



**SOCIAL ENTREPRENEURSHIP  
CHANGE THE WORLD FROM HERE!**

***MGEM 5111 (3 credits)***

*Class Time:* Tuesday & Thursday, 1:15 – 4:30 p.m., Wednesday, 8:30 – 1:00 pm  
on July 15 only. No class August 11, Final August 13.

*Class Duration:* July 7 – August 13

*Location:* USF Downtown Campus, 101 Howard, Room 529

*Office Hours:* After class as requested.

*Professor:* Dr. Jennifer Walske, [jwalske@usfca.edu](mailto:jwalske@usfca.edu), Cell 415.722.0439  
(<http://www.usfca.edu/facultydetails.aspx?id=6442479116>)

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**COURSE OUTLINE AND PHILOSOPHY**

Social Entrepreneurship is an emerging and rapidly changing field dedicated to the founding and growing of mission-driven for-profit and nonprofit ventures – that is, organizations that strive to advance social change through innovative solutions. Social Entrepreneurship is more than a set of tools and techniques for starting and growing a social venture. It is a mindset, a way of looking at the world in an opportunity focused and creative way. *It is about passion – and doing what you love!* It is about always balancing: economic value, social innovation and financial sustainability, while making a difference in the communities that we serve. There are different definitions of social entrepreneurship, but most include major elements these three areas:

- Social entrepreneurship involves the creativity, imagination and innovation often associated with entrepreneurship.
- Social enterprises address persistent social problems found amongst the marginalized or poor.
- Social entrepreneurship also includes enterprises that address large societal issues facing all populations, such as alternate energy, pollution, education, nutrition, and disease.

To quote leaders and authors in the field of social entrepreneurship:

Bill Drayton, CEO, Chair, and Founder of Ashoka: Innovators for the Public: *“The job of a social entrepreneur is to recognize when a part of society is not working and to solve the problem by changing the system, spreading solutions, and persuading entire societies to take new leaps. Social entrepreneurs are not content just to give a fish or to teach how to fish. They will not rest until they have revolutionized the fishing industry. Identifying and solving large-scale social problems requires social entrepreneurs because only social entrepreneurs have the committed vision and inexhaustible determination to persist until they have transformed an entire system....”*

Daniel Bronstein, author and New York Times contributor: *“One of the most important things that can be done to improve the state of the world is to build a framework of social and economic supports to multiply the number and the effectiveness of the world’s social entrepreneurs.”*

In this class we will focus on the ideas, processes, steps, and strategies required for creating new social ventures. Through lectures, case studies, and classroom dialogue, you will learn to think strategically and to act opportunistically with balanced social and financial perspectives. This class is discussion-driven, and as such, attendance is required. In this class we will alternate between lectures on core concepts, based on particular chapters of the textbook, along with critical thinking and debates using case analyses and videos. We will have one “field visit” day to two social enterprises, occurring on Thursday, July 9 to both Fair Trade USA and Annie’s, Inc.

## **LEARNING OBJECTIVES**

- Building an understanding of “what it takes” to run a social enterprise. This includes the dualities around running a financially sustainable business that is also mission driven.
- Learning how organizations differ in their delivery of socially motivated products or services, and how they measure the social impact of their organization.
- Developing a deeper understanding of the primary tasks of senior managers within social enterprises, and the decisions they must face in balancing their funders, employees, customers, and stakeholders.

## **REQUIRED COURSE MATERIALS (All are available in e-book form)**

- Kickul, J., & Lyons, T. (2012). *Understanding Social Entrepreneurship: The Relentless Pursuit of Mission in an Ever Changing World*. Routledge.
- Bornstein, David (2007). *How to Change the World; Social Entrepreneurs and the Power of New Ideas*, Oxford University Press.
- Harvard Publishing (<https://cb.hbsp.harvard.edu/cbmp/access/37014387>).

**Absence Policy.** You are only allowed to miss two classes in this course. If you need to miss a class, email Professor Walske in advance for of absence. Also, participation cannot be “made-up.” If you miss class, it will impact (negatively) your grade for class participation.

**Group Projects.** The business world is based on collaborative activities, and the ability to contribute effectively in a team environment is a vital skill. In addition, active learning in groups has been shown to lead to better long-term knowledge building than working alone. Hence there will be extensive group work in this class for the final project.

