
Course Description

A new form of entrepreneur is emerging to address some of the most critical local and global community social, environmental and health-related needs. This “social entrepreneur” uses sophisticated and complex business models to create sustainable nonprofit and for-profit enterprises. Additionally, social ‘intrepreneurs’ are changing the ways their companies utilize their resources to impact communities. All of these entities and individuals face tradeoffs as they balance multiple missions in starting and managing their businesses. From global micro-finance to local social enterprise jobs programs, the course will explore the models that use finance, technology, design, media and marketing to create critical change.

The course will be a combination of lecture and case studies in order to bring real-life examples into the classroom. Guest speakers will share their own experiences and challenges. Expect a lively and engaging conversation as we learn the true challenges and potential solutions to critical global needs.

Learning Objectives

By the end of this course, students will be able to answer the following questions:

1. What is a social entrepreneur/enterprise and what are the differences, if any, from pure profit-driven-only models?
2. Why do social enterprises exist and what are they looking to accomplish?
3. What are the challenges of including multiple missions into a business model?
4. How does one decide between nonprofit and for-profit structures?
5. How does one analyze the ‘business side’ of any social enterprise?
6. How have social entrepreneurs applied technology, design, and finance to develop long-term sustainable change?
7. What is the Bottom of the Pyramid and is it a viable market?
8. What are the models for socially responsible companies and how much can they achieve?

9. How does one know when they are succeeding in achieving non-financial goals?
10. What are the capital formation and funding methods for social enterprises?

Course Structure:

Each class is split into two parts, and speaker schedules often vary, but the weeks of the course will generally follow these themes:

Week 1: Introduction to Social Entrepreneurship

In this first week, we will take time at the outset to introduce ourselves as we enter this multi-disciplinary journey. Each student will have time to set his/her own context for our classmates – who you are and what brought you to this course. We will also begin to create our own definitions of social entrepreneurship – allowing us a common language as we move forward in the semester.

Weeks 2 and 3: Embedded and Non-Profit Social Enterprises

These sessions focus on domestic and international NGO's that manage their own embedded revenue producing (earned income) programs. In an effort to achieve a social mission, these nonprofits are also looking for financially sustainable solutions. We will look at the theory behind this model while analyzing a few specific examples with several speakers.

Week 4: Education and Charter Schools

This week, we will look at the overwhelming challenges in the US education system and how charter schools – a social enterprise model – are addressing them. An outstanding guest instructor will teach this session

Week 4 and 5: Base of the Pyramid

We will look at how companies are creating businesses focused on the needs of the poorest four billion people in the world. These "Bottom of the Pyramid" strategies are looking to offer value to the world's poorest in methods that promote health and sustainable self-reliance.

We will also dig into a specific model of social enterprise – microfinance. We will explore the history, structure and unique challenges of this growing industry. We will also look at the pros and cons of a for-profit versus a non-profit model.

We will directly address the challenge of mission trade-offs as we take on a real-life case of a life-saving product and the challenges inherent in getting it to those who need it most.

Week 6: Mapping Stakeholders and The Challenges of Measurement

First, we will look at how to identify stakeholders – which are typically more complex with a social enterprise. We will also review a basic fundamental strategy for planning on stakeholder engagement.

As you will have also seen by now, measuring social impact is one of the most critical and significant challenges for social entrepreneurs. Nearly all stakeholders will want to know if you

are achieving your intended impact. Investors, funders, employees and clients all want to know that what you are accomplishing is a good use of their time, attention and money. In this class we will look at the various models that are in existence, and being worked on, to take on this significant challenge – how do I measure social impact?

Week 7: MIDTERM and In-Class Exercise

Weeks 8 and 9: Corporate Social Responsibility (CSR), Creating Shared Value (CSV) and Ethical Supply Chains

In Week 8, we will delve into CSR models, including why corporations engage and the newest models for incorporating social impact into the DNA of a corporation. We will also explore the newer model of Creating Shared Value.

In Week 9, we will hear from a speaker and explore the challenges of how a major corporation can create, manage and define CSR, including the creation and maintenance of an ‘ethical supply chain’.

