

WORKING SYLLABUS

3-10-10 @ 2:15 PM

Instructor: John Surdyk

Class Location and Time: Sellery Hall Den 2A, Wednesdays at 4:35 – 5:25 PM.

Email: jsurdyk@bus.wisc.edu (strongly preferred)

Phone: 262-9041

Office Hours: by appointment

TEXTS: Brooks, Arthur C. *Social Entrepreneurship: A Modern Approach to Social Value Creation*, 1st ed. New York: Prentice Hall, 2008.

Supplemental readings available for downloading and printing at Learn@UW.

COURSE DESCRIPTION:

This course will expose students to topics and concepts in the emerging field of social entrepreneurship. While the phenomenon of social entrepreneurship is not new, language used to describe social entrepreneurship is changing as new organizational opportunities and business forms emerge to address pressing societal problems. For this class, “social entrepreneurship” will encompass the importance of a socially-engaged businesses but also entrepreneurial approaches in the nonprofit sector that increase its effectiveness. This course combines elements of: social science, business and management theory; knowledge from practice; and features of private and public entities. Many forces are shaping the opportunities in this area: increasing numbers of nonprofit organizations competing for financial resources in turbulent economic times, an unprecedented transfer of wealth from baby boomers to their children and charities, the emergence of hybrid business models to serve social ends, and new tools for measuring social impact and change. The social sector is evolving from “pure” philanthropy and traditional charitable work to include organizations that can deliver both social *and* economic value in a sustainable way.

Students will develop an awareness of key issues in social entrepreneurship and ability to:

1. Identify social entrepreneurial concepts, organizations and tools
2. Develop mission statements
3. Analyze resources for social entrepreneurs, especially for new nonprofit organizations
4. Quantify social impact and calculate key financial ratios used in philanthropy
5. Research donor prospects
6. Conduct a fundraising call

Your class activities will include:

- Case studies: Examples of real-life challenges, opportunities or risks faced by social entrepreneurs with study questions and class discussion
- Guest speakers: Students will learn from leading practitioners; there may be changes to the class dates in order to accommodate speakers’ schedules
- Lectures
- Role-playing and group activities

Your assignments will include written responses to cases (one page each) (See Assignments in the Approximate Class Schedule at end of Syllabus). There is no final exam.

Session List

- Jan. 20 Introduction to the course – key topics
- Jan. 27 Introduction to social entrepreneurship
- Feb. 3 Developing social enterprise concepts (and mission statements)
- Feb. 10 Organizational choices
- Feb. 17 Measuring social value
- Feb. 24 Navigating philanthropic sources of funding
- Mar. 3 Performance indicators and learning from failure
- Mar. 10 Navigating the philanthropic sources of funding (continued)

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- Mar. 17 Research a donor prospect – foundation
- Mar. 24 The special case of earned income in nonprofits
- Mar. 31 Spring Break
- Apr. 7 Entrepreneurial marketing in social-purpose organizations
- Apr. 14 Business planning
- Apr. 21 No class at regular meeting time; attend/watch 3 Burrill Competition presentations
- Apr. 28 Alliances and partnerships
- May 5 Last class

Approximate Class Schedule

This is an experimental course, so we will adjust the schedule to match our in-class experiences and interests if needed.

Date	Topic Covered
Jan. 20	Review of course objectives: Discuss purpose of class, norms about how we will work together, and evaluation processes. Media: 1. Ashoka – Introduction (11 mins., in class) http://www.youtube.com/watch?v=DttTSJEO47g&feature=player_embedded → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Compare and contrast Brook’s definition of social entrepreneurship in Chapter 1 with Dee’s definition (write up is 1 page max) 2. <i>Media</i>: Visit the Morgridge Center for Public Service website at http://www.morgridge.wisc.edu/student.html 3. <i>Written</i>: On one (1) note card, bring 1 question for the speaker AND indicate on this note card that you have READ the syllabus.
Jan. 27	Introduction to social entrepreneurship Required readings before class: 1. Brooks: An Introduction to Social Entrepreneurship (Chapter 1) 1. Dees, J.G. (1998). “<i>The Meaning of Social Entrepreneurship</i>.” (Learn @ UW) 2. <u>OPTIONAL</u>: Johnson, S. (2000). <i>Literature Review on Social Entrepreneurship</i>. (Learn @ UW) Speaker: • Elizabeth Tryon, Community-Based Learning Coordinator, Morgridge Center for Public Service → DUE: 1. Turn in a write up on definitions of social entrepreneurship (1 page max). 2. Turn note card with 1 question for speaker and indication you have read the syllabus → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Answer the questions on the top of p. 48 drafting a mission statement and outlining a business model for the “Food and Agriculture Organization” (1 page max) 2. <i>Media</i>: Watch Guy Kawasaki video “Don’t Write a Mission Statement Write a Mantra (4 mins.) (Learn @ UW)
Feb. 3	Developing social enterprise concepts (and mission statements)

