



**PURSUING INNOVATION & IMPACT IN AN EVER-CHANGING WORLD  
FOUNDATIONS OF SOCIAL ENTREPRENEURSHIP**

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## **Spring 2016**

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**Office Hours:**

Tuesdays, 4-6 PM and by appointment.

**Required Course Materials:**

- Kickul, J., & Lyons, T. (2012). Understanding Social Entrepreneurship (referred to as USE in course schedule): The Relentless Pursuit of Mission in an Ever-changing World. Can be found at: <http://www.routledge.com/books/details/9780415884891/> or Amazon

**Course Description:**

Social Entrepreneurship is an emerging and rapidly changing business field that examines the practice of identifying, starting and growing successful mission-driven for profit and nonprofit ventures, that is, organizations that strive to advance social change through innovative solutions. This course is designed to provide a socially relevant academic experience in order to help students gain in-depth insights into economic and social value creation across a number of sectors/areas including poverty alleviation, energy, health and sustainability.

Through case studies, lectures, and classroom dialogue, students will learn to think strategically and act opportunistically with a socially-conscious business mindset. Topics will include problem/opportunity assessment, acquiring the necessary resources to grow a social enterprise, and the tradeoffs between social and financial returns on investment. We will be working through three key phases of Discovery, Design, and Develop (see schedule for timing and modules connected to each phase).



Students will also gain exposure to various social organizational models that are making tangible and potentially scalable progress in serving the world's poorest populations. Finally, the social venture business plan (at the team project level) will facilitate the sharing of knowledge, best practices, and learning of the process of launching a viable and scalable social enterprise.

#### Course Philosophy:

Social Entrepreneurship is more than a set of tools and techniques for starting and growing a business. It's a mindset, a way of looking at things that is problem/**opportunity** focused and creative. It's about passion -- doing what you love. It's about creating wealth in all its forms: economic value, social innovation and sustainability, and making a difference in the communities we serve.

While numerous different definitions of social entrepreneurship exist, there appears to be broad consensus about two issues:

1. Social entrepreneurship involves the creativity, imagination and innovation often associated with entrepreneurship; and
2. The outcomes of social entrepreneurship are focused on addressing persistent social problems particularly to those who are marginalized or poor.

To quote one of the many leaders in the field (Bill Drayton, CEO, Chair, and Founder, 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 entrepreneurs have the committed vision and inexhaustible determination to persist until they have transformed an entire system. The scholar comes to rest when he expresses an idea. The professional succeeds when she solves a client's problem. The manager calls it quits when he has enabled his organization to succeed. Social entrepreneurs can only come to rest when their vision has become the new pattern all across society."

Taking this into consideration, our class and our time together will be focused on the ideas, process, steps, and strategies required for creating new social ventures! We will be introduced to entrepreneurship: the planning process, and frameworks for strategic and financial planning. This course focuses on the critical factors associated with successful new venture initiation as well as the preparation of a business plan that can be used to begin operations in a new social enterprise. This course will challenge all of us to confront more advanced issues faced by today's social entrepreneurs. In sum, our course draws on a variety of disciplines, including management and finance, to develop frameworks and techniques that are needed to plan, start, evaluate, and successfully operate social ventures.

### **Our Course Objectives include:**

- To provide students with a working knowledge of the concepts, opportunities and challenges of social entrepreneurship and innovation.
- To demonstrate the role of social entrepreneurship in creating innovative responses to critical social needs (e.g., hunger, poverty, inner city education, global warming, etc).
- To engage in a collaborative learning process to develop a better understanding of the context and domain of social entrepreneurship.
- To help prepare you personally and professionally for meaningful employment by reflecting on the issues of social entrepreneurship.

### **COURSE REQUIREMENTS:**

#### **Incorporating Social Impact Theory - The Social Venture Plan**

Working in teams, a business plan will be developed for a new social enterprise of your own design. Each student will be given an opportunity to present their initial idea to the class (see course schedule for pitch date). Teams will then be developed based on the idea (those with the greatest support from classmates as well as an assessment of its feasibility). The social venture plan will encompass how the venture will achieve its impact and the plan itself. Specifically, this will entail:

- *Part I: Social Impact Theory:* The social impact theory details how the venture will achieve its desired impact (See: The Process of Social Entrepreneurship: Creating Opportunities Worthy of Serious Pursuit, Dees, for more details). The theories will also be presented to the class during the mid-point of the course. The social impact theory

includes an oral presentation that will summarize your social impact theory.