Week 10: Social Business

In Week 10, we will explore the challenges of a for-profit business with a baked in social mission. We will hear from a social entrepreneur who has crossed from private entrepreneur to working within a major corporation where he crosses the line from CSR to a social impact division of a Fortune 500 company.

Week 11: Alumni Panel

This week we will hear from a number of Marshall MBA graduates who are engaged in social impact work. This will give us a chance to hear their challenges first hand, as well as the rewards of a career in the field. The alumni will also represent different models of social impact engagement.

Week 12 and 13: Capital formation for non-profit and for-profit social impact organizations

In these sessions we will learn about capital formation for NGO's. Having explored various nonprofit and for-profit models, we now turn to the important issue of how to fund these entities. Specifically, in this session, we will look at how non-profit fundraising works as well as what motivates philanthropists.

As more hybrid and mission-based businesses arise, there need to be profit-oriented investors ready and willing to fund them. We will also look at the new field of impact investing and review the latest trends in who the players are and what financial instruments are being developed. This will include a discussion of models ranging from socially responsible investing

to social venture funds, program-related foundation investments to social impact bonds.

Weeks 14 and 15: Group Presentations

As described in the Deliverables section of the syllabus, groups will present to the entire class.

What Your Responsibilities Are

Your responsibilities to this course are very simple. ***Treat faculty, staff and guest speakers like you would your best customer and you will be treated in the same manner.***

Your input and participation are important and appreciated. Class meetings start promptly. Please arrange your schedule to allow you to be on time for every meeting and to stay for the entire meeting.

You will need to ***come to class prepared***, in many ways this will be an educational experience for all of us. We will teach ourselves as well as being taught by others. Much of our endeavors will be in finding, sharing and developing resources.

While we want you to take the content of the class meetings seriously and learn all that you can, we hope that you'll maintain a balanced perspective in the face of ambiguity, uncertainty and changes in the schedule, usually due to guest speakers. We all believe that we learn more and accomplish more when we're having fun doing it, so please bring your sense of humor to class.

Guest Entrepreneurs and Other Speakers

We will have guest speakers this year who are entrepreneurs in various stages in the development of their social enterprises as well as others who bring a particular expertise that students can learn from. The guest speakers are one of the most valuable aspects of the course and should not be missed. ***Arriving late or leaving early on a speaker date is not acceptable.***

Confidentiality

We ask our guest speakers to share details of their lives and businesses so that we can all learn together from their experiences and expertise. They are trusting that what they share in class will be held in confidentiality. Without this implied contract, we would not be able to get guests to be forthcoming in class. Therefore, please use your utmost discretion in sharing what we learn - especially any information that you think would embarrass or damage the speaker or their business.

Class Participation

I encourage as much discussion as possible throughout the course. You all have a great deal to add to this dynamic field. In addition to answering questions, you are highly encouraged to ask good questions. In either case, your comments should show that you prepared for the class (i.e. you have done the reading) and have been listening.

I highly value lively debate. Feel free to disagree with me and/or your classmates. There are no

right answers, but you need to back up your argument thoughtfully. Finally, you are also encouraged to ask good thoughtful questions of our speakers. They understand that you will ask hard questions and they are looking forward to the discussion. In all cases, we must be respectful. This includes keeping your comments/questions short and to the point. It also means being kind to each other and respecting all opinions, backgrounds and viewpoints.

We understand that not everyone feels comfortable speaking in class. We encourage you to come to office hours and discuss your thoughts on class readings and discussions.

Blackboard and Email

Blackboard and Outlook are the most effective ways to communicate outside class. Please check regularly for messages and course materials.

Required Materials

All required readings are posted on Blackboard (BB) or are available through a specialized link at Harvard Business School Publishing (HBSP).

Course Notes

Lecture slides will be posted on Blackboard after they are shown in class. It may take up to a week for slides to be posted. Regardless, it is important to take notes during class on the material presented.

