

Schulich School of Business

York University

Course Outline

ENTR 4800 3.0: Social Entrepreneurship

Mondays, 8:30am - 11:30am

Fall 2011

Course Instructors

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Brief Description

Social entrepreneurship refers to social innovation and betterment through entrepreneurial solutions. This course helps students understand "pro-poor", for-profit and non-profit social enterprise, and addresses strategies for creating successful social enterprises of various kinds. To help students develop relevant skills, the course incorporates an applied project aimed at facilitating for-profit social entrepreneurship in local communities.

Course Objectives

Social entrepreneurship is attracting growing amounts of talent, money, and attention. But along with its increasing popularity has come wide diversity in understandings of what a social entrepreneur is and does. In this course, you will:

1. **Be exposed to the theory of social entrepreneurship:** You will be introduced to best practices, successes and failures, opportunities and constraints in the field of social entrepreneurship
2. **Build a business plan for your own social enterprise:** Using tools and conceptual frameworks, you will have an opportunity to build an "investment quality" pitch deck and business plan for a new social venture
3. **Learn how to apply your business knowledge to advance social good:** You will be given new perspectives on the opportunities for leveraging a business education to impact the social sector

Key Features:

- *Diversity in Approaches* - This course is designed to be an introduction to the varied models of social entrepreneurship that exist, and will give you an opportunity to apply these model(s) to the development of a social venture.

- *Established Process, New Applications* - While the course will acknowledge the challenges that all businesses must face, we will examine in detail the unique challenges and opportunities of applying a market-based, entrepreneurial approach to creating social value.
- *Social & Financial Returns* - We will explore the social capital markets and optimizing social and financial returns, and discuss issues related to measuring social impact.
- *Many Perspectives* - Integrated throughout the course will be examples from complementary perspectives, including the developed and developing world, for-profit and nonprofit sectors, and local and international.
- *Guest Entrepreneurs* - Where possible, we will bring in guest entrepreneurs who can speak to the course topics from their perspective.
- *Focus on Start-up and Growth* - Finally, while the course will touch on the entire life cycle of a social enterprise, there will be a particular focus on startup and early growth.

Organization of the Course

We will use a variety of teaching methods to encourage intellectual understanding and a personal connection to the subject matter. Lecture sessions will be coupled with experiential techniques such as case studies, simulations, exercises, and group discussions. Guest speakers will also be a key component to student learning.

The "live case" method is one way that we make the lecture real. Instead of using a written case study, a real social entrepreneur will attend class, and will present a high level description of their business (mission, motivation, goals, etc). We then pose a series of questions to the students related to the entrepreneur's venture. The guest speaker walks around to students (organized in groups), where the students ask probing questions to try to come up with a response.

Your active contribution in class is an important aspect of the course and will enhance our learning experience.

Assigned Reading

Required Reading for this course includes the following (available for purchase from the York University Bookstore):

Alexander Osterwalder and Yves Pigneur. "Business Model Generation", Self Published, 2009.

David Bornstein, "How to Change the World: Social Entrepreneurs and the Power of New Ideas", Oxford University Press, 2004

[The Canadian Social Enterprise Guide, Revised \(Full PDF\)](#)

Recommended Course Texts

"The Power of Unreasonable People: How Social Entrepreneurs Create Markets that Change the World", by John Elkington, Pamela Hartigan and Klaus Schwab. 2008. Harvard Business School Publishing.

Course Website

- We have created a website for this course - <http://www.socialentrepreneurship.ca/entr4800>
- The most current version of this syllabus, a detailed listing of supplemental readings, lecture slides, and additional resources can be found on this site.
- Note that lecture slides will be posted on the site after each class.

Evaluation of Student Performance

The course grading scheme for undergraduate courses conforms to the 9-point system used in other undergraduate programs at York. The possible course letter grades for a course (and the corresponding grade points awarded for each grade are:

A+	9 grade points	B	6	D+	3
A	8	C+	5	D	2
B+	7	C	4	F	0

A detailed description of the project, due dates and grading scheme will be provided in Class 2. We will not use a fixed grading scale in this course. Students are reminded that they must maintain a cumulative GPA of at least 5.0 to remain in good standing and continue in the program, and to qualify for their degree. Schulich grading guidelines mandate a section GPA of between 5.5 and 7.0.

Individual Class Participation (20%)

- Grade will be based on the quality of participation during in-class discussions, in-class group exercises, and questions for guest speakers. Obviously, attendance in class is a prerequisite!
- Evidence of participation outside of the classroom (e.g. in social entrepreneurship blogs, emailing the professors) may also be factored in

Video Assignment (10%)

During the semester, students will provide two video reviews of readings in the course. Additional details and instructions will be provided in class 2. The general guidelines are as follows:

- Students will carry out this exercise individually, and will select which readings they wish to review by Class 2.
- Students will record and upload a video that summarizes the chosen reading, as well as provide a summary of the article and key points. The video will be uploaded by the Friday before the class it is due, and it will be presented to the class as a contribution to the discussion.
- Each video is worth 5%, and grading will be based on both the content as well as the delivery of the videos.

Business Model and Investment Pitch (70%)

Students will develop an “investment quality” business model and investment pitch deck for a social venture, which will be presented to two panels - one with “social investors”, and the other with Angel investors.

