

MHR 365 – Social Entrepreneurship

3-25-11 @ 9:15 AM

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 case questions (one page each) (See Assignments in the “Approximate Class Schedule” at end of Syllabus). There is no final exam.

Session List

- Jan. 19 Introduction to the course – key topics
- Jan. 26 Introduction to social entrepreneurship
- Feb. 2 Developing social enterprise concepts (and mission statements)
- Feb. 9 Organizational choices
- Feb. 16 Measuring social value
- Feb. 23 Performance indicators and learning from failure
- Mar. 2 Navigating philanthropic sources of funding
- Mar. 9 Navigating the philanthropic sources of funding (continued)

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- Mar. 16 Spring Break
- Mar. 23 Research a donor prospect – foundation
- Mar. 30 The special case of earned income in nonprofits
- Apr. 6 Entrepreneurial marketing in social-purpose organizations
- Apr. 13 Alliances and partnerships
- Apr. 20 Business planning
- Apr. 27 No class at regular meeting time; attend/watch 3 Burrill Competition presentations
- May 4 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. 19	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 on Learn@UW (write up is 1 page max) 2. <i>Media</i>: Visit the Morgridge Center for Public Service website at http://morgridge.wisc.edu/students/index.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. 26	Introduction to social entrepreneurship Required readings before class: 1. Brooks: An Introduction to Social Entrepreneurship (Chapter 1) 2. Dees, J.G. (1998). “<i>The Meaning of Social Entrepreneurship</i>.” (Learn @ UW) 3. <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 comparing Brook’s definition of social entrepreneurship in Chapter 1 with Dee’s definition (1 page max) 2. Turn in note card with 1 question for speaker AND indication you read the syllabus → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Answer questions #1 and #2 in Brooks on p. 48 addressing the mission statement and 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. 2	Developing social enterprise concepts (and mission statements) 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. <i>Strategic Tools for Social Entrepreneurs</i>. (Learn @ UW), p. 302 <u>only</u> 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 written answers to questions #1 and #2 in Brooks on p. 48 addressing the mission statement and business model for the “Food and Agriculture Organization” (1 page max) → ASSIGNMENT FOR NEXT WEEK 1. <i>Media</i>: Watch: a. Stanford Technology Ventures: “An Entrepreneurs Take on the Nonprofit” (2 mins.) (Learn @ UW) b. B Corporation website: http://www.bcorporation.net/ and Jay Coen Gilbert video from TEDx at http://www.bcorporation.net/B-Media/Videos (19 mins) 2. <i>Written</i>: Describe the differences between tax-exempt and tax-deductible. Identify one type of organization that might be tax exempt but where contributions are not tax deductible. (1 page max) → COMMUNITY DINNER TONIGHT
Feb. 9	Organizational choices Required readings before class: 1. Welytok, Jill and Daniel Welytok. <i>Nonprofit Law and Governance for Dummies</i>. (Learn @ UW), pay especial attention to pp. 51-52, 59-61 2. IRS 557, pay attention <u>only</u> to list of exempt organization types on pp.65-66 (Learn @ UW) 3. Skim: IRS 1023 form (Learn @ UW) Media before class: 1. Stanford Technology Ventures: “An Entrepreneurs Take on the Nonprofit” (2 mins.) (Learn @ UW) 2. B Corporation website: http://www.bcorporation.net/ and Jay Coen Gilbert video from TEDx at http://www.bcorporation.net/B-Media/Videos (19 mins) → DUE: 1. <i>Written</i>: Turn in your written description of the differences between tax-exempt and tax-deductible and identify one type of organization that might be tax exempt but where contributions are not tax deductible. (1 page max) → ASSIGNMENT FOR NEXT WEEK 1. <i>Written</i>: Answer the questions about the InsightArgentina mini-case in Brooks on p. 83 (1 page max) 2. <i>Written</i>: Bring 1 question for the speaker on a note card to class
Feb. 16	Measuring social value

Required readings before class:

1. Brooks: Measuring Social Value (Chapter 5)

Speaker:

- Madeleine Niebauer, Managing Director of Strategy, Teach For America

→ DUE:

1. *Written*: Answer the questions about the InsightArgentina mini-case in Brooks on p. 83 (1 page max)
2. *Written*: Bring 1 question for the speaker on a note card to class

→ ASSIGNMENT FOR NEXT WEEK

1. *Written*: Bring 1 question for the speaker on a note card to class

Feb. 23 Performance indicators and learning from failure

Required readings before class:

1. Dees, J. G et al. *Strategic Tools for Social Entrepreneurs*, 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, UW-Madison (*invited*)

→ DUE:

