



NYU

**ROBERT F. WAGNER GRADUATE
SCHOOL OF PUBLIC SERVICE**

PADM-GP 2312.001
**Managing Financial & Social Returns of
the Social Enterprise**
Spring 2024

Instructor Information

- Rob Johnson
- Email: rwj2022@nyu.edu
- Office Location: Puck 3071
- Office Hours: by appointment

Course Information

- Class Meeting Times: Mondays, 4:55–6:35pm
- Class Location: 31 Washington Pl (Silver Ctr) Room 412

Course Prerequisites

- CORE-GP.1021, Financial Management (required)

Note that while Accounting is not a prerequisite, students who have not had accounting courses or experience with for-profit financial statements should seriously consider completing the Financial Accounting-Online Course: Introductory Section which has optionally been made available in your Case Packet and is estimated to take approximately 10 hours to complete. It is not necessary to have completed this before the course starts, but it is recommended to be completed before Lesson 4.

Course Description

This course will explore best and evolving practices in the financial management and impact measurement of social enterprises. The class will be taught from the perspective of the social entrepreneur and social enterprise manager and introduce cases to assess financial challenges, fiscal performance and financing strategy of pioneering firms with a social mission. We will explore trends, successes and failures in managing enterprises to achieve financial and social returns. Measuring social impact in tandem with financial performance will be a core component of the course with topics including triple bottom line accounting, impact measurement, impact reporting and correlation between operating performance and impact sustainability. Students will be introduced to accounting and reporting methods necessary to responsibly calculate and communicate financial and social returns to investors and stakeholders. This course will delve into the financial, operational and strategic

management of social enterprises in domestic and international settings including developing nations and will explore numerous sectors such as smallholder agriculture, education, and energy.

Course Format

Each week we will cover a business case in class. These cases will sometimes correlate directly with the text material assigned for the week, but not always. For most weeks, there is a required Discussion question for you to post a one paragraph response to before the class session where the case will be discussed. This will give you an opportunity to think critically about the case you have read and to be prepared for the live class. It is essential that you come to class having read the case in advance. Please note that you may be called on in class to discuss the assigned cases.

Course Objectives

Course Learning Objective Covered	Corresponding Assignment Title
Achieve working knowledge of structural options for forming a social enterprise.	Take-Home Midterm Case, Final Project
Develop skills necessary to create a financing plan for a social enterprise.	Child in Need Spreadsheet, Final Project
Obtain acumen needed to position enterprises to raise social impact investment.	Newman’s Own Spreadsheet, Final Project
Master understanding of disparate approaches to social metric measurement and acquire tools for correlating and reporting financial and social returns.	Metric Experimentation, Final Project

Required Readings

Textbook:

Kickul, J. and Lyons, T. (2020) ***Understanding Social Entrepreneurship***, Routledge (references to Text in Syllabus refer to this book). The online book is available through the NYU Library at this [link](#).

Case Packet:

See instructions for downloading each packet below (packet includes secondary text Martin, R., Osberg, S. (2015) ***Getting Beyond Better: How Social Entrepreneurship Works***)

- Order the Harvard [Case Pack](https://hbsp.harvard.edu/import/1136541): <https://hbsp.harvard.edu/import/1136541>

Class Policies

Emails: I will generally answer emails within 48 hours of receipt, but not on weekends.

Incompletes and Withdrawals: Note Wagner's [incomplete policy](#) and [course withdrawal policy](#).

Participation: As active participation is an important element of your grade so is attendance. Please notify me by email prior to any class in which you will be absent or late.

Group Work: Case analysis or final projects may involve group work. You are expected to work cooperatively in such groups and to be an individual contributor to the group process. Group dynamics will be observed and will also contribute to the class participation portion of your grade.

Preparation: As stated in the syllabus, this is a case-oriented course. Therefore, coming to class having read the case(s) is absolutely required. Students may be asked questions whether or not they offer to participate so make sure you have done your preparation.

Assignments and Evaluation

- Active Class Participation - 15% (this includes Discussion Forum posts)
- Homework - 20%
- Mid-Term - 30%
- Final Project - 35%

Class Participation (15% of total grade):

Participation is awarded based on attendance (one unexcused absence permitted), punctuality and engagement in class discussions and Brightspace Discussion forums. Missing or being late for two or more classes for the semester will negatively impact your participation grade. Extraordinary circumstances include religious observances and illness but you must give notice via email as soon as possible.

