



Course Title: Social Venture Development
Units: 1

SYLLABUS

Course Purpose

The course is relevant for the entrepreneur who wants to design, lead or fund a mission-driven nonprofit or for-profit social venture. It is also valuable for any student preparing to participate in the Global Social Venture Competition (GSVC, www.socialvc.net), as an entrant, team participant or student organizer. Past participants in similar courses taught by this instructor have gone on to found their own businesses, and several have won major prizes in the GSVC.

This course guides and coaches student teams through the essential steps of designing, developing, financing and launching a new “social venture”---aimed at generating both financial returns and social impact. This course is offered as a practical workshop for students who are actively committed to forming a new business for the social venture marketplace. The course rapidly moves through the entire entrepreneurial process of how to recognize an unmet need and transform ideas into viable social ventures—with special attention paid to the unique characteristics of businesses striving to generate double bottom line returns.

This course helps students fuse a personal sense of purpose and passion with a societal need and deliver it through a viable business opportunity. The course helps students formulate the appropriate business strategies and structures to achieve their complex goals and shows them how to formulate and present ideas to appropriate stakeholders including partners, investors, and customers. The focus of the course is on the development of a working business plan to guide the entrepreneurial journey. The key deliverable in the course is an “investment-ready” executive summary that can be used to succinctly convey the nature, potential and approach of the business, its competitive advantages, and its financial proformas to the outside world. Additionally, teams will be coached about how to make a brief pitch presentation of their opportunity to prospective investors and funders.

The course offers in-depth and practical exploration into the unique characteristics of a social venture---and how these complex aspects can be coherently formulated and communicated in a business plan. These attributes include articulation of vision and values, theory of change, and the formulation of methodologies to measure the “double bottom line” of the venture.

The course will also address the paradoxical dimensions of strategy, structure, scale and management that are inherent in a venture that is pursuing multiple financial and social objectives.

Class teams of 2 to 4 students will work together to rapidly test their ideas and produce the framework for a market-worthy business plan. The course will provide weekly readings and brief written assignments to provide a productive working environment to translate concepts and ideas into pragmatic strategies and plans. Students will use the professor’s expertise, other team members and outside experts to test, vet and refine their approaches throughout the course.

Course Context

As the boundaries between the for-profit and non-profit sectors blur, new forms of mission-driven entrepreneurial ventures are emerging, and alongside, new forms of capital are being provided by a diverse group of stakeholders from the private, public and social sectors. At the heart of this activity is a new breed of entrepreneur who is blending and integrating social intentions with creative and rigorous venture development practices. This new path is fraught with difficult challenges and paradoxical management decisions as social and financial issues often create “either/or” choices.

Despite the difficulty of creating businesses that pursue multiple objectives, the field of social entrepreneurship has been garnering attention around the world. Entrepreneurs, investors, philanthropists, foundations, consulting firms and the media seem to have developed a heightened interest during the past few years. Social ventures have emerged in a wide variety of forms, sizes and intentions--all in pursuit of a “double bottom line”. We define social ventures as businesses which seek meaningful social (and/or environmental) impact as well as meaningful financial returns --through their products, services and other business practices.

Professor J. Gregory Dees has provided a framework for understanding the converging interests and forces that have made socially-focused entrepreneurship so vibrant and timely on a global scale:

- 1) There is an increased privatization of public services amongst both profit and non-profit organizations
- 2) Philanthropies and government funders have stated a desire to become increasingly “strategic” “engaged” and “outcomes-based” in their approach to funding. While this remains mainly rhetorical in practice, it does provide an organizing principle for organizations to structure their approach.
- 3) A change in thinking from social spending to social investment, from addressing needs to creating systemic solutions
- 4) A desire to find strategies which have an impact relative to the amount of investment, and for strategies that address the questions of scale, replication and sustainability
- 5) A growing interest to linking a market based, rather than a need based, approach to the problems traditionally left to the government and social sector.

