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# SOCIAL ENTREPRENEURSHIP

**Number of sessions: 15**

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## **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.

The rules of traditional private sector philanthropy are undergoing a considerable change and many social sector organizations are adopting new strategies for their delivery of goods and services adopting concepts, tools and practices from the private sector, that is, from "regular businesses". Through this course, students will reflect about the advantages and disadvantages of applying managerial practices and values into the "social" realm.

Students interested in building or working for social enterprises can follow this course and learn about the common strategies and pitfalls entailed by the creation and management of this type of ventures.

The course will explore this emerging field through guest speakers, case discussion, lecture, and student presentations giving students a grounding of theories of social entrepreneurship and following ventures through their life cycle – from conception, through start-up to scaling and growth-, with an emphasis on how business considerations and financial instruments are critical to achieving social impact and financial sustainability.

## **Course objectives:**

At the end of the course, students can expect to:

- Have gained an understanding of the field of social entrepreneurship
- Perform in-depth analysis of the opportunities, challenges, and tensions facing social entrepreneurs

- Understand how they are using business skills and the principles inherent in building a sustainable business to address complex social problems.
- Master the tools used to define and measure social impact and return, and practice applying them to different kinds of social ventures;
- Access expertise from guest visitors and lecturers specialized in the field of social entrepreneurship
- Work personally on a final class Project addressing a social issue to apply lessons in class.
- Gain perspective and understanding for helping others, and learn about their own purpose and motivations.

**Method of instruction and target student:**

The course combines lectures, discussions and class working exercises with relevant case studies, readings and guest practitioners. Since this field is in its infancy, the course will be introductory in nature and will draw heavily from cases, speaker experience and student inquiry.

The course is relevant to any business leader or entrepreneur who wants to design, lead or fund a mission-driven nonprofit or for-profit enterprise, or may want to contribute time and energy to help build the social sector through strategic philanthropy, social investing, corporate alliances with social sector organizations, or board representation in social ventures.

**Method of evaluation and Graded assignments:**

Your accomplishments during the course will be evaluated as follows:

Participation and case discussion	30%
Individual Case Write-Ups	25%
Course project	45%
TOTAL	100%

- Individual Case Write-Ups: Students must analyze the 2 cases that are part of the syllabus. The write-ups should not be longer than 3 pages. They should concisely answer the case questions. For a case-write-up to be counted for a grade, it must be turned in to the professor on paper and in-person BEFORE class starts in which that case will be discussed.
- Course Project: Students must complete one final project paper that can be an individual or group exercise. A group can be from 3-4 members, and expectations scale with the size of the group. More specifically, students should choose among the following project options:
  - *Develop a social enterprise business plan* for a nonprofit or for-profit venture.
  - *Write a memo that analyzes a particular example of a social enterprise*: You must select an example of a social enterprise that you have identified and provide a brief analysis of its approach to social entrepreneurship. Because you will have acquired a set of tools for social entrepreneurship planning by this time in the course, this analysis will be less descriptive and more analytic. Your goal is to describe the social enterprise and reflect briefly on why or whether it (1) is an innovative approach to solving a social issue, (2) is consistent with the broader mission of the organization, (3) benefits the civic life of the community, (4) benefits the clients of the program, and (5) is managed in a way that is operationally feasible for the organization. Please provide a concise description and analysis –five pages in a single-space format. It could also be a case story of a social venture enterprise: what worked, what didn't, or a critique of a social venture business plan.

**Detailed class schedule:**

**Sessions 1 and 2: Introduction to Social Entrepreneurship**

This session will explore the meaning of social entrepreneurship

Required Readings:

- “Social Capitalists” in *Fast Company* Magazine, by Cheryl Dahle. The article can be accessed at [http://www.fastcompany.com/magazine/78/social\\_intro.html](http://www.fastcompany.com/magazine/78/social_intro.html)
- “The Meaning of Social Entrepreneurship”, J. Gregory Dees, Working Paper. Stanford Graduate School of Business, Stanford University <http://faculty.fuqua.duke.edu/centers/case/files/dees-SE.pdf>.
- David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, Oxford, 2004, Chapters 1, 2 and 8.

Optional Readings:

- “Social entrepreneurship: What Are We Talking About? A Framework for Future Research”, Mair and Marti.
- Jerr Boschee and Jim McClurg, Toward a Better Understanding of Social Entrepreneurship: Some Important Distinctions, 2003, [http://www.se-alliance.org/better\\_understanding.pdf](http://www.se-alliance.org/better_understanding.pdf)

**Session 3: The characteristics of social entrepreneurs—what is special about them?**

Required Readings:

- Mecca-Cola: Message in a Bottle (PL17/177-I)
- Lynn Barendsen and Howard Gardner, Is the Social Entrepreneur a New Type of Leader?, *Leader to Leader*, 34, Fall 2004, 43-50. Also available at <http://www.leadertoleader.org/knowledgecenter/L2L/fall2004/gardner.html>

**Session 4: The tensions and challenges of social venture management**

This session examines the practice of social entrepreneurship in the context of globalization and the tensions and challenges faced by social entrepreneurs in achieving long-term, sustainable change and impact.