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Required readings before class:

1. Brooks: Ideas and Opportunities (Chapter 2)
2. Brooks: Developing the Social Enterprise Concepts (Chapter 3)
3. Dees, J. G et al. *Strategic Tools for Social Entrepreneurs*. (Learn @ UW), p. 302 only

Media before class:

1. Guy Kawasaki video “Don’t Write a Mission Statement Write a Mantra (4 mins.) (Learn @ UW)

→ DUE:

1. Turn in your draft of a mission statement and business model graphic for the “Food and Agriculture Organization” (1 page max)

→ ASSIGNMENT FOR NEXT WEEK

1. *Media*: Watch:
 - a. Stanford Technology Ventures: “An Entrepreneurs Take on the Nonprofit” (2 mins.) (Learn @ UW)
 - b. B Corporation website: <http://www.bcorporation.net/> and video at http://www.youtube.com/watch?v=7OOm9ptF8qY&feature=player_embedded (5 mins)
2. *Written*: Describe the differences between tax-exempt and tax-deductible. Identify one type of organization that might be tax exempt but does not meet tax deductibility.

→ COMMUNITY DINNER TONIGHT

Feb. 10

Organizational choices

Required readings before class:

1. Welytok, Jill and Daniel Welytok. *Nonprofit Law and Governance for Dummies*. (Learn @ UW), pay especial attention to pp. 51-52, 59-61
2. IRS 557, pay attention only to list of exempt organization types on pp.65-66 (Learn @ UW)
3. Skim: IRS 1023 form (Learn @ UW)

Media before class:

3. Stanford Technology Ventures: “An Entrepreneurs Take on the Nonprofit” (2 mins.) (Learn @ UW)
4. B Corporation website: <http://www.bcorporation.net/> and video at http://www.youtube.com/watch?v=7OOm9ptF8qY&feature=player_embedded (5 mins)

→ DUE:

1. *Written*: Turn in your description of the differences between tax-exempt and tax-deductible.

→ ASSIGNMENT FOR NEXT WEEK

1. *Media*: Review the Bridgespan Group website at www.bridgespan.org
2. *Written*: Answer the questions about the InsightArgentina mini-case on p. 83 (1 page max)
3. *Written*: Bring 1 question for the speaker on a note card to class.

Feb. 17

Measuring social value

Required readings before class:

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	1. Brooks: Measuring Social Value (Chapter 5) Speaker: • Madeleine Niebauer, former Consultant, Bridgespan Group, www.bridgespan.org (confirmed 1/14/10) → DUE: 1. <i>Written</i>: Answer the questions about the InsightArgentina mini-case on p. 83 (1 page max) 2. <i>Written</i>: Bring 1 question for the speaker on a note card to class. → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Answer the questions about the advantages and disadvantages of the Social Venture Partners venture philanthropy model on page 119 (1 page max)
Feb. 24	Navigating philanthropic sources of funding Required readings before class: 1. Brooks: Donations and Government Grants (Chapter 7) 2. Brooks: Entrepreneurial Fundraising and Marketing (Chapter 8), pp. 123-135 → DUE: 1. <i>Written</i>: Answer the questions about the advantages and disadvantages of the Social Venture Partners venture philanthropy model on page 119 (1 page max) → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Bring 1 question for the speaker on a note card to class.
Mar. 3	Performance indicators and learning from failure Required readings before class: 1. Dees, J. G et al. <i>Strategic Tools for Social Entrepreneurs</i>, pp. 162-169 (Learn @ UW) 2. Brooks: Launch, Growth and Goal Attainment (Chapter 9), pp. 168-170. Speaker: • Anne Miner, Professor, Management and Human Resources (invited 1/13/10) → DUE: <i>Written</i>: Bring 1 question for the speaker on a note card to class. → ASSIGNMENT FOR NEXT WEEK 1. <i>Media</i>: Visit the Community Shares of Wisconsin website at http://www.communityshares.com/ 2. <i>Written</i>: Bring 1 question for the speaker on a note card to class. → COMMUNITY DINNER TONIGHT
Mar. 10	Navigating the philanthropic sources of funding (continued) Required readings before class: 1. <u>SKIM</u>: Ott, Steven J. <i>Understanding Nonprofit Organizations</i>, “Returns on Fundraising Expenditures in the Voluntary Sector” (Chapter 15) (Learn @ UW) Speaker: • Cheri Dubiel Buckner, Associate Director, Community Shares of Wisconsin

(<http://www.communityshares.com/>)

→ DUE:

1. *Written:* Turn in note card with question for speaker

→ ASSIGNMENT FOR NEXT WEEK

1. *Written:* Visit the Memorial Library grant center and using the *Foundation Directory* identify 1 foundation (private or corporate) that would be a possible funding source for Artists for Humanity in the Brooks reading p. 97. Determine whether the foundation you chose provides an annual report on their website. Note any discrepancies between the *Foundation Directory* information and the website or annual report for the foundation. (1 page max: identify the foundation name, website, yes/no for annual report available online, average grant award and discrepancies)
2. *Presentation:* 1 -2 minutes on the foundation you found

Mar. 17 Research a donor prospect – foundation

Required readings before class:

1. Ott, Steven J. *Understanding Nonprofit Organizations*, “Foundations” (Chapter 16) (Learn @ UW)
2. Dove, Kent E. *Conducting a Successful Fundraising Program*, “Approaching Corporations and Foundations” (Chapter 15, especially pp. 264 - 268) (Learn @ UW)

→ DUE:

1. *Written:* Visit the Memorial Library grant center and using the *Foundation Directory* identify 1 foundation (private or corporate) that would be a possible funding source for Artists for Humanity in the Brooks reading from p.97. Determine whether the foundation you chose provides an annual report on their website. Note any discrepancies between the *Foundation Directory* information and the website or annual report for the foundation. (1 page max: identify the foundation name, website, yes/no for annual report available online, average grant award and discrepancies)
2. *Presentation:* 1 -2 minutes on the foundation you found

→ ASSIGNMENT FOR NEXT WEEK

1. *Written:* Answer the questions on the Artists for Humanity mini-case on venture readiness and new income sources p. 97 (1 page max)

Mar. 24 The special case of earned income in nonprofits

Required readings before class:

1. Brooks: Earned Income (Chapter 6)
2. Brickenerhoff, Peter C. *Social Entrepreneurship: The Art of Mission-Based Venture Development*, pp. 38-40, p. 184 (Learn @ UW)
3. OPTIONAL: Dees, J. G et al. *Strategic Tools for Social Entrepreneurs*, pp. 194-217 (Learn @ UW)

→ DUE:

1. *Written:* Answers on the Artists for Humanity mini-case on venture readiness and new income sources p. 97 (1 page max)