- *Part II: Social Venture Plan:* A social venture plan will be developed for the venture. The final written plan and oral presentation of the plan occurs in last evening of class. The written business plan is not to exceed 25 pages of text and 15 pages of appendices. The oral presentation will be limited to 12 minutes plus 10 minutes Q&A. While guidelines will be discussed in class on how to develop and structure your plan, keep in mind that you are creating an opportunity/solving a current problem that will manifested in a fully developed plan of action. You **MUST** talk to numerous potential clients/customers, develop realistic financials, and work together on all aspects of the business plan as opposed to researching, and writing individual sections of the plan and then assembling it at the last moment.

**A note on teams:** Peer evaluations will assist me in assessing the contribution each team member makes to the business plan. Individual grades therefore may be significantly better (or worse) than the team grade. Only in circumstances where a team member has not contributed, and where the balance of the team has attempted, unsuccessfully, to correct the problem with the individual and myself, can a team member be "fired." Arrange a meeting with me at the first sign of trouble.

### Journaling

Each week before class, you will have the opportunity to journal your own thoughts and ideas on specific topics related to opportunity identification and evaluation. Topics will be different each week. These are not formal writings, but rather an opportunity for you to thoughtfully reflect on the subjects being presented in class and in the readings and brainstorm new variations of your ideas/opportunities. These reflections should be posted on NYU Classes by Midnight on the day before class.

### Case Analysis

There will be a series of cases that we will analyze in class. You are expected to read the case beforehand and be prepared to discuss it during class. You will need to write-up two (2) individual analyses to any two of the cases you choose. Each write-up has a limit of 3 pages max. These write-ups will be due on Tuesday, 5 p.m. before that respective class discussion and should be uploaded and submitted to NYU Classes. Late assignments will either not be accepted or will incur a grade penalty unless due to documented serious illness or family emergency.

From time to time we will bring in the entrepreneur to the class following the case discussion to discuss where he/she is today. Please refer to the appendix and a "guide to case analysis" for both discussion and write-up suggestions.

### Class and Small Group Participation

The success of this course depends not only on your attendance, but also on your participation. The more you participate, the more fun and valuable the course will be for all of us. For every class, students are expected to read the supplemental readings and cases. Participation is measured using several criteria. These include actively participating individually during the "discussion" part of our sessions, in small group meetings, and in group

presentations.

The instructor's evaluation of your participation will be evaluated using these criteria:

- When questions were presented to the class, how active (as opposed to inactive) was your participation?
- When you answered questions or commented on reading-related or discussion-related material in class, how accurately (as opposed to inaccurately) did you use concepts previously discussed?
- When you asked questions or commented on reading-related or discussion-related material in class, how creative (as opposed to redundant or repetitive) was your thinking?
- When you were asked to answer case questions to solve entrepreneurial problems, how specific, hence implementable (as opposed to vague, hence useless), were your suggested remedies to problems raised in class?
- When you criticized others' ideas (including the instructor's), how constructively (as opposed to destructively) did you state your criticism?

### **Attendance and Lateness Policy**

Attendance at each class session is expected. If you miss more than one class (regardless of the reason), you can expect this to have a negative effect on your class participation grade. Excessive lateness, or leaving early, will also have a negative effect on your contribution grade.

### **Laptops, Cell Phones, & Other Electronic Devices**

These may not be used in class. Please turn off all electronic devices before class begins.

### **Honor Code and Academic Integrity**

I take Stern's honor code very seriously and therefore expect that you will too. In order to maintain a vigorous learning community in the classroom, it is critical that we, as a class, do not tolerate academic fraud (cheating, plagiarism, lying). As a matter of personal and professional respect for each other, and ourselves we should expect the highest standards of conduct from our peers and ourselves. Violating these standards takes away the value and meaning of the educational environment for all of us, and in the event that such a violation occurs, the individual(s) responsible will be subject to University sanctions that may include failure from the course, suspension, or expulsion. Please see me if you are uncertain about what represents an honor code violation.