1. *Written*: Bring 1 question for the speaker on a note card to class

→ ASSIGNMENT FOR NEXT WEEK

1. *Written*: Answer the questions about the advantages and disadvantages of the Social Venture Partners venture philanthropy model in Brooks on p. 119 (1 page max)

Mar. 2 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. *Written*: Answer the questions about the advantages and disadvantages of the Social Venture Partners venture philanthropy model in Brooks on p. 119 (1 page max)

→ ASSIGNMENT FOR NEXT WEEK

1. *Written*: Bring 1 question for the speaker on a note card to class

→ **COMMUNITY DINNER TONIGHT**

Mar. 9	Navigating the philanthropic sources of funding (continued) Required readings before class: 1. SKIM: Ott, Steven J. <i>Understanding Nonprofit Organizations</i>, “Returns on Fundraising Expenditures in the Voluntary Sector” (Chapter 15) (Learn @ UW) Speaker: • Cheri Buckner, Director of Development, Madison Children’s Museum → DUE: 1. <i>Written:</i> Bring 1 question for the speaker on a note card to class → ASSIGNMENT FOR WEEK AFTER SPRING BREAK, MARCH 24 1. <i>Written:</i> Visit the Memorial Library grant center and using the <i>Foundation Directory</i> 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 <i>Foundation Directory</i> 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. <i>Presentation:</i> 1 -2 minutes on the foundation you found
Mar. 16	** Spring Break **
Mar. 23	Research a donor prospect – foundation Required readings before class: 1. Ott, Steven J. <i>Understanding Nonprofit Organizations</i>, “Foundations” (Chapter 16) (Learn @ UW) 2. Dove, Kent E. <i>Conducting a Successful Fundraising Program</i>, “Approaching Corporations and Foundations” (Chapter 15, especially pp. 264 - 268) (Learn @ UW) → DUE: 1. <i>Written:</i> Visit the Memorial Library grant center and using the <i>Foundation Directory</i> 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 <i>Foundation Directory</i> 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) → ASSIGNMENT FOR NEXT WEEK 1. <i>Presentation:</i> 1 -2 minutes on the foundation you found
Mar. 30	The special case of earned income in nonprofits Required readings before class: 1. Brooks: Earned Income (Chapter 6) 2. Brickenerhoff, Peter C. <i>Social Entrepreneurship: The Art of Mission-Based Venture Development</i>, pp. 38-40, p. 184 (Learn @ UW) 3. OPTIONAL: Dees, J. G et al. <i>Strategic Tools for Social Entrepreneurs</i>, pp. 194-217 (Learn @ UW)

→ DUE:

1. *Presentation*: 1 -2 minutes on the foundation you found

→ ASSIGNMENT FOR NEXT WEEK

1. *Media*: visit Barry Callen's column www.ibmadison.com/bsfree
2. *Written*:
 - a. Answer the questions #1 and #2 for the Syracuse Symphony Orchestra mini-case in Brooks on p. 149 (1 page maximum)
 - b. Bring 1 question for the speaker on a note card to class

Apr. 6 Entrepreneurial marketing in social-purpose organizations

Required readings before class:

1. 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:

1. *Written*: Answer the questions #1 and #2 for the Syracuse Symphony Orchestra mini-case in Brooks on p. 149 (1 page maximum)
2. *Written*: Bring 1 question for the speaker on a note card to class

→ ASSIGNMENT FOR NEXT WEEK

1. *Written*: Bring 1 question for the speaker on a note card to class

→ COMMUNITY DINNER TONIGHT

Apr. 13 Alliances and partnerships

Required readings before class:

1. Collaborating with Activists: HOW STARBUCKS WORKS WITH NGOS. By: Argenti, Paul A., California Management Review, 00081256, Fall2004, Vol. 47, Issue 1 (Learn @ UW)
2. Austin, J. and J. Elias (2001). *Timberland and Community Involvement*. Harvard Business School Case #9-796-156 (Learn @ UW)

Speaker:

- Gilles Bousquet, Dean of the Division of International Studies & Vice Provost for Globalization, UW-Madison (*invited*)

→ DUE:

1. *Written*: Bring 1 question for the speaker on a note card to class

→ ASSIGNMENT FOR NEXT WEEK

1. *Written*: Answer the questions about the LearningSite.org mini-case in Brooks on p. 64. (1 page maximum)

Apr. 20 Business planning

Required readings before class:

1. Brooks: Social Enterprise Business Plans (Chapter 4)

	→ DUE: 1. <i>Written:</i> Answer the questions about the LearningSite.org mini-case in Brooks on p. 64. (1 page maximum) → ASSIGNMENT FOR NEXT WEEK 1. <i>Media:</i> Attend or watch 3 Burrill Competition business plan presentations from 2010 online at http://www.bus.wisc.edu/burrill/presentations/2010/default.asp
Apr. 27	NO CLASS <i>No class at regular meeting time; attend/watch 3 Burrill Competition presentations from 2010 online at http://www.bus.wisc.edu/burrill/presentations/2010/default.asp. Note: if interested, the 2011 competition will be held in Grainger Hall on Friday, April 29, 2011. You are not required to attend these presentations but the event is free and open to the public.</i> → DUE: 1. <i>Media:</i> Watch 3 of the 2010 Burrill Competition business plan presentations online at http://www.bus.wisc.edu/burrill/presentations/2010/default.asp → ASSIGNMENT FOR NEXT WEEK 1. <i>Written:</i> Choose 1 business plan presentation from 2010 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 <i>quantify its social impact</i>?
May 4	** Last class ** Class wrap-up → DUE: 1. <i>Written:</i> Write up on one (1) Burrill business plan presentation from 2010 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 <i>quantify its social impact</i>? (1 page max) → COMMUNITY DINNER TONIGHT

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.

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.

OTHER RESOURCES:

DATA

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>

Foundation Center

Resource for the nonprofit sector

www.fdncenter.org

Guidestar (free basic registration)

Provides IRS 990 data on U.S. nonprofit organizations

www.guidestar.org

The Independent Sector

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

www.independentsector.org

Indiana University Center on Philanthropy research on giving

Individual family giving panel data (biennial reports)

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

UW-Madison Memorial Library Grants Center

For information on philanthropy, directories of foundations and more

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

RISE Project

The Research Initiative on Social Entrepreneurship (RISE) was a research project at Columbia Business School until 2010 whose mission was to study and disseminate knowledge about the markets, metrics and management of for-profit and nonprofit social enterprise and social venturing. Reports remain available.

www.riseproject.org

SOCIAL VALUE

Blended Value

Jed Emerson's blended value map for impact investing

www.blendedvalue.org

Community Wealth Ventures

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

www.communitywealth.org

Roberts Enterprise Development Fund

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

www.redf.org

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Social Venture Partners International
National venture philanthropy organization
www.svpi.org

SERVICE, NETWORKS

Ashoka
Supports social entrepreneurs around the world with instruction and investment
www.ashoka.org

Associated Grantmakers
In New England. Supports nonprofits raising money from foundations.
www.agmconnect.org

Business for Social Responsibility
A membership organization with large firms (Nike, Kodak, etc.) practicing social responsibility
www.bsr.org

EchoingGreen.org
A nonprofit foundation that provides seed money and technical support to social entrepreneurs
www.echoinggreen.org

Investors Circle
Nonprofit organizations whose members are angels and support social entrepreneurial ventures.
www.investorscircle.net

Law For Change and Lex Mundi Pro Bono Foundation
The Foundation is a “matchmaker” and does not practice law. Social entrepreneurs who have been vetted, endorsed and/or supported by one or more of the Foundation’s Collaborators are eligible for pro bono legal assistance arranged by the Foundation. Law for Change
<http://www.lawforchange.org/lfc/default.asp> and
<http://www.lexmundiprobono.org/lexmundiprobono/default.asp>

National Center for Social Entrepreneurs
Encourages nonprofit organizations to think and act entrepreneurially
www.nationalcenterforsocialentrepreneurs.org

Net Impact
Network for emerging business leaders wanting to serve social missions in traditional businesses (MBAs).
www.netimpact.org

Skoll Foundation/Social Edge
Skoll Foundation drives large-scale change by investing in, connecting, and celebrating social entrepreneurs
www.skollfoundation.org

Social Enterprise Alliance
Disseminates best practices among social entrepreneurs, emphasizing earned income strategies
<https://netforum.avectra.com/eweb/StartPage.aspx?Site=SEA&WebCode=HomePage>

Social Venture Network
Promotes social responsibility in business by bringing executives together at conferences
www.Svn.org

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CONSULTING

Bridgespan

Strategy consultants (spun-off from Bain)

www.bridgespan.org

Taproot Foundation

Connects business professionals with nonprofit organizations for pro bono consulting opportunities

<http://www.taprootfoundation.org>

READING

Chronicle of Philanthropy

www.philanthropy.com

Nonprofit Quarterly

For nonprofit leaders.

www.nonprofitquarterly.org

Nonprofit Times

General nonprofit management issues

<http://www.nptimes.com>

Nonprofit and Voluntary Sector Journal

Academic research

<http://nvs.sagepub.com>

Philanthropy Journal

Research on giving

<http://www.philanthropyjournal.org>

Stanford Social Innovation Review

Issues in the field -- academic research and practitioner articles

<http://www.ssireview.org>