Students are responsible for forming and managing the group for the final project. If there are difficulties with any group member doing too little or too much work, please refer to your Team Expectations document, discuss the matter in your group, and seek resolution. If you cannot resolve the problem, immediately contact the professor, so that we can make an appointment to discuss the situation with the entire group. You will also submit a confidential evaluation form at the end of class, asking you to rate each member of the group including yourself. Your final project grade will be adjusted, higher or lower, if you are contributing more or less than those within your group.

**Honor Code.** As a Jesuit institution committed to cura personalis- the care and education of the whole person- USF has an obligation to embody and foster the values of honesty and integrity. USF upholds the standards of honesty and integrity from all members of the academic community. All students are expected to know and adhere to the University’s Honor Code. You can find the full text of the code online at [www.usfca.edu/fogcutter](http://www.usfca.edu/fogcutter).

**Incomplete Grades.** In this program, incompletes are very rare, and are only granted in extraordinary circumstances when you are unable to complete a course. If you experience life challenges that make it difficult or impossible to accomplish your work, please contact either the MGEM student support staff, or myself right away.

**Disabilities.** Students needing extra time for exams or other accommodation must present a letter stating the accommodations required from the Student Disability Services office no later than 2 weeks prior to the exam date or date when consideration is required [www.usfca.edu/sds](http://www.usfca.edu/sds)

**Field Trips.** You will be visiting companies through the semester. These trips are required and count double towards your attendance. Ensure that you come prepared to these visits, having read the cases, and prepared questions. Also – you should come dressed to these events in business attire. Suit and tie is not required, but you should not come in torn jeans and a t-shirt, with flip- flops. These trips are great chances to network, and your professionalism not only impact their impression of you, but that of MGEM, and USF.

## ASSIGNMENTS

There are three main elements, which will collectively determine your grade:

- ***Weekly Class Participation (30%).*** You are expected to come to class each week prepared, having done the readings and analyzed the cases. The best way to prepare for each class is to do the readings well in advance. Since this class is discussion driven, attendance is required and there is no “make-up” work for missed classes. *Any student missing more than two classes for any reason will receive a failing grade in this course.*
- ***Class Quizzes (20%).*** You will be given four quizzes in the class, unannounced, based on the readings and cases. The quizzes will account for 20% of your course grade.
- ***Final Paper Project (50%).*** The primary goal of this paper is to analyze the social enterprise and develop a business case for what the leader and his or her organization should do to dramatically increase the SE’s impact. This will require you to interview a social entrepreneur and write a final paper with recommendations on how the SE can increase its social impact. Ideally, you should feel comfortable sharing this paper with the social entrepreneur that you have chosen to interview. The paper length is 8-10 pages, single-spaced, with exhibits embedded in the paper. Additionally, ensure that you cite your references. Your reference page will not be included in the final’s page count.

### ***Weekly Class Participation (30%)***

The course will be taught primarily by the case method. Tips on how to best prepare a case can be found in the HBS note #376241 “Learning by the Case Method” which has also been added to your HBS course packet. We will quickly move through case details, and engage in a debate on the main challenges impacting the social enterprise, using case questions to guide our discussion. Participation is noted in three ways. High quality comments include an analysis that goes beyond stating case facts. Such comments should also fit into the flow of the class discussion and relate to comments articulated by your classmates. Doing so earns you a check plus. If you come prepared with case facts only, you will earn a check. If you are called on, and have not prepared the case, you will earn a check minus; this will detract from this portion of your course grade. On the next page are some tips for improving your overall class participation.

- *Individual participation grades fundamentally assess how significantly over the course of the semester a student’s comments contribute to the learning of the class as a whole.* Class participation is evaluated less on the frequency and more on the quality of comments made.