**BREAKDOWN OF COURSE REQUIREMENTS:**

Part I: <i>Social Impact Theory (Oral)</i>	10%
Part II: Social Venture Plan (written)	25%
Case Write-up I	10%
Case Write-up II	10%
Social Venture Plan Presentation	10%
Journaling	5%
Class Participation	20%
Peer Evaluations	10%
<b>Total</b>	<b>100%</b>

### **About the Professor:**

**Jill R. Kickul** joined New York University Stern School of Business as the Director of their social entrepreneurship program in July 2008. She teaches courses in entrepreneurship and social entrepreneurship and is the Faculty Chair and Academic Advisor for the 30-course MBA specialization in Social Innovation and Impact. Prior to joining NYU Stern, Professor Kickul was the Richard A. Forsythe Chair in Entrepreneurship in the Thomas C. Page Center for Entrepreneurship at Miami University, Ohio, and a professor in the management department in the University's Farmer School of Business. Prior to joining the Miami University faculty, she was the Elizabeth J. McCandless Professor in Entrepreneurship at the Simmons School of Management in Boston.



Professor Kickul's primary research areas of interest include innovation and strategic processes within new ventures, micro-financing practices and wealth creation in transitioning economies, and social entrepreneurship. She is the co-author of numerous books including: *Understanding Social Entrepreneurship: The Relentless Pursuit of Mission in an Ever Changing World*, *Patterns in Social Entrepreneurship Research*, *Social Entrepreneurship* (Two volume meta-review of field), *Entrepreneurship Strategy: Changing Patterns in New Venture Creation, Growth, and Reinvention*, and *Handbook of Microcredit in Europe: Social Inclusion Through Microenterprise Development*.

She has published more than 100 publications in entrepreneurship and management journals, including: *Academy of Management Learning and Education*, *Entrepreneurship Theory and Practice*, *Small Business Economics*, *Entrepreneurship Research Journal*, *Journal of Management*, *Journal of Operations Management*, *Journal of Small Business Management*, *Journal of Organizational Behavior*, *Frontiers of Entrepreneurship Research*, *International Journal of Entrepreneurship and Innovation*, *International Small Business*, *International Journal of Cross-Cultural Management*, *California Management Review*, and *Journal of Business Ethics*. She currently is the Executive Vice-President of Entrepreneurship Research Society, Editor of SSRN Social Entrepreneurship Journal (sponsored by Kauffman Foundation) and board member of the European Microfinance Network, Foundation for Social Change, ChangeCorp, Rising Tide Initiative, and Faculty Affiliate in the Center for Gender and Organizations.

Professor Kickul has taught entrepreneurship and social entrepreneurship internationally for the Helsinki School of Economics, International Bank of Asia, Hong Kong MBA Program, and delivered research seminars at the Stockholm School of Economics, INSEAD, EM Lyon School of Business, Aarhus Center for Organizational Renewal and Evolution (CORE), Central European University, University of Stavanger, Massey University, and the Jonkoping International Business School. Her work on entrepreneurship education development and curriculum design has been nationally recognized and supported through the National Science Foundation (NSF), Coleman Foundation Entrepreneurship Excellence in Teaching Colleges Grant and was named by Fortune Small Business as one of the Top 10 Innovative Programs in Entrepreneurship Education.

## Course Schedule and Modules

	Module	Readings and Assignment (Be ready to discuss on date)
<b>Class 1: Discover Phase</b>	<b>Introduction to Social Entrepreneurship and Innovation</b>	<ul style="list-style-type: none"> <li>• USE, Chapter 1</li> <li>• USE, Chapter 2</li> <li>• Redefining Success in A Changing World</li> <li>• Profits at the Bottom of the Pyramid</li> </ul>
<b>Class 2: Discover Phase</b>	<b>Social Enterprise - Identifying Opportunities in the Field</b>	<ul style="list-style-type: none"> <li>• <i>Social Venture Plan Concept Pitches (3 min presentation)</i></li> </ul>
<b>Class 3: Discover Phase</b>	<b>Recognizing and Assessing Social Venture Opportunities: Social Impact Theory I</b>	<ul style="list-style-type: none"> <li>• USE, Chapter 3</li> <li>• The Process of Social Entrepreneurship: Creating Opportunities Worthy of Serious Pursuit (Dees)</li> </ul>
<b>Class 4: Discover Phase</b>	<b>Assessing Social Venture Opportunities: Social Impact Theory II</b>	<ul style="list-style-type: none"> <li>• Disruptive Innovations for Social Change (Christensen et al.)</li> <li>• <b>Case: Khan Academy (to be downloaded at HBS publishing)</b></li> </ul>