If you foresee missing a class due to personal obligations, please notify me via email but also note that it will count as your allotted unexcused absence. All students benefit from high levels of participation, so you are expected to do readings (particularly of cases) prior to class, attend class, and contribute to the discussion. Particular attention will be given to active participation in group projects.

As noted, you must come to class having read the case(s) that will be discussed on that date. Case guideline questions can be found in NYU Brightspace to help you think in advance about potential discussion points.

Homework (20% of total grade):

Note that detailed instructions for each homework assignment can be found on NYU Brightspace. Please follow those instructions supplemented by any direction provided during class time.

Mid-term Case (30% of total grade):

The mid-term will be one or more take-home cases. Detailed instructions will be provided at least one week in advance of the due date.

Project (35% of total grade):

Project details to follow. Supplemental instructions will be available on NYU Brightspace. You may work in a team of up to two (requests will be considered for individual projects). You will select a concept for the creation of or the expansion of a social enterprise either in the US or and develop a **financial plan** that will include the following:

- a) Structural (current/proposed) form of the enterprise (Hybrid, Corporation, B Corporation, Cooperative, Association, etc.),
- b) Business Model Canvas,
- c) Funding/capitalization requirements,
- d) Five-year projections with financial and social return goals (stated as double or triple bottom line accounting). Pro formas should include a very basic Profit & Loss and Balance Sheet
- e) Break-even analysis,
- f) Identification of risks to achieving both financial and social goals,
- g) Mitigation plan to reduce risks.

The project will also include adoption/selection of existing appropriate metrics (standards) to monitor **financial and social returns** and the design of a **new integrated metric that correlates financial and social return** that will help advance the assessment of social enterprises within the sector of your selected enterprise. The document should be no more than 10 pages, double spaced, plus exhibits and you will be asked to create and present a five-slide funding pitch presentation during the last class on the basis of your financial plan.

Letter Grades

Letter grades for the entire course will be assigned as follows:

Letter Grade	Points
A	4.0 points
A-	3.7 points
B+	3.3 points
B	3.0 points
B-	2.7 points
C+	2.3 points
C	2.0 points
C-	1.7 points
F	0.0 points

Student grades will be assigned according to the following criteria:

- **Excellent:** Exceptional work for a graduate student. Work at this level is unusually thorough, well-reasoned, creative, methodologically sophisticated, and well written. Work is of exceptional, professional quality.
- **(A-) Very good:** Very strong work for a graduate student. Work at this level shows signs of creativity, is thorough and well-reasoned, indicates strong understanding of appropriate methodological or analytical approaches, and meets professional standards.
- **(B+) Good:** Sound work for a graduate student; well-reasoned and thorough, methodologically sound. This is the graduate student grade that indicates the student has fully accomplished the basic objectives of the course.
- **(B) Adequate:** Competent work for a graduate student even though some weaknesses are evident. Demonstrates competency in the key course objectives but shows some indication that understanding of some important issues is less than complete. Methodological or analytical approaches used are adequate but student has not been thorough or has shown other weaknesses or limitations.
- **(B-) Borderline:** Weak work for a graduate student; meets the minimal expectations for a graduate student in the course. Understanding of salient issues is somewhat incomplete. Methodological or analytical work performed in the course is minimally adequate. Overall performance, if consistent in graduate courses, would not suffice to sustain graduate status in “good standing.”
- **(C/-/+) Deficient:** Inadequate work for a graduate student; does not meet the minimal expectations for a graduate student in the course. Work is inadequately developed or flawed by numerous errors and misunderstanding of important issues. Methodological or analytical work performed is weak and fails to demonstrate knowledge or technical competence expected of graduate students.
- **(F) Fail:** Work fails to meet even minimal expectations for course credit for a graduate student. Performance has been consistently weak in methodology and understanding, with serious limits in many areas. Weaknesses or limits are pervasive.

Overview of the Semester

Week	Date	Topic	Deliverable
PART I: STRUCTURING THE SOCIAL ENTERPRISE			
Week 1	January 22	Child in Need Institute Case	
Week 2	January 29	Acceso Oferta Local Case	
Week 3	February 5	IBAKERY and Greyston Bakery Cases	Child in Need Spreadsheet & Memo
PART II: FINANCING THE SOCIAL ENTERPRISE			
Week 4	February 12	Nuru Energy Case	