The grading scheme for the assignment:

- Part 1: Motivations, drivers, and business model canvas (10%)
- Part 2: Assessment of the business potential of the idea (15%)
- Part 3: Marketing, organizational, financial and legal considerations (15%)
- Part 4: Completed business plan and investment pitches (30%) (15% for social investor pitch, 15% for Angel investor pitch)

The details for the assignment (key deliverables, expectations and timelines for submission) will be provided separately.

Submitting Assignments

- All assignments are due, in soft copy, at the start of the class (8:30am) in which they are due. After 8:31am, a late penalty will be assigned (10%/day). No hard copies will be accepted.
- All assignments are to be submitted via email to entr4800@socialentrepreneurship.ca.
- Group members and numbers will be assigned by the end of class 2.
- Please cc all group members when submitting an assignment.

Please use the following format for the Subject line of the Email:

“ENTR4800 - Business Model - Group (#) - Part (#)”

Please use the following format for the File Name of your Attachment:

“Group (#) - Part (#)”

Academic Honesty

Academic honesty is fundamental to the integrity of university education and degree programs. The Schulich School will investigate and will act to enforce academic honesty policies where apparent violations occur. Students should familiarize themselves with York University’s policy on academic honesty. It is printed in full in your student handbook and can also viewed on-line on the Schulich website, clicking through as indicated:

Schulich website → ‘School’ → ‘Academic Honesty’ → ‘Schulich Academic Honesty Policy’

While academic dishonesty can take many forms, there are several forms of which students should be highly aware because they are the ones that are most likely to occur in the context of a specific course.

- Plagiarism. Plagiarism is the presentation of information, ideas, or analysis generated by other people as being your own. It includes direct quotations as well as substantive paraphrases where the course of that information or idea is not clearly identified to the reader. Students should be careful to present their written work in a way that makes it completely clear in each and every cases where a quotation, a paraphrase, or an analysis is based on the work of other people. (This includes information from all sources, including websites.)
- Cheating. Cheating is an attempt to gain an unfair advantage in an evaluation. Examples of such violations include (but are not limited to) consulting prohibited materials during an examination or copying from another student.
- Failure to follow limitations on collaborative work with other students in preparing academic assignments. Each class differs in the mix of assignments and group-versus-individual

preparation that is allowed. The instructor will make clear the extent of collaboration among students that is acceptable among students on various pieces of assigned work. Students should abide by those limitations and, if they are unsure about whether a certain level or form of collaboration would be acceptable, to clarify that question with the instructor in advance.

- Aiding and abetting. A student is guilty of violating academic honesty expectations if he/she acts in a way that enables another student to engage in academic dishonesty. If a student knows (or should reasonably expect) that an action would enable another student to cheat or plagiarize, that student's action constitutes an academic honesty violation. Illustrative examples include making your exam paper easily visible to others in the same exam or providing your own working or finished documents for an 'individual assignment' to another student (even if that other student said that he/she just wanted to 'get an idea of how to approach the assignment' or 'to check whether they had done theirs correctly').
- Use of academic work in more than one course. Generally, academic work done for every course is 'new' work, done for that course only. If a student wishes to use some or all of the academic work done for an assigned task in one course in another course, the student must get explicit, prior permission from both instructors so that they agree that the scope and nature of the overlapping use of that work is such that it can fairly be counted toward both courses.

Schedule of Topics and Readings

The following list of lecture topics and readings indicate the material to be read, reviewed and/or prepared for the various class sessions. If any changes in this schedule become necessary, notifications will be posted on the course website (www.socialentrepreneurship.ca/entr4800), and where such changes need to be announced between class sessions, an email will be sent to students' Lotus Notes email accounts, notifying them of the change.

Class 1 (Sept 12): Introduction to Social Entrepreneurship and Social Enterprise

This introductory class provides an overview of social enterprise and social entrepreneurship, and some of the key tensions that social entrepreneurs encounter

Theory: What is social entrepreneurship? What distinguishes social entrepreneurship from traditional entrepreneurship?

Practice: What is social enterprise? How is it different from social entrepreneurship? How does it differ from traditional business?

Readings:

- "Social Entrepreneurship: The Case for Definition", by Roger L. Martin & Sally Osberg. Stanford Social Innovation Review, Spring 2007: http://www.ssireview.org/articles/entry/social_entrepreneurship_the_case_for_definition/
- "The Meaning of 'Social Entrepreneurship'", by J. Gregory Dees http://www.impactalliance.org/ev_en.php?ID=19890_201&ID2=DO_TOPIC
- "Social Entrepreneurship: Creating New Business Models to Serve The Poor", by C. Seelos and J. Mair. (2005). Business Horizons, Vol. 48, No. 3, pp. 241-246. http://www.2008.sofimun.org/SOFIMUN2008-CM-UNECOSOC-Topic-A-extra_info-2.pdf
- "Primer on Social Innovation: A Compendium of Definitions Developed by Organizations Around the World", by Geraldine Cahill. The Philanthropist, Vol. 23, No.3, 2010. <http://thephilanthropist.ca/index.php/phil/article/view/846>

Class 2 (Sept 19): Motivations and Drivers for Social Entrepreneurship

Theory: What are the motivations, drivers, and strategic intentions of social entrepreneurship?

Practice: What are the implications of these