## Course Schedule and Modules Continued

Class 5: Design Phase	Developing the Social Venture Strategy and Plan: Preparation and Launch I	<ul style="list-style-type: none"> <li>• USE Chapter 4</li> <li>• Lean Startup Process for Social Good</li> </ul>
Class 6: Design Phase	Designing the Social Venture Strategy and Plan: Preparation and Launch II	<ul style="list-style-type: none"> <li>• USE, Loyal Label Business Plan</li> <li>• Exercise on Breaking Down the Social Venture Plan</li> </ul>
Class 7: Design Phase	Venture Entry: Positioning the Firm for Social and Strategic Advantage	<ul style="list-style-type: none"> <li>• USE, Chapter 5</li> <li>• Case: Madecasse</li> </ul>
Class 8: Develop Phase	Social Impact Theory Presentations	<ul style="list-style-type: none"> <li>• Social Impact Theory Presentations</li> </ul>
Class 9: Develop Phase	Funding Social Ventures	<ul style="list-style-type: none"> <li>• USE, Chapter 6</li> <li>• What Good is Impact Investing?</li> <li>• Investing for Social &amp; Environmental Impact: A Design for Catalyzing an Emerging Industry</li> </ul>
Class 10: Develop Phase	Strategies for Scaling Social Impact	<ul style="list-style-type: none"> <li>• USE, Chapter 8</li> <li>• Cultivate Your Ecosystem</li> <li>• Planning for Scaling Social Impact: Our Work at CASE</li> <li>• Ten Lessons on Multi-Stakeholder Partnerships</li> <li>• Case: Endeavor - Determining a Growth Strategy (to be downloaded at HBS publishing)</li> </ul>

## Course Schedule and Modules Continued

<b>Class 11: Develop Phase</b>	<b>Measurement of Impact</b>	<ul style="list-style-type: none"><li>• USE, Chapter 7</li><li>• Learning for Social Impact: What Foundations Can Do</li><li>• <b>Case: Playgrounds and Performance: Results Management at Kaboom! Case</b> (to be downloaded at HBS publishing)</li></ul>
<b>Class 12: Discover, Design, and Develop Wrap-up</b>	<b>Social Ventures Plan Presentations</b>	Team Presentations Final Written Plans Due

Cases in **BOLD** represent those cases that can count towards your 2 case write-ups.

## Appendix

### A Guide to Case Analysis:

Many students find case analysis to be difficult due to the relative lack of structure of most entrepreneurship challenges. No correctly answered list of questions or mechanical process will lead to the "right" answer. In fact, there is no single "right" solution to most entrepreneurship challenges. When analyzing a case, remember that there are many possible approaches and solutions. The goal is not to figure out "the answer" but to sharpen your analytic, problem solving, and decision-making skills. The following steps outline the basic approach that you should follow when analyzing a case, whether for class discussion or in preparation for a written analysis. First, read the assigned reading for the week of the case. The reading material should play an important role in your analysis of the case. Remember that case analysis in this course is cumulative. Thus material from earlier chapters or readings may be relevant and should be applied where relevant. Second, read the case. Take notes about the important issues that the case raises and the material from the reading that seems to apply. As yourself, what are the major questions that this case poses for the decision maker?

Third, analyze what is occurring in the case and why. You should be able to identify outcomes in the case and/or issues that the organization faces. These outcomes may be bad (e.g., cash flow issues, in ability to expand, conflict among the business partners, inability to control operations), or they may be good. There may be numerous problems and issues. The goal of analysis is to *explain* the underlying mechanisms that are producing the outcomes or problems that you see in the situation. This process will require you to distinguish between symptoms and causal mechanisms. Consider the following example: You go to the doctor with the "problem" of a cough or a fever. It may be easy for the physician to treat the cough or fever with a number of medicines much like we could treat worker dissatisfaction by paying higher wages. However, it is important for the physician to determine the causes of the problem. If the cause of the cough is tuberculosis then only treating the cough is apt to lead to serious long-run consequences because the underlying disease process will still be at work. Clearly the cough is just a symptom of a deeper underlying problem, the disease of tuberculosis. Good analysis cleverly weaves symptoms into a causal map that gets to the underlying root of the situation. What I will look for in your case analyses is the cogency of your explanation of the process leading to the symptoms.