→ ASSIGNMENT FOR WEEK OF APRIL 7

1. *Media:* visit Barry Callen’s column www.ibmadison.com/bsfree
2. *Written:*

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	- Answer the questions #1 and #2 for the Syracuse Symphony Orchestra mini-case on p 149 (1 page maximum) - Prepare a question for the speaker on a note card
Mar. 31	** Spring Break **
Apr. 7	Entrepreneurial marketing in social-purpose organizations Required readings before class: - Brooks: Entrepreneurial Fundraising and Marketing (Chapter 8), pp. 137 – 150 Speaker: - Barry Callen, Creative Strategist and Writer, B-S Free Marketing Zone, In Business Magazine, http://www.ibmadison.com/bsfree → DUE: <i>Written:</i> Answer the questions #1 and #2 for the Syracuse Symphony Orchestra mini-case on p 149 (1 page maximum) <i>Written:</i> Turn in note card with question for speaker → ASSIGNMENT FOR NEXT WEEK <i>Written:</i> Answer the questions about the LearningSite.org mini-case on p. 64. (1 page maximum) → COMMUNITY DINNER TONIGHT
Apr. 14	Business planning Required readings before class: - Brooks: Social Enterprise Business Plans (Chapter 4) → DUE: <i>Written:</i> Answer the questions about the LearningSite.org mini-case on p. 64. (1 page maximum) → ASSIGNMENT FOR NEXT WEEK <i>Media:</i> Attend or watch 3 Burrill Competition business plan presentations
Apr. 21	NO CLASS <i>No class at regular meeting time; attend/watch 3 Burrill Competition presentations Friday, April 23, 2010</i> → DUE: <i>Media:</i> Attend or watch 3 Burrill Competition business plan presentations. → ASSIGNMENT FOR NEXT WEEK <i>Written:</i> Choose 1 business plan presentation that had an explicit or implicit social purpose: Did it cover the basic requirements in Brooks p. 52? Did it provide compelling social impact measures? Can you think of two (2) performance indicators that would help to quantify its social impact?
Apr. 28	Alliances and partnerships Required readings before class: Collaborating with Activists: HOW STARBUCKS WORKS WITH NGOS. By:

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	Argenti, Paul A., California Management Review, 00081256, Fall2004, Vol. 47, Issue 1 (Learn @ UW)
	2. Austin, J. and J. Elias (2001). <i>Timberland and Community Involvement</i> . Harvard Business School Case #9-796-156 (Learn @ UW)
	→ DUE:
	1. <i>Written</i> : Write up on one (1) Burrill business plan presentation (1 page max)
May 5	** Last class ** Class wrap-up

ASSIGNMENTS:

The course will include written responses to cases throughout the course (1 page each).

Written assignments are due by the beginning of class to the instructor.

GRADING:

Students will be assessed on:

1. Participation in class (60%) – attendance (1 point) and contribution to discussion (1 point for participation, 1 point for high-quality contributions)
2. Case write-ups (40%) and note cards

There is **NO** final exam.

Participation (60%). Attendance will be taken (1 point for each session). Students are expected to be active participants throughout the entire course and to contribute to the quality of discussion. Class participation (1 point) is a major component of the final grade. A student may be asked to start class by addressing a specific reading, case study or featured speaker. Students should be able to provide a summary and analysis of the topic for a few minutes before discussion is opened to the class. Quality contributions to discussion (1 point) will include:

1. Is the comment relevant to the discussion? (Relevancy)
2. Does the student support comments with evidence from the class materials? (Evidence)
3. Does the comment broaden discussion by introducing implications? (Implications)

In-class exercises and group skill-building sessions make your attendance at class particularly important.

Write-ups (40%). Case write-ups (worth 3 points each) will be graded based on:

1. You answer the basic question(s). (1 point)
2. You show a command of the material by citing evidence (author, page #) from the readings (e.g., "...donor lapse rates are high (Brooks, p. 133)") to support your reasoning or recommendations (1 point)
3. You introduce implications of your recommendations in two or three sentences (1 point)

If you do not turn in a case write-up, you will receive 0 points for that assignment. Note cards with questions or your information are worth 1 point each.

CONFIDENTIALITY POLICY:

Required of all UW-Madison Entrepreneurship students in MHR courses.

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Throughout the classes and events, students will be exposed to proprietary information from other students, guest lecturers and faculty. It is the policy of the Management and Human Resources Department and INSITE that all such information is to be treated as confidential. By enrolling in and taking part in the classes and activities, students agree not to disclose this information to any third parties without specific written permission from students, guest lecturers or faculty, as applicable. Students further agree not to utilize any such proprietary information for their own personal commercial advantage or for the commercial advantage of any third party.