Course Schedule

DATE	CLASS PART ONE 6:30 to 8:00	CLASS PART TWO 8:10 to 9:30	REQUIRED READINGS
1/12 Week 1	Class Intro	What is a Social Entrepreneur	
1/19 Week 2	Embedded Social Enterprises	The tradeoffs inherent in embedded enterprises Guest: Mark Loranger CEO, Chrysalis	1. Enterprising Nonprofits – Gregory Dees HBS (BB) 2. Merging the Profit Motive and Moral Imperatives - Jerr Boschee (BB) 3. Review Chrysalis Website www.changelives.org
1/26 Week 3	Food, Food Systems and Jobs: Guest Speaker: Robert Egger	Scaling a social enterprise: BRAC	1. Review website for LA Kitchen (www.lakitchen.org) 2. Read BRAC 2014 Annual Report (BB)

2/2 Week 4	The challenge of Education in America and Charter Schools Guest Instructor: Marco Petruzzi – CEO, Green Dot Schools, BSEL Senior Fellow	What is the Base of the Pyramid (BoP) and how are companies and non-profits addressing this sector	<ol style="list-style-type: none"> 1. Schooled (BB) 2. “The Original Charter School Visionary” (BB) 3. Review website for Green Dot Public Schools – www.greendot.org 4. Fortune at the Bottom of the Pyramid (BB)
2/9 Week 5	Scaling Change and Saving Lives: Guest Speaker: Trish Devine Karlin, Vice President, Global Business Planning for the Elizabeth Glaser Pediatric AIDS Foundation, BSEL Senior Fellow	Making money off of the poor? In-class case study exercise	<ol style="list-style-type: none"> 1. Review website for Elizabeth Glaser Pediatric Aids (www.pedaids.org) 2. The Ethical Rationale of Business for the Poor (BB)
2/16 Week 6	Design Thinking Exercise	Design Thinking Exercise	
2/23 Week 7	MIDTERM	The Challenge of Measurement	<ol style="list-style-type: none"> 1. “Measuring and Improving Social Impacts”, Epstein and Yuthas 2. Bring a mission statement to class from your ‘favorite’ nonprofit
3/1 Week 8	For-Profit Social Enterprise Case Study (with guest) “InVenture”	Introduction to Corporate Social Responsibility	<ol style="list-style-type: none"> 1. InVenture Case (BB) 2. McKinsey Article – Measuring Social Responsibility (BB) 3. Creating Shared Value (BB)

3/8 Week 9	<p>The Challenges of an CSR and Ethical Supply Chain</p> <p>Guest: Laura Chapman Rubbo, Director, International Labor Standards, The Walt Disney Corporation, BSEL Senior Fellow</p>	CSR Wrap-up	Conscious Capitalism (BB)
3/15	Spring Break	Spring Break	
3/22 Week 10	<p>The adventure of a social entrepreneur turned corporate-intrepreneur</p> <p>Guest: Paul Polizzotto President and Founder, CBS EcoMedia, Inc, BSEL Senior Fellow (and all around amazing guy!)</p>	Social Business	<p>Review EcomediaCBS website: WWW.ecomedia.cbs.com</p>
3/29 Week 11	Alumni Panel	Alumni Panel	
4/5 Week 12	Capital Formation for Non-Profit Social Enterprises. Fundraising 101	Capital Formation for Non-Profit Social Enterprises. Fundraising 101	Charitable Giving Report (BB)

4/12 Week 13	<p>Capital Formation and Social Investing: For-profit social enterprises</p> <p>Guest Speaker: Fran Seegull, Managing Director, Impact Assets, BSEL</p>	Wrap-Up	<p>- "Investing for Social and Environmental Impact." <u>Executive Summary</u></p> <p>- "Investing for Impact: Case Studies Across Asset Classes" <u>Pages 3-15 required, case studies on pages 16-35 based on interest</u></p>
4/19 and 4/26 Weeks 14 and 15	<p>Student Presentations</p>	Student Presentations	

Course Deliverable Procedures, Requirements and Grading

Introduction

Do not skip this section as the following guidelines apply to ALL assignments without exception. You will be penalized if you do not follow them.