- Observations made for participation grades take place within the boundaries of class time only. Any discussions during office hours, before class, during break, or after class will not be considered as part of your class participation grade.
- Class participation assumes a *thorough reading and complete analysis of the assigned case study*, coupled with an articulate discussion that contributes to the advancement of the class as a whole. Come prepared to answer case questions, bringing great insight to the overall class discussion. Because productive case discussions require the full engagement and participation of all class members, tardiness or unexcused absences will have an adverse effect on your grade. There is no make-up work for missed classes. *In keeping with MGEM policy, missing more than two classes results in a failing grade for this class.*
- Introducing a new and dissenting viewpoint in a respectful manner is *highly encouraged*. Playing “devil’s advocate” and offering a contrary view often exposes a new perspective and provokes an interesting debate. Others in the class might share your novel perspective, but might not want to be the first one to voice it.
- You are encouraged to discuss case questions and class topics with your peers and those that you might meet within the San Francisco Bay Area. Within the Bay Area, Social Entrepreneurship is becoming a part of popular culture, but how many people really know what it means and how it might manifest itself through actions of our citizens, government, and firms?
- Remember, finally, that this is a highly nuanced field. As a result many of the issues raised in the class are worthy of reflective thought. Since our goal at USF is to “Change the World from Here” use this course as a tool to understand how our class discussions translate into the “real world” and create social change.

### **Quizzes (20%)**

In addition to class discussions, you will be given four “pop” quizzes at the start of selected classes. All quizzes combined will account for 20% of your total grade (5% each quiz). Quizzes are a standard part of the MGEM program.

### ***Final Paper and Presentation (50% of grade)***

*Due August 12, 5pm, into Canvas. Final presentations are in class on August 13th.*

In the final paper and presentation, you will develop, with the support of a social entrepreneur, a plan for expanding the impact of the social enterprise either through internal innovation, organizational growth, or external network building. Ideally, this project will evolve from your conversations the social entrepreneur, and potentially more than one person within the social enterprise. This paper should be of high enough quality – that you invite the social entrepreneur to your final presentation, and/or will send the final paper to the social entrepreneur that you interviewed.

This project is to be done in teams (size to be determined based on total class interests, but teams are likely to be teams of four). Since this course will move at a fast pace, your team should create a short list of the social entrepreneurs that you would like to interview, *as soon as possible*. *You will need to turn in your chosen social entrepreneur into Canvas by July 12<sup>th</sup>, 5 p.m.*

As part of your research, keep a “working document” of not only interview notes, but also of citations and websites you are using to conduct research along the way (note: ensure that you have done some initial research on the company prior to setting-up your first interview, even if this research is brief). It is much easier to edit field notes, relevant websites, and articles pertinent to your topic, rather than trying to recreate your team’s notes the weekend before the assignment is due.

Schedule *two times* to interview your social entrepreneur, and set these interviews up by July 14th (note: you must conduct these meetings in-person. Phone conversations or email exchanges are discouraged as entrepreneurs tend to be less forthcoming by email, and phone conversations can become quickly unfocused given the multiple duties a social entrepreneur is likely to be juggling at any given team). It is best for you to tape the interview – and most smart phones have a recording feature – it is easy to forget what was said when you later try to reflect on the meeting or re-read your notes. Also – to truly learn from the social entrepreneur, I suggest that you sit in a key meeting with his or her staff, a funder, with a customer, or whatever else the entrepreneur may suggest. In closing, ensure that the interviews are not occurring the week before the paper is due. Entrepreneurs are busy, and often cancel interviews due to other pressing demands - so schedule these meeting well in advance of the paper and the presentation’s final delivery date.

Just like in the classroom, it is better to focus on quality not quantity in your time with the entrepreneur. Therefore, instead of rushing through many questions, *think of the three or four most important questions for each of the two interview sessions*, and let the conversation develop with those questions as anchors. Finally, typing your notes as soon as possible will help you in writing your final paper. It is often hard to remember what was said (or meant) long after the interview.

Suggested questions for the final project:

1. What was the catalyst for you (or the social enterprise's founder) to start the social enterprise?
2. What type of financial support did you receive initially (i.e., grants, loans, funds from friends or family, angel investors or social impact investors)?
3. What other resources were most important when starting your enterprise (i.e., team members, physical space, etc.)? How did networks play a role in the founding and growth of your organization?
4. What metrics did you use to track your organization's progress or social impact? How did these metrics change over time?
5. What kind of impact has the SE achieved to date? What seems to be impeding (or aiding) its impact?
6. What growth strategies has the SE attempted to use in the past? Why did they (or didn't they) work?
7. What is an area for increasing mission impact that seems most promising? Does this include the launch of a new program, product or service, or the growth of an existing one?
8. Do you need a partnership with others to make this product or service successful?
9. What other resources are needed to create and manage this new project?
10. How much capital must the organization raise, and in what time frame to fuel this project? What are the likely sources of these funds (e.g., venture philanthropy, personal donations, impact investors, government grants, etc.)?
11. How might personnel be impacted (hiring or shifting of duties)? What cultural issues must the organization overcome to grow?