In addition, students agree that any legal or consulting advice provided without direct fee and in an academic setting will not be relied upon without the enlisted opinion of an outside attorney or consultant, without affiliation to the Management and Human Resources Department and INSITE.

Any breach of this policy may subject a student to academic integrity proceedings as described in the University of Wisconsin - Madison University Governance Policies and procedures and to any remedies that may be available under law.

The Management and Human Resources Department, INSITE, the Wisconsin School of Business, and the University of Wisconsin — Madison disclaim any responsibility for the protection of intellectual property of students, guest lecturers or faculty who are involved in classes or events.

Receipt of this document and registration in the class is evidence that you understand this policy and will abide by it.

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OTHER RESOURCES:

DATA

Guidestar (free basic registration)

Provides IRS 990 data on U.S. nonprofit organizations

www.guidestar.org

Associations Unlimited

Available through the Wisconsin School of Business Library website; select "Business Databases A to Z" and then "Associations Unlimited."

Once there, select "IRS Data on U.S. Nonprofit Organizations Search" - can do custom searches by 501(c) type, locations, etc.

<http://business.library.wisc.edu/>

UW-Madison Memorial Library Grants Center

For information on philanthropy, directories of foundations and more

<http://grants.library.wisc.edu/>

Indiana University Center on Philanthropy research on giving

Individual family giving panel data (biennial reports)

<http://www.philanthropy.iupui.edu/Research/copps/>

Foundation Center

Resource for the nonprofit sector

www.fdncenter.org

The Independent Sector

Membership organization of many large nonprofit organizations, foundations. Conducts research, lobbies, and promotes giving

www.indepsec.org

RISE Project

The Research Initiative on Social Entrepreneurship (RISE) is a research project at Columbia Business School whose mission is to study and disseminate knowledge about the markets, metrics and management of for-profit and nonprofit social enterprise and social venturing.

www.riseproject.org

SOCIAL VALUE

Blended Value

www.blendedvalue.org

Roberts Enterprise Development Fund

A resource for nonprofits trying to start earned income ventures or quantify social impact

www.redf.org

Community Wealth Ventures

Highlights entrepreneurial strategies for non-profits, including cause-related marketing, entrepreneurship, venture philanthropy and more

www.communitywealth.org

Social Venture Network

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Promotes social responsibility in business.

www.Svn.org

Investors Circle

Nonprofit organizations whose members are angels and support social entrepreneurial ventures.

www.Icircle.org

Social Venture Partners

National venture philanthropy organization

www.svpi.org

Associated Grantmakers

In New England. Supports nonprofits raising money from foundations.

www.agmconnect.org

SERVICE, NETWORKS

Ashoka

Supports social entrepreneurs around the world

Ashoka.org

EchoingGreen.org

A nonprofit foundation that provides seed money and technical support to social entrepreneurs

www.echoinggreen.org

National Center for Social Entrepreneurs

Encourages nonprofit organizations to think and act entrepreneurially.

www.socialentrepreneurs.org

Net Impact

Network for emerging business leaders wanting to serve social missions in traditional businesses (MBAs).

www.netimpact.org

Business for Social Responsibility

A membership organization with large firms (Nike, Kodak, etc.) practicing social responsibility.

www.bsr.org

Social Enterprise Alliance

Disseminates best practices among social entrepreneurs, emphasizing earned income strategies

www.se-alliance.org

Skoll Foundation/Social Edge

Skoll Foundation drives large-scale change by investing in, connecting, and celebrating social entrepreneurs

www.skoll.org

CONSULTING

Bridgespan

Strategy consultants (spun-off from Bain)

www.bridgespan.org

READING

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Nonprofit and Voluntary Sector Journal
Academic research
<http://nvs.sagepub.com/>

Stanford Social Innovation Review
Issues in the field -- academic research and practitioner articles
<http://www.ssireview.org/>

Philanthropy Journal
Research on giving
<http://www.philanthropyjournal.org/>

Nonprofit Times
General nonprofit management issues
<http://www.nptimes.com/>

Nonprofit Quarterly
For nonprofit leaders.
www.nonprofitquarterly.org

Chronicle of Philanthropy
www.philanthropy.com