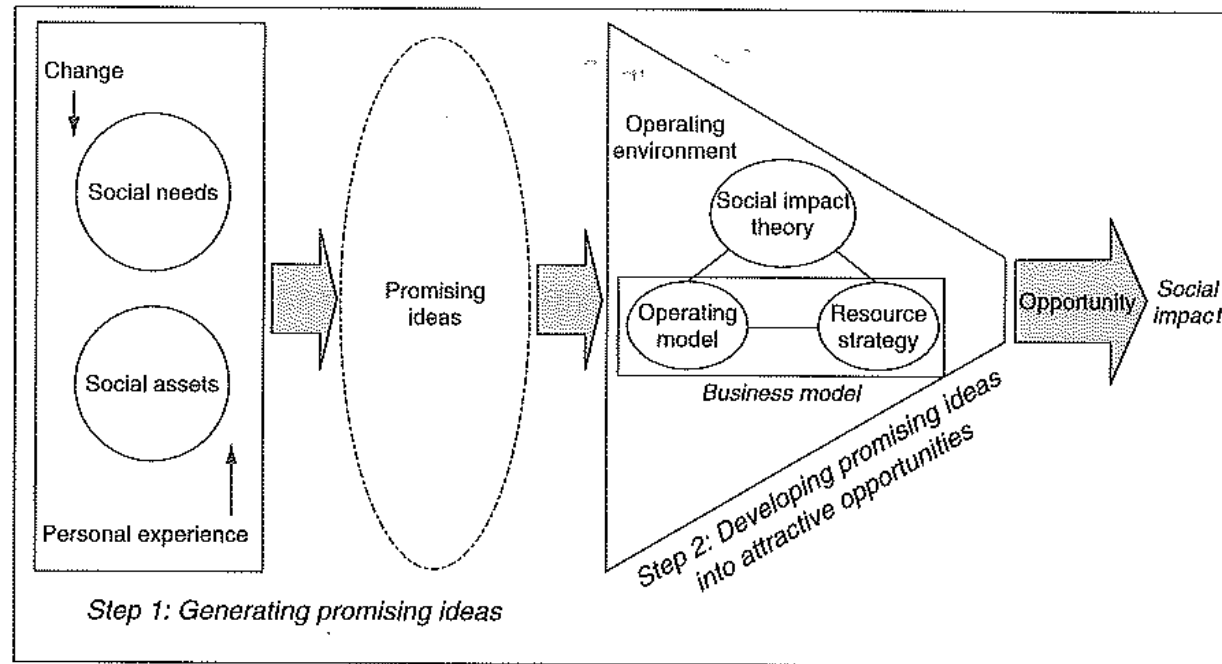




**We have a lot of science fiction.  
We should write social fiction.  
Use our imaginations and make  
it happen.**

Muhammed Yunus, Chairman, Yunus Centre, Bangladesh.  
Winner of the Nobel Peace Prize

# OPPORTUNITY CREATION PROCESS



**Figure 13.7** The opportunity creation process (Source: Guclu, Dees, and Battle Anderson 2002)

# GSBI LOGIC MODEL

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## Theory of Leverage

- Selecting scalable ventures, blended delivery of best-of-breed business planning education, Silicon Valley mentors, and access to innovation resources

## Sustainable Social Ventures

- Total solutions for target beneficiaries
- Scalable business plans

## Theory of Scale

- 50% will scale (growth in beneficiaries served and income > expense growth), Declining cost/outcome. Social impact, poverty alleviation, etc.

Best practice case studies, new business models, capital access

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*Transformative sector models, legal/regulatory change, mainstreaming solutions, impact investments*

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# GLOBAL SOCIAL BENEFIT INCUBATOR

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- An 8-month on-line/in-residence incubation process with best of breed educational tools and Silicon Valley mentors
- Catalyzed by Tech Awards and work with Glocal Forum
- A collaboration between CSTS and Business School
- Using on-line tools to integrate learning with screening
- 233 participants from 40+ countries

# GLOBAL SOCIAL BENEFIT INCUBATOR

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GSBI 2003	7 participants
GSBI 2004	15 participants
GSBI 2005	16 participants
GSBI 2006	17 participants
GSBI 2007	17 participants
GSBI 2008	16 participants
GSBI 2009	14 participants
GSBI 2010	19 participants
GSBI 2011	19 participants
GSBI 2012	18 participants
GSBI 2013	19 participants
GSBI 2014	12 participants
GSBI 2015	14 participants
GSBI 2016	15 participants
GSBI 2017	15 participants

*1st Accelerator*

# IMPACT MODEL

*Executive mentorship combined with a structured curriculum*

# MISSION

*Accelerate global, innovation based entrepreneurship in service to humanity*

# OUR VISION

*Positively Impact The Lives of 1 Billion People*



# MILLER CENTER GSBI PROGRAMS

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## GSBI Boost

Outline business and develop business model

## GSBI Online

Create business plan and test assumptions

## GSBI Accelerator

Prepare business for scale and investment

# A Business Planning Paradigm for Building Better Social Ventures

Paradigm Element	Why Salient
1. Mission / Opportunity / Strategies	Theory of Change
2. External Environment	Embedding / Local Context Partners
3. Beneficiary Needs ("Market") Analysis	Customer Identification
4. Operations and Key Processes	Customer Engagement
5. Organization and Human Resources	Value Chain Innovation
6. Business Model	Channels and Monetization
7. Metrics	Impact
8. Operating Plan and Budget	Cash Flow
9. Financing	Capitalizing the Venture

# OVERVIEW OF SYLLABUS

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## READINGS

- **Scaling Social Ventures—Concepts, Examples, Practice**
  - Martin and Osberg: *Getting Beyond Better*
  - Carlson & Koch: *Building a Successful Social Venture*
  - *Sankara*
  - *Grameen Shakti*
- **Links:** GSBI alumni examples; special reports
- **Articles:** Course Reader and Camino
- **Teaching Cases:**
  - **Aravind:** Largest eye care facility in the world; how vision and values of founders can lead to disruption (low cost *and* high quality solutions)
  - **Husk Power System:** A community-scale clean energy solution for off-grid villages in developing countries

# WEEKLY REPORT SCHEDULE

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## Weekly Reports (Team Formation Week 2)

1. Mission, opportunity, strategy (January 22)
2. External environment analysis (January 29)
3. Target market segmentation (February 5)
4. Operations and value chain (February 12)
5. Organization and human resources (February 19)
6. Business model (February 26)
7. Metrics (March 5)

## Team Class Presentations (March 12 and 14)

# ASSIGNMENTS AND GRADING

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## COMPONENTS FOR CLASS GRADE

Class participation (individual)	20
Attendance (individual)	10 **
Weekly reports (team)	35 *
Investment analysis (team)	15 *
Recommendations (team)	20 *

\* Weekly reports will be graded by the instructor lecturing on the topic of the report (e.g. Mission, Business Model, etc). Final reports will be graded by both instructors and the two grades averaged to get a grade for the report.

\* For all assignments, a late submittal (without email permission from the grading instructor) will be penalized 10% per day (or any fraction of a day) late.

\*\* If you have to miss a class (e.g., sickness), 1/2 credit for the attending class can be gained by watching the video and sending an email to the instructor for the class saying you watched the video. Attendance policy: Absences are strongly discouraged, must notify instructor in advance of class.

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

# STUDENT INFO FOR PROFESSOR

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## Student Information Sheet

- Name
- Major
- Minor
- Anticipated graduation date
- Home city
- 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 county 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?