## Detailed Week by Week Syllabus

### July 7 – What is Social Entrepreneurship?

#### Read:

- Forward, Chapters 1 & 2 (pgs.1-40) in Understanding Social Entrepreneurship (USE).
- Chapters 1 & 2 (pgs. 1-20), How to Change the World (HCW)
- Article: The Meaning of Social Entrepreneurship by Greg Dees (link <http://csi.gsb.stanford.edu/sites/csi.gsb.stanford.edu/files/TheMeaningofsocialEntrepreneurship.pdf>).
- Schramm, Carl, “All Entrepreneurship is Social.” SSIR, 2010, <http://www.ssireview.org/articles/entry/1571/>

Case: Stevenson, H. “How to Change the World.” (HBS study.net).

#### Prepare the following questions:

1. What is social entrepreneurship and how would you define it?
  - How has your understanding changed pre-readings and post-readings?
  - What are the similarities/dissimilarities between the various definitions that you have read, and your own?
2. Is all entrepreneurship really social in your view? What is the difference (if there is a difference) between entrepreneurship and social entrepreneurship?
3. Based on the case discussion, if you were Alan, which career of the three offered to him would you choose and why? Whose case commentary do you agree with most (i.e., Scher’s, Vasella’s, Franklin’s or Jones’)?

### July 9 –Fair Trade USA and Annie’s, Inc. (bus begins loading at 1pm, leaves at 1:15pm. Back to SF by 5:30/5:45)

- Forward, Chapter 3 & 4 in USE (pgs. 41-89)
- Chapter 3 (pgs. 21-40), (HCW)
- <http://seekingalpha.com/article/2536225-after-general-mills-annies-deal-which-natural-foods-stocks-are-next-part-1>
- <http://www.theguardian.com/sustainable-business/2014/jun/30/fair-trade-usa-coffee-rugs-farmers-factories-paul-rice>

Cases: Fair Trade USA (uploaded to canvas) & Annie’s Growing Organically

1. What are some of the biggest challenges facing FT USA?
2. How should FT USA approach product diversification opportunities?
3. Where should Annie’s expand (in which new markets)?
4. How might Annie’s acquisition by General Mills impact its product strategy and its fully organic, non-GMO product commitment?



## July 14 – Social Entrepreneurship and the Conscious Consumer

### Read:

- Article: Social Enterprise: Private Initiatives for the Common Good (HBS packet)
- “Creating Successful Business Models; Lessons from Social Entrepreneurship” 8028c (HBS course pack)

Case: Revolution Foods: Re-Entry Into the CPG Market (given by the instructor)

### Prepare the following questions:

1. What do you think about Revolution Foods’ re-entry into the CPG market; is this a good idea for the company at this time?
2. How do the two different businesses (school lunches and CPG lunches) complement and compete for internal resources?
3. What might be important new areas of investment for Revolution Foods in order to be successful in both markets (i.e., human capital, media, etc.)
4. Does having two business lines improve Revolution Foods likelihood of a successful exit (i.e., purchase as with Annie’s and Plum Organics or initial public offering as with Annie, Inc.)?

## July 15

### **Failure: The Secret Sauce of Silicon Valley**

*Hap Klopp, Founder and former CEO of The North Face*

This lecture includes stories and lessons found in Hap Klopp's two books and from his extensive San Francisco based business career. The main message is about how Silicon Valley thrives on people learning from their failings and applying those lessons to their next undertaking (i.e. “Failing Forward.”) and how Silicon Valley’s culture embraces this fail and rebound strategy.