Required Readings:

- Martin Fisher and Nick Moon and ApproTEC (now KickStart). *Harvard Business School Case N9-503-007- Boston, Mass: HBS Publishing [19 pages]*

Optional Readings:

Bornstein, Chapters 20-21.

**Session 5: Getting to know a social entrepreneur**

Invited speaker : a social entrepreneur

**Session 6: Scaling. How to replicate social programs**

The session analyses the process that social entrepreneurs go through in order to increase positive social impact.

Required Readings:

- Rodrigo Baggio and CDI. IESE\_Schwab Foundation Vase Study Series on Social Entrepreneurship. IESE Business School.
- Going to Scale: the Challenge of replicating social programs, Stanford Social Innovation Review.

**Session 7: Crafting alliances**

Alliances are commonly being pursued by social entrepreneurs as a response to stakeholder's call for greater coordination in many social sector activities and as a way to deal with the increased competition for funding. Efficiency gains from alliances can vary from basic reductions in administrative costs to more significant gains such as achieving greater impact and visibility. Despite their tremendous potential, the pursuit of alliances approaches is not something that should be undertaken without consideration and many social entrepreneurs fail to realize its full potential. This session aims to uncover some of the key factors to think about in developing a comprehensive alliance strategy

Required Readings:

- Case: KABOOM! James Austin and José Miguel Perez, *Harvard Business School*, Case N303025- Boston, Mass: HBS Publishing.

**Session 8: Moving to a Sustainable Revenue Model**

Fundraising is a core competence of every social enterprise. An effective organization requires adequate resources to meet its mission. Although resources are inputs and not outcomes or impacts, successfully identifying and acquiring them constitutes one dimension of total effectiveness. Here we will learn not only what sources of funds are available, but also how prospective funders decide who to fund. The objective of this session is to learn how a social enterprise can generate increased unrestricted and diversified revenue in a manner that strengthens mission and builds capacity.

Required Readings:

- Case: The Dana-Farber Cancer Institute: Development Strategy, V. Kasturi Rangan, Marie Bell. *Harvard Business School Case* N9-599104- Boston, Mass: HBS Publishing (23p)

**Session 9: The future of Microfinance Institutions**

Required Readings:

- Case Matt Flannery (2007), Kiva and the Birth of Person-to-Person Microfinance, *Innovations* / winter & spring, pp.31-56.

**Session 10: Social Entrepreneurship viewed from the Social Sector: current challenges and promises**

Talk given by a major social sector representative

**Session 11: Earning your way**

Growing competition for donor dollars is motivating many nonprofits and social entrepreneurs to look beyond long-standing practices toward new revenue models. Recent trends point towards earned income strategies as an effective way to diversify revenue sources, to create steady streams of unrestricted funding and hence to build a sustainable organization. While this strategy offers several benefits it also encloses some challenges that, if not addressed properly ,can lead to mission drift. This session will aim to uncover some of the advantages and challenges to which most social entrepreneurs pursuing an earned income strategy are confronted, and hints to some ways of addressing them.

Required Readings:

- IPODERAC (James E. Austin, Wendy Bermudez, Gustavo Escobar), *Harvard Business School, Case N399016-* Boston, Mass: HBS Publishing.
- William Foster, Jeffrey Bradach (2005), Should Nonprofits Seek Profits? *Harvard Business Review*, pp.92-100.

**Session 12: Governance in the social sector, Measuring impact and Managing Performance**

This session aims to explore governance issues related with managing nonprofit institutions and develop an understanding of the workings and responsibilities of the board of directors' of existing social ventures.

This session will also examine the different practices involved in monitoring and evaluating the performance of social entrepreneurial endeavors. The session will examine the feasibility and desirability of setting up a standard measuring system for all civil society organizations

Optional Readings:

- Catherine Clark, William Rosenzweig, David Long, and Sara Olsen, Double Bottom Line Project Report: Assessing Social Impact in Double Bottom Line Ventures, Research Initiative on Social Entrepreneurship at Columbia Business School, March 2004, [http://www.riseproject.org/DBL\\_Methods\\_Catalog.pdf](http://www.riseproject.org/DBL_Methods_Catalog.pdf)

**Session 13: Business plans**

Through the examination of several business plans, this session will help analyze the specific aspects related with planning the creation of a social enterprise, and those that are common to business venturing in general.

Required Readings:

- J. Gregory Dees, Jed Emerson, and Peter Economy, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Wiley, 2001, chapter 10
- Cynthia W. Massarsky, A Brief Tutorial on Business Planning for Nonprofit Enterprise, <http://ventures.som.yale.edu/docs/brieffutorial.pdf>

**Session 14 -15: STUDENT FINAL PROJECT PRESENTATIONS**