Blackboard communication

☐ Announcements. Course communication will take place through announcements in class, emails, and on Blackboard (blackboard.usc.edu). All emails will go through Blackboard; therefore, it's imperative that you have a fully operational Blackboard account with a current and correct email address posted. You are responsible for regularly checking Blackboard for announcements and new materials as well as to deliver your assignments. Emails rejected because your account is full will not be resent.

Assignment requirements

- ☐ All assignments will have files posted on Blackboard in advance with the expectations and grading rubrics.
- ☐ Assignments will also be discussed in class. You are responsible for attending class and hearing the extra guidance.

Assignment formats

- ☐ Documents must be written in 12 pt Times New Roman or a similar font, with 1" margins, and 1.5-spaced.

Deadlines

- ☐ Teammates are encouraged to verify the timely submission of group assignments.
- ☐ You are certainly encouraged to submit assignments before the deadline. Please keep copies of all your files and emails until the end of the semester.

- ☐ No hard copies will be accepted. Ever!

Penalties

- ☐ Assignments will be accepted after the deadline with the following penalties:
- ☐ Assignments turned in after the required time on the due date but within 24 hours will be discounted by 10% off the final score.
- ☐ Papers turned in 24 to 48 hours after the due date will be discounted by 20% off the final score.
- ☐ In almost every case, papers handed in after 48 hours will receive a zero for the assignment. Under certain rare extenuating circumstances, Prof. Wertman will allow later papers, but those papers will be discounted by at least 50% off of the final score. Please contact Prof. Wertman as soon as you believe you may be more than 48 late.

Correcting grading errors

If you do not inform me of missing or incorrect grades within two weeks of the grades being posted, the grades will be assumed correct. Do NOT wait until the end of the semester to check your grades or to appeal a grade on any assignment.

Course Deliverables

1. Trade-off Analysis/ 250 points Due: Feb 2nd (must be submitted at the beginning of class)

We have now learned that there are specific trade-offs inherent in most social enterprises – between social mission and financial returns. For this assignment, you will find two social enterprises embedded in a non-profit anywhere in the world (ones that haven't been discussed in class or in the readings). You will submit a one-pager for each enterprise.

NOTE THAT IN ORDER FOR AN ORGANIZATION OR PROGRAM TO QUALIFY AS A SOCIAL ENTERPRISE FOR THIS ASSIGNMENT, IT MUST BE: (i) A NON-PROFIT (ii) WITH A MISSION-BASED EARNED INCOME STREAM AND (iii) CANNOT BE TOTALLY RELIANT ON DONATIONS. NOTE THAT THIS REVENUE STREAM MUST REPRESENT A SIGNIFICANT PORTION OF THE OVERALL ORGANIZATIONAL BUDGET.

PLEASE TRIPLE CHECK THAT YOUR ORGANIZATION MEETS ALL THREE OF THESE REQUIREMENTS. **IF YOUR PAPER IS TURNED IN AND THE ORGANIZATION DOES NOT QUALIFY AS A SOCIAL ENTERPRISE BASED ON THE DEFINITION ABOVE, YOU WILL GET NO CREDIT FOR THAT WRITE-UP. THERE WILL BE NO EXCEPTIONS.** IF YOU HAVE ANY QUESTIONS ABOUT WHETHER YOUR ORGANIZATION QUALIFIES, PLEASE EMAIL ME FIRST. IF YOU CHOOSE TO CLEAR YOUR ORGANIZATION IN ADVANCE, BE SURE TO INCLUDE A LINK TO THE WEBSITE THAT CLEARLY SHOWS THAT IT QUALIFIES. IF YOU CANNOT FIND ANYTHING ON THE WEBSITE, THERE IS A GOOD CHANCE THAT IT WILL NOT QUALIFY AND YOU SHOULD SEEK OUT ANOTHER EXAMPLE.