Objectives and Teaching Methods

The course is conducted in a practical, active workshop format that rapidly helps student teams test and translate their ideas so that they can be shaped into a coherent strategies and plans. Since the workshop is only eight weeks in length, teams will be expected to come to class with a strong idea for a venture and move rapidly through a series of conceptual and practical steps toward producing an “investable” executive summary. (This is my term for a summary that is ready for the eyes of funders and investors.) After completing this course, students will have an understanding of how social entrepreneurs think through and test their ideas, formulate structures, strategies and plans, develop financing strategies and communicate their ideas in written summaries and oral presentations.

Deliverables and Requirements

As a prerequisite, students should have participated in MBA 292T: Introduction to Social Entrepreneurship. Active participants in the Global Social Venture Competition (GSVC) organizing team are also welcome.

Deliverables

Assignment One: Due in class meeting 2. Not to exceed two pages in length. To be completed on an individual basis. (11%)

- Write two paragraphs about why you are taking this course and what you expect to get out of it.
- Identify a specific area of social entrepreneurship that you want to become well acquainted with during the semester. Why?
- Identify an idea for a social venture that you think is interesting. Why would it be successful? (Can be done as a group).

Assignment Two: Due in class number 3. Not to exceed one page in length. To be completed on a team basis. (11%)

- Succinctly describe the vision, purpose and core values of your business with an eye toward using this as a tool that will inform the development and future success of your venture.

Assignment Three: Due in class number 5. Not to exceed two pages. To be completed on a team basis. (11%)

- Succinctly describe the “Theory of Change” of your venture, and separately, propose and approach to how you will assess and/or measure the social impact of your venture.

Assignment Four: Due in class at the last class meeting. Not to exceed five pages in length. To be completed as a team assignment.

- Prepare a compelling Executive Summary for a Social Venture you would like to pursue someday. At a minimum, provide the vision, a coherent purpose, core values, theory of change, description of the business model, competitive advantages, and financial summary. The audience for this summary is prospective investors and partners. It should be suitable to enter into a venture fair or competition.

To enrich the quality of the class, **you are encouraged to:**

1. Participate in all class discussions: Commit yourself even when you’re out of your comfort zone. Express your perspectives and listen carefully to the views of your classmates. Bring forth relevant learning from readings and your experience. There will be several in-class exercises and assignments throughout the semester which count toward your class participation grade.
2. Demonstrate important entrepreneurial qualities such as persistence, tenacity, and resourcefulness in your approach to the work at hand.
3. Formulate, ask, and discuss the tough questions about this emerging field.
4. Absorb the assigned readings and discuss them with your colleagues and actively during in-class discussions.
5. Go beyond the assignments and find, read or learn something that stimulates your own passions and interests. Share this with others.
6. Inspire someone else with something you’re learning.

In the event you need to miss a class, please contact the instructor by email prior to the class with your reason for missing. You are expected to fulfill the readings and any in class assignments even if you are not able to attend a class.

Required Readings and Materials

Readings and materials are listed in the schedule and are provided in a course reader.

Evaluation and Grading

Final grades will be based on:

Individual effort, preparation and participation	33%
Three brief written assignments related to readings and lectures	33%
A final paper	33%

Schedule

Class One	Course Overview Opportunity Recognition Characteristics of a Social Venture	
Class Two	Vision and Values The Entrepreneur's Journey	Building Your Company's Vision (Collins, Porras) Can Business Still Save the World
Class Three	Theories of Change	Nothing Quite as Practical as a Good Theory of Change (Weiss) The Entrepreneurial Society (Drucker)
Class Four	Social Impact Assessment and SROI	Social Impact Framework (Clark, Rosenzweig, et al) SIA Methods Catalog (Clark, Rosenzweig, et al)
Class Five	The Social Venture Business Plan and Summary Sources of Capital	Some Thoughts on Business Plans (Sahlman) Social Venture Spectrum (Dees)
Class Six	Implications of Scale in Social Ventures Sustainable Competitive Advantage	Scaling Social Innovation (Dees) The Messy Reality of Socially Responsible Business
Class Seven	Social Venture Leadership	Excerpts from Beyond Leadership and Synchronicity Why Be Honest if Honesty Doesn't Pay (Stevenson, Bhide)
Class Eight	Class Presentations	

Supplemental readings to be provided based on class interest and nature of projects.