Week 5	February 26	DePaul Industries Case	
Week 6	March 4	d.Light Case	
Week 7	March 11	Manioca/Midterm Review	Take Home Mid-Term Cases
	March 18	Spring Break	
PART III: FINANCIAL MANAGEMENT OF THE SOCIAL ENTERPRISE			
Week 8	March 25	Newman's Own Case	Project Selection (3/24)
Week 9	April 1	Mountain Hazelnuts Case	Newman's Own Spreadsheet
Week 10	April 8	The Aquaculture in the Philippines	
PART IV: MEASURING & MONITORING FINANCIAL & SOCIAL RETURNS			
Week 11	April 15	Acceso (B) Case	
Week 12	April 22	Natura Cosmetics Case	Metric Experimentation & Memo
Week 13	April 29	Fundacion Paraguaya Case	
Week 14	May 6	Project Presentations	Final Projects & Presentations

Detailed Course Overview

Part 1: Structuring of the Social Enterprise

WEEK 1: CASE: Child In Need Institute – Nonprofit or Hybrid? January 22, 2024 / 4:55 PM

This Lesson provides an introduction to the relevance, formation and evolution of social enterprise, and the financial shift from a NGO to a social business particularly in light of scarcity of continued donor funding. Case will include development of a spreadsheet business model.

Required Reading/Watching: Complete Before Week 1 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 1

Read in Case Packet: Child In Need Institute; Should Nonprofits Seek Profits? Read in NYU

Brightspace: n/a

Discussion Questions: Due Before Week 1 Live Session

If you compare CINI with a business organization or corporation, what are the major differences?

Assignments to Submit: Complete After Week 1 Class Session but Before Week 3 Class Session (submit on NYU Brightspace)

You may work on the template either individually or in teams of two. The one page, double spaced submission, however, is an individual assignment. Using the template provided as a guide and the data in Exhibit 8 of the CINI case, create a first-year business plan for the Nutritional Supplement business. Your business plan should generate a projection of annual revenue, annual profit and target breakeven. It is OK for you to make assumptions provided they are stated. Submit a one page recommendation (accompanied by your spreadsheet) stating if you believe based on your financial analysis if CINI should create this business. Extra credit is available if you wish to *additionally* evaluate

the Training business in Exhibit 9 using the template provided.

WEEK 2: CASE – Acceso Oferta Local – A New Approach to Social Enterprise Creation, January 29, 2024 / 4:55 PM

This Lesson focuses on the aftermath of a social enterprise's failure due to improper key performance indicators and creation of a new follow-on enterprise aligning both financial and social returns.

Required Reading/Watching: Complete Before Week 2 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapters 2 and 3

Read in Case Packet: n/a

Read in NYU Brightspace: Acceso Oferta Local – A New Approach to Social Enterprise Creation

Discussion Questions: Due Before Week 2 Live Session

Should Acceso Oferta Local expand into the fish and seafood value chain?

Assignments to Submit: Complete After Week class but Before Week 3 class (submit on NYU Brightspace)

n/a

WEEK 3: The Tale of Two Bakeries, February 5, 2024 / 4:55 PM

This Lesson focuses structuring the financial operations of Social Enterprises, how they attempt to strike a balance on both economic and social goals and how two Social Enterprise Bakeries in different geographies approach this very differently.

Required Reading/Watching: Complete Before Week 3 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 5

Read in Case Packet: IBAKERY: How a Hong Kong NGO ventures into Social Enterprise; Note: Should Nonprofits Seek Profits?

Read in NYU Brightspace: Greyston Bakery: Combatting Poverty by Making a Profit

Discussion Questions: Due Before Week 3 Live Session

What are the primary differences between IBakery and Greyston Bakery?

Assignments to Submit: Complete After Week class but Before Week 3 class (submit on NYU Brightspace)

n/a

Part II: Financing the Social Enterprise

WEEK 4: CASE – NURU Energy, February 12, 2024 / 4:55 PM

This Lesson explores the challenges involved in developing a social enterprise with a dual aim of turning a profit and making a social impact. It focuses in particular on assessing multiple financing options and their implications and looks at the different business model alternatives - market-based and

donor-based.

Required Reading/Watching: Complete Before Week 6 Live Session

Watch/Listen: n/a

Read in Online Textbook: 6

Read in Case Packet: Nuru Energy; A New Approach to Funding Social Enterprises

Read in NYU Brightspace: Social and Commercial Entrepreneurship: Same, Different, or Both?

Discussion Questions: Due Before Week 6 Live Session

Does it make sense for a small start-up to have two different business models and three geographies?