Each one-pager (125 points each) should include two sections:

A – A brief description of the enterprise and the social problem it is designed to address (25 points)

B – Brief descriptions of two trade-offs that you believe the enterprise must be facing between social and financial missions. (50 points for each trade-off)

This will not be easy to confine to one-page each (12 pt Times New Roman or a similar font, with 1" margins, and 1.5-spaced). **Feel free to use bullet points.** Also be sure to note the grading point split between each section above and allocate space and thought accordingly.

2. Midterm Exam / 250 points

Date: In class February 23rd

The midterm will test your comprehension of the classroom learning and readings through February 17th. You will be asked to define/explain the terms we have learned to date. The exam will also require that you be able to define and identify the models we will have studied. Everything on the test will be something that was covered in the readings or in class. If you missed any classes, be sure to get notes from another student. You must take your Midterm Exam in class on February 23rd to receive credit.

2. Group Presentation and Individual Video – 500 points total

Due: See below

You will sign up in groups - at the beginning of the semester - for a THEME. These THEMES are based on character traits, or other factors, that may influence the development, design, or success of a social entrepreneur and his/her enterprise. We will send you a Google Doc link to sign up for your group and THEMES. Please note the presentation date connected with each THEME.

The THEMES are:

- Sense of Optimism/hopefulness of entrepreneur (character trait)
- Creativity of entrepreneur (character trait)
- Tenacity/Stubbornness of entrepreneur (character trait)
- Empathy of entrepreneur (character trait)
- Education of entrepreneur (influencing factor)
- Perceived or actual outsider/otherness of entrepreneur (influencing factor)
- Life changing event experienced by entrepreneur (influencing factor)
- Opportunism – right place/right time (influencing factor)

From the beginning of the course, you and your team should use this THEME as one of the lenses through which you view each example we learn about in our readings or in class.

A. Group Presentation (350 points)

IN CLASS April 19th or 26th.

Your group is responsible for teaching the entire class about your THEME as it relates to social entrepreneurship. You will have 30 minutes for your lesson and will need to include the criteria listed below. **Please remember that each group member will receive the same**

grade for the group presentation. Therefore, it is important that you prepare carefully, with an understanding that everyone's part will affect the entire team's grade.

1. Teach the class about your THEME. Through the use of a creative activity and multiple teaching methods, ensure that the class understands how your group's THEME influences social entrepreneurs.
BE SURE TO COVER EACH OF THE FOLLOWING QUESTIONS:
 - What is the accepted dictionary definition of this THEME?
 - Describe how your team interprets/defines this THEME (e.g what does 'tenacity' mean to your team)?
 - How might the THEME influence an entrepreneur's methodology, success/failure, or organizational issue/design?
 - In general, is this THEME a good or bad factor for a social entrepreneur?
 - Does the importance of this THEME change if it is a social entrepreneur versus a for-profit-only entrepreneur?
2. Focus on creativity and class participation. Within in the 35 minutes (do not go over), engage the class using innovative and engaging teaching methods. We encourage you to get the class up and moving. Do not revert to only using PowerPoint. Also make sure that your presentation shows evidence of being well rehearsed.
3. Pick four examples of social entrepreneurs who have started for-profit or non-profit social enterprises (remember they must have an earned income stream and not be a one-for-one model) where you believe that your THEME was major factor in the creation, design, success or failure of the enterprise a.. Make sure that the four are ones that we DID NOT learn or read about for class. Explain why you chose this person as an example and how the THEME came into play.
4. Include a recommendation to the class for further reading that illustrates the meaning of this THEME. The reading recommendation can be an article or a book, but make sure to explain to the class what they can expect to learn from the reading.

The presentation is worth a total of **350 points** (see above for details required for each section below):

140 points	"Definition", etc. of THEME – cover each of the criteria listed in #1 above
160 points	Four new examples from outside class and recommended readings
50 points	Your presentation was creative, engaging, thoughtful, professional, and showed evidence of being planned in advanced and well rehearsed. The teaching methods used aided in the mastery of your group's THEME.

B. Individual Video (150 points)
presentation**Due: One week after your group's**

Produce and post a two-minute video that explores your experience of the group assignment and your group's THEME. The format of the video is up to you: it could be in the style of a video blog, a music video, a mini-documentary, an advertisement, anything. Be creative! Don't just sit in front of the camera and read something.