### **High Impact Communication Skills Workshop**

*Francois Levannier, Business Coach for Entrepreneurs and Executives*

This workshop provides participants with a clear theoretical understanding of what it takes to make a big and positive impact on their audience when delivering a pitch. It also gives the practical and experiential fundamentals of the art and science of High Impact Communication, so that they can dramatically increase their chances to reach their goal: get what they want, whether it is seed money for their startup, a job, or another goal.

## July 16 - Helping or Hurting the Poor?

### Read:

- Chapters 4-6, & 19 (pgs. 41-69; 247-261), *How to Change the World (HCW)*
- Prahalad, C.K. and Hammond, Allen L. “Serving the Poor, Profitably.” (HBS Course pack).
- Starr, Kevin, “The Trouble with Impact Investing: P1-P3,” SSIR, January 2012.
  - [http://www.ssireview.org/blog/entry/the\\_trouble\\_with\\_impact\\_investing\\_part\\_1](http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_1)
  - [http://www.ssireview.org/blog/entry/the\\_trouble\\_with\\_impact\\_investing\\_part\\_2](http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_part_2)
  - [http://www.ssireview.org/blog/entry/the\\_trouble\\_with\\_impact\\_investing\\_p3](http://www.ssireview.org/blog/entry/the_trouble_with_impact_investing_p3).
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Cases: “SKS and the AP Microfinance Crises” and “A New Model for the Pharmaceutical Industry: The Institute for One World Health.” (HBS course packet).

### Prepare the following questions (in addition to those given in the case):

1. Can one earn a profit serving “Base of the Pyramid” markets? How much profit?
2. Should some businesses that serve the poor remain as NGOs?
3. What were some of the issues that were raised with respect to micro financing and specifically with SKS? How does SKS compare to Kiva.org?
4. What was Dr. Nightingale’s strategy for eradicating infection? What was James Grant’s motivation behind his immunization push at UNICEF?
5. What was Dr. Hale’s strategy for product development and funding in One World Health?

## July 21 – Measuring Social Impact

### Read:

- Chapter 7 of Understanding Social Entrepreneurship (USE).
- “Virtuous Capital: What Foundations Can Learn from Venture Capitalists.” (HBS Course pack).
- Trelstad, Brian, “Simple Measures for Social Enterprise.” *Innovations*, Summer, 2009. (<http://www.mitpressjournals.org/doi/pdf/10.1162/itgg.2008.3.3.105>)
- “Taking Stock of Venture Philanthropy.” *SSIR*, Summer 2008, [http://www.lfagroup.com/wp/wp-content/uploads/2010/04/2008SU\\_casestudy.pdf](http://www.lfagroup.com/wp/wp-content/uploads/2010/04/2008SU_casestudy.pdf)

Case: “Acumen Fund. Measurement in Impact Investing.” (HBS Course pack).

### Prepare the following questions:

1. What Challenges does Maurice Miller face in responding to the donor’s request? Is the framework appropriate to his work and mission?
  2. What are the long-term challenges that he must address?
  3. How does venture philanthropy differ from impact investing?
- Chapter 8 & 18 (pgs. 92-99, 238-246). How to Change the World (HCW)

## July 23 – Corporate Form

### Readings:

- Chapter 5 of Understanding Social Entrepreneurship (USE).
- <https://www.bcorporation.net/what-are-b-corps/the-non-profit-behind-b-corps>

Case: “B-Lab: Building a New Sector of the Economy” (HBS course pack); “Acumen Fund and Embrace: From the Leading Edge of Social Investing.” HBS course packet.

Guest Speaker: Jessica Friesen, B Lab Community Team,

### Prepare the following questions:

1. The article and book chapter discusses three corporate forms. What are they?
2. How do these forms impact an organization’s focus on mission, financial support, and governance (both within and external to the organization)?
3. What are some challenges around the B Corporation being the corporate form for social ventures? What is the difference between a Benefit Corporation and B Lab certification?
4. Should Embrace convert to a for-profit or hybrid organizational structure? Why or why not?

## July 28 - Financing the Social Enterprise

### Read:

- Batavia, Hima, Chakma, Justin, Masum, Hassan, & Singer, Peter, "Market-Minded Development." SSIR, Winter 2011, ([http://www.ssireview.org/articles/entry/market-minded\\_development](http://www.ssireview.org/articles/entry/market-minded_development))
- Fruchterman, Jim, "For Love or Lucre." SSRI ([http://www.ssireview.org/articles/entry/for\\_love\\_or\\_lucre/](http://www.ssireview.org/articles/entry/for_love_or_lucre/)).