At the outset you are likely to struggle with this. It is a difficult and time consuming process to develop clinical skills. Remember that specific cases are assigned because they present good opportunities to practice using different theories and frameworks. Therefore, you know in every instance that some material from the assigned reading, and often other material from earlier readings, must be applicable to the case. You will find theories and course frameworks essential for supporting your analyses. You should view the theories and frameworks as a way to explain the underlying causal mechanisms contributing to the outcomes in the case, and as a way to organize and justify your arguments. Be explicit and thorough in your use of course concepts and theories, but avoid the tendency to throw in course terminology merely as "buzzwords."

Recognize that some cases do not have problems as such. The organization may be doing quite well. Cases are real-world situations, not necessarily examples of bad management. Don't makeup problems when none exist. Take the situation for what it is rather than

approaching it with a point of view. Be alert for the danger that some information in some cases is coming from biased participants and therefore must be taken with a grain of salt. A characteristic of cases is that you never have all the information that you want and there is often considerable information that is irrelevant, trivial or even obfuscating. The absence of essential information may force you to make one or more assumptions. Assumptions should always be clearly labeled as such, they must be necessary and they must be realistic. In general, you should try to avoid assumptions.

There is no need to describe events in your written analyses. This is merely a waste of space, as I have read the case and am aware of all the facts. Rather, you should use material from the case to support your analysis or to provide examples to back up your arguments. Remember, your objective is to explain, not describe or report.

At the conclusion of each written case analysis, you will need to offer recommendations for change, or recommendations for how the situation could have been better handled. Keep in mind that recommendations typically have both positive and negative consequences. For example, a solution may eventually work but be very costly, difficult to implement and take a long time to have a significant impact. You should develop the recommendation that has maximum positive impact and minimum negative consequences.

Recommendations should logically follow from the analysis and they should be feasible. For example, firing the boss and replacing her/him with a better manager may be a good "theoretic" solution but it may not be feasible in a given set of circumstances. Recommendations must be effective and efficient. Killing a fly with a bomb is effective but not efficient. Few, if any, recommendations are completely without costs or negative consequences. A good analysis presents a thoughtful, balanced presentation of recommendations instead of just a one-sided argument.

Finally, make sure that your case analyses are well-written, clearly organized, and have a logical flow. Poor writing will affect your grade. It usually helps to provide a brief summary statement and "roadmap" at the beginning of the analysis to orient and guide the reader. Also make sure that any recommendations you provide follow directly from your analysis of the problem, and that your overall conclusions are consistent with your analysis.

## The Seven Steps of Problem Analysis - Recommendations on Case Write-Up

Using an organized seven-step approach in analyzing a case will make the entire process easier and can increase your learning benefits.

1. *Read the case thoroughly.* To understand fully what is happening in a case, it is necessary to read the case carefully and thoroughly. You may want to read the case rather quickly the first time to get an overview of the industry, the company, the people, and the situation. Read the case again more slowly, making notes as you go.
2. *Define the central issue.* Many cases will involve several issues or problems. Identify the most important problems and separate them from the more trivial issues. After identifying what appears to be a major underlying issue, examine related problems in the functional areas (for example, marketing, finance, personnel, and so on). Functional area problems may help you identify deep-rooted problems that are the responsibility of top management.
3. *Define the firm's goals.* Inconsistencies between a firm's goals and its performance may further highlight the problems discovered in step 2. At the very least, identifying the firm's goals will provide a guide for the remaining analysis.
4. *Identify the constraints to the problem.* The constraints may limit the solutions available to the firm. Typical constraints include limited finances, lack of additional production capacity, personnel limitations, strong competitors, relationships with suppliers and customers, and so on. Constraints have to be considered when suggesting a solution.
5. *Identify all the relevant alternatives.* The list should all the relevant alternatives that could solve the problem(s) that were identified in step 2. Use your creativity in coming up with alternative solutions. Even when solutions are suggested in the case, you may be able to suggest better solutions.
6. *Select the best alternative.* Evaluate each alternative in light of the available information. If you have carefully taken the proceeding five steps, a good solution to the case should be apparent. Resist the temptation to jump to this step early in the case analysis. You will probably miss important facts, misunderstand the problem, or skip what may be the best alternative solution. You will also need to explain the logic you used to choose one alternative and reject the others.
7. *Develop an implementation plan.* The final step in the analysis is to develop a plan for effective implementation of your decision. Lack of an implementation plan even for a very good decision can lead to disaster for a firm and for you. Don't overlook this step. Your professor will surely ask you or someone in the class to explain how to implement the decision.