As you plan your video it may be helpful for you to reflect on one or more of the following prompts:

- Did the THEME resonate with you?
- Does the THEME play a role in the life of an entrepreneur or organization you admire?
- In the final assessment, did you find the THEME relevant to social entrepreneurship? If not, what THEME would you suggest, instead?
- How does the THEME play a role in your life?
- Did the THEME inspire, motivate, or influence your next steps at the conclusion of this course?
- Did you and your group agree? If not, how did you differ?
- How does the THEME influence the world around you (people and organizations)?

Your individual video is worth a total of **150 points**:

75 points	Does the video clearly illustrate the THEME and its influence on you? Did we learn something new about the THEME and/or its impact?
75 points	Is your video creative? Importantly , does it show that you put both thought and work into the video?

Directions to submit your Individual Video:

Copy the link to your video (most students use YouTube or Vimeo) and email the link directly to me. **Your video may be marked as private, if you like. If you choose to keep it private, use Vimeo and make sure that you allow me access to the video by giving me the password, along with the link.** This is very important!!

Grade Breakdown:

Your final grade is based on an evaluation of the following activities:

Trade-Off Analysis	25%	250
Midterm	25%	250
Group Presentation	35%	350
Individual Video	15%	150

Total	100%	1000
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PLEASE NOTE THAT YOUR FINAL LETTER GRADE MAY NOT DIRECTLY CORRELATE TO THE PERCENTAGES ABOVE (e.g. A 90 MIGHT NOT NECESSARILY BE AN 'A' FOR THE COURSE). ALTHOUGH THERE IS NO SET CURVE, IF ALL GRADES SKEW HIGHER OR LOWER (e.g. FEW IF ANY STUDENTS SCORE ABOVE 90%), I WILL ADJUST ALL FINAL LETTER GRADES ACCORDINGLY.

MARSHALL GUIDELINES

Retention of Graded Coursework

Final exams and all other graded work that affected the course grade will be retained for one year after the end of the course *if* the graded work has not been returned to the student (i.e., if I returned a graded paper to you, it is your responsibility to pick it up during class and file it, not mine).

Technology Policy

Laptop and Internet usage is not permitted during academic or professional sessions unless otherwise stated. Use of other personal communication devices, such as cell phones, is considered unprofessional and is not permitted during academic or professional sessions. ANY e-devices (cell phones, PDAs, iPhones, Blackberries, other texting devices, laptops, ipods) must be completely turned off during class time. Videotaping faculty lectures is not permitted due to copyright infringement regulations.

Statement for Students with Disabilities

Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in STU 301 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. For more information visit www.usc.edu/disability

Statement on Academic Integrity

USC seeks to maintain an optimal learning environment. General principles of academic honesty include the concept of respect for the intellectual property of others, the expectation that individual work will be submitted unless otherwise allowed by an instructor, and the obligations both to protect one's own academic work from misuse by others as well as to avoid using another's work as one's own. All students are expected to understand and abide by these principles. *SCampus*, the Student Guidebook, (www.usc.edu/scampus or <http://scampus.usc.edu>) contains the University Student Conduct Code (see University Governance, Section 11.00), while the recommended sanctions are located in Appendix A.

Students will be referred to the Office of Student Judicial Affairs and Community Standards for

further review, should there be any suspicion of academic dishonesty. The Review process can be found at: <http://www.usc.edu/student-affairs/SJACS/>. Failure to adhere to the academic conduct standards set forth by these guidelines and our programs will not be tolerated by the USC Marshall community and can lead to dismissal.

Emergency Preparedness/Course Continuity

In case of a declared emergency if travel to campus is not feasible, USC executive leadership will announce an electronic way for instructors to teach students in their residence halls or homes using a combination of Blackboard, teleconferencing, and other technologies.

Please activate your course in Blackboard with access to the course syllabus. Whether or not you use Blackboard regularly, these preparations will be crucial in an emergency. USC's Blackboard learning management system and support information is available at blackboard.usc.edu.