Case: Jones, Jamie, Yee, Jennifer, and Selke, Wes. "Good Capital and Better World Books (A) (HBS course pack).

### Prepare the following questions:

1. What are some of the risks associated with this emerging field for: investors, social entrepreneurs and social venture capital firms?
2. What are some pros and cons in impact investing, versus issuing grants, for both the investor and the recipient of the funds?
3. How long had Wes Selke tracked BWB? What recent trends were concerning? Do you think Wes should still fund BWB?
4. How does an investment in BWB measure in both social and financial return-on-investment?
5. Do you think taking a "venture capital" approach to grant making helpful, hurtful, or somewhere in between?

## July 30 – Scaling (or Re-focusing) the Social Enterprise

### Read:

- Chapters 8 & 9 (USE), pgs. 231-253.
- Chapters 20, 21 & Epilogue (pgs. 262-291), How to Change the World (HCW)
- "Going to Scale: The Challenge of Replicating Social Programs," by Jeff Bradach. *Stanford Social Innovation Review*, Spring 2003. [http://www.ssireview.org/articles/entry/going\\_to\\_scale/](http://www.ssireview.org/articles/entry/going_to_scale/)
- Bannick, Matt and Hallstein, Eric, "Learning from Silicon Valley." SSIR, Summer, 2012. ([http://www.ssireview.org/articles/entry/learning\\_from\\_silicon\\_valley1](http://www.ssireview.org/articles/entry/learning_from_silicon_valley1))

Cases: "Guide Dogs for the Blind Association" and "Habitat for Humanity – Egypt" (HBS Course Packet)

### Prepare the following questions (next page):

1. What are some of the issues with “scaling” the social enterprise? What are some cases where it is best for a social enterprise to NOT grow?
2. What is your assessment of the hotel and holiday partnerships for GDBA?
3. What are the critical elements of the GDMS partnership? What is your assessment of this partnership?
4. What is your assessment of HFHE’s use of networks? What actions taken by HFHE were critical to forging these partnerships?
5. What concerns do you have for HFHE going forward? What recommendations do you have?

**August 11 –**

*No Class – you can work on your final project in teams this day!*

**August 13– In Class Presentations**

Your team will present your findings in class for 15 minutes, followed by a five-minute Q&A. The presentations should summarize your paper.

## **ABOUT THE PROFESSOR**

Dr. Jennifer Walske is an Assistant Professor at USF, and the Faculty Director of the MGEM program. She was previously the Faculty Director of the Global Social Venture Competition, a worldwide program that develops next generation social entrepreneurs managed by the Haas School of Business ("Haas"), U.C. Berkeley, and still remains on its advisory board. Dr. Walske was also the Director of Social Entrepreneurship within the Lester Center for Entrepreneurship, at Haas prior to joining USF in January of 2013. She is a member of the Hub Ventures investor cohort and is part of the instructor panel for Steve Blank's Lean Launchpad graduate course at Haas. She serves on the national Net Impact Board of Directors, and the San Francisco Ballet Board. She has been a judge for GSVC in its Africa Asia competition, for Echoing Green, the Blum Center for Developing Economies (at U.C. Berkeley) Big Ideas competition, and for the William James Foundation. Dr. Walske publishes research on emergent social venture firms, with an emphasis on how human capital, social capital, and strategy aids new firm success. Dr. Walske was the 2011 recipient of the Earl F. Cheit Award for Teaching Excellence at Haas, and the USF MBA Award for teaching excellence in 2015 (both based on student vote). She also received "Best Paper" award at the NYU-Stern Conference in Social Entrepreneurship in 2011.

### **This class is highly connected to USF's Mission!**

*USF is in the heart of one of the most innovative and diverse cities and features a vibrant community of students and faculty who achieve excellence in their fields while building a more humane and just world. USF students, faculty, and alumni are involved in the entrepreneurial city of San Francisco and are work in all industries, from technology to nonprofits. Informed by the university's 155-year-old Jesuit, Catholic mission, the USF community ignites students' passion for social justice and the pursuit of the common good.*