Assignments to Submit: Complete After Week 6 Live Session but Before Week 7 Live Session (submit on NYU Classes)

n/a

WEEK 5: CASE – Depaul Industries, February 26, 2024 / 4:55 PM

This Lesson Case focuses on the centrality of cash flow to strategic decision-making and survival and explores tensions between profitability and social welfare missions facing hybrid social ventures (organizations with social welfare and commercial goals).

Required Reading/Watching: Complete Before Week 6 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: DePaul Industries Read in NYU Brightspace: n/a

Discussion Questions: Due Before Week 5 Live Session

Do you think Bank financing is the best route for DePaul – why or why not?

Assignments to Submit: Complete After Week 5 Live Session but Before Week 6 Live Session (submit on NYU Brightspace)

n/a

WEEK 6: CASE – d.light, March 4, 2024 / 4:55 PM

This Lesson discusses overcoming challenges of limited capital, via revenue generation strategies that can succeed in the context of emerging-market distribution channel complexities.

Required Reading/Watching: Complete Before Week 6 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 4

Read in Case Packet: d.light

Read in NYU Classes: n/a

Discussion Questions: Due Before Week 6 Live Session

What channel alignment constraints face d.light as it thinks about how to establish a channel structure in India?

Assignments to Submit: Complete After Week 6 Live Session but Before Week 7 Live Session (submit on NYU Classes)

Take-home midterm case on NFTE and Mine101. Case guideline questions and submission specification can be found on Assignments in NYU Brightspace.

WEEK 7: CASE – Manioca, March 11, 2024 / 4:55 PM

This Lesson focuses on the assessment of fit by a social enterprise of an impact investor. The Case assigns explores a food enterprise in the Amazon in Brazil. There will also be a review of the midterm cases.

Required Reading/Watching: Complete Before Week 7 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: n/a

Read in NYU Brightspace: Manioca case

Discussion Questions: Due Before Week 7 Live Session

Do you think Manioca is ready to take an investment from an impact investor – why or why not?

Assignments to Submit: Complete After Week 6 Live Session but Before Week 8 Live Session (submit on NYU Brightspace)

n/a

NO CLASS MARCH 18 – SPRING BREAK

Part III: FINANCIAL MANAGEMENT OF THE SOCIAL ENTERPRISE

WEEK 8: CASE – Newman’s Own, March 25, 2024 / 4:55 PM

This Lesson focuses on achieving sales targets and transitioning a company to a professionally managed commercial social enterprise

Required Reading/Watching: Complete Before Week 8 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 8

Read in Case Packet: Newman’s Own, Inc.

Read in NYU Classes: n/a

Discussion Questions: Due Before Week 8 Live Session

How does being a social purpose enterprise enhance or hinder Newman Own’s business performance?

Assignments to Submit: Complete After Week 8 Live Session but Before Week 9 Live Session (submit on NYU Classes)

Newman’s Own Spreadsheet (see Assignments in NYU Brightspace for detailed instructions)

WEEK 9: CASE – Mountain Hazelnuts April 1, 2024 / 4:55 PM

This Lesson explores challenges of operating an agricultural social enterprise that generates a financial return for investors, increases the cash income of participating farmers, and helps preserve rural communities, and improve the environment.

Required Reading/Watching: Complete Before Week 5 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: Mountain Hazelnuts

Read in NYU Classes: The Ultimate Introductory Guide to Funding Your Social Enterprise
<https://www.acumenacademy.org/blog/impact-capital-funding-your-social-enterprise>

Discussion Questions: Due Before Week 9 Live Session

What are the biggest risks to the success of Mountain Hazelnuts?

Assignments to Submit: Complete After Week 9 Live Session but Before Week 10 Live Session (submit on NYU Classes)

n/a

WEEK 10: CASE – The Aquaculture in the Philippines: Creating Social Values at Marina Gana Vida, April 8, 2024 / 4:55 PM

This Lesson addresses a social enterprise's decision-making challenges when assessing the best avenues for scaling and the potential consequences to achieving social impact.

Required Reading/Watching: Complete Before Week 10 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: The Aquaculture in the Philippines: Creating Social Values at Marina Gana Vida

Read in NYU Classes: n/a

Discussion Questions: Due Before Week 10 Live Session

Should Nobleza replace women workers with machines that could produce more jars of processed fish products per day?

Assignments to Submit: Complete After Week 10 Live Session but Before Week 11 Live Session (submit on NYU Classes)

n/a

Part IV: MONITORING OF FINANCIAL & SOCIAL RETURNS

WEEK 11: CASE – Acceso (Part B), April 15, 2024 / 4:55 PM

This Lesson will introduce students to the challenges of implementing an impact measuring and monitoring system in a social enterprise.

Required Reading/Watching: Complete Before Week 11 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 7

Read in Case Packet: What Impact? A Framework for Measuring the Scale and Scope of Social Performance

Read in NYU Brightspace: Acceso (Part B) Case

Discussion Questions: Due Before Week 11 Live Session

What are the potential operational constraints to implementing new impact metrics for Acceso?

Assignments to Submit: Complete After Week 11 Live Session but Before Week 12 Live Session (submit on NYU Classes)

Metric Experimentation and Memo (See Assignments in NYU Brightspace for more detailed instructions)

WEEK 12: CASE – Natura Cosméticos April 22, 2024 / 4:55 PM

This Lesson will examine how one of the world's largest B Corporations integrates financial and nonfinancial (environmental, social and governance) reporting.

Required Reading/Watching: Complete Before Week 12 Live Session

Watch/Listen: n/a

Read in Online Textbook: Chapter 9

Read in Case Packet: Natura Cosméticos; Blended Value Proposition: Integrating Social and Financial Returns

Read in NYU Classes: n/a

Discussion Questions: Due Before Week 12 Live Session

Who benefits from integrated reporting?

Assignments to Submit: Complete After Week 12 Live Session but Before Week 13 Live Session (submit on NYU Classes)

n/a

WEEK 13: CASE – Fundación Paraguaya, April 29, 2024 / 4:55 PM

This Lesson reviews the methodology for calculating Social Return on Investment (SROI) and the advantages and difficulties of its adoption.

Required Reading/Watching: Complete Before Week 13 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: In Harvard Packet: Guidelines for Social Return on Investment In WDI packet Fundación Paraguaya A, B and C

Read in NYU Classes: n/a

Required Activities: Complete Before Week 13 Live Session

n/a

Discussion Questions: Due Before Week 13 Live Session

What do you think of the SROI analysis? Have they created a reasonable model?

Assignments to Submit: Complete After Week 13 Live Session but Before Week 14 Live Session (submit on NYU Classes)

Final Project and Elevator Pitch Presentation

WEEK 14: Final Project presentations, May 6, 2024 / 4:55 PM

Students will present their “elevator pitch” for financing the social enterprise that are the focus of their final project. Presentations will be submitted by VoiceThread and students will display presentations and then participate in Q&A.

Required Reading/Watching: Complete Before Week 14 Live Session

Watch/Listen: n/a

Read in Online Textbook: n/a

Read in Case Packet: n/a Read in NYU Classes: n/a

Required Activities: Complete Before Week 14 Live Session

n/a

Discussion Questions: Due Before Week 14 Live Session

n/a

Assignments to Submit: Complete After Week 14

n/a

NYU Brightspace

All announcements, resources, and assignments will be delivered through the NYU Brightspace site. I may modify assignments, readings, due dates, and other aspects of the course as we go through the term with advance notice provided as soon as possible through the course website.

Technology Support

Students have 24/7 support to NYU’s IT services. Explore the [NYU servicelink knowledgebase](#) for troubleshooting and student guides for all NYU-supported tools (like NYU Brightspace, Zoom, etc). Contact askIT@nyu.edu or 1-212-998-3333 (24/7) for technology assistance, or you may contact [Zoom’s 24/7 technical support](#) (this includes a chat function), or Review [Zoom’s support resources](#).

Don’t forget, your peers are another source of support. You could ask a friend or classmate for help or tips.

Academic Integrity

Academic integrity is a vital component of Wagner and NYU. All students enrolled in this class are required to read and abide by [Wagner’s Academic Code](#). All Wagner students have already read and signed the [Wagner Academic Oath](#). Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me.

Henry and Lucy Moses Center for Student Accessibility

Academic accommodations are available for students with disabilities. Please visit the [Moses Center](#)

for [Student Accessibility website](#) and click the “Get Started” button. You can also call or email (212-998-4980 or mosescsa@nyu.edu) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

NYU’s Calendar Policy on Religious Holidays

[NYU’s Calendar Policy on Religious Holidays](#) states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays that might coincide with exams to schedule mutually acceptable alternatives.

NYU’s Wellness Exchange

[NYU’s Wellness Exchange](#) has extensive student health and mental health resources. A private hotline (212-443-9999) is available 24/7 that connects students with a professional who can help them address day-to-day challenges as well as other health-related concerns.

Student Resources

Wagner offers many [quantitative](#) and [writing](#) resources as well as [skills workshops](#). The library offers a variety of [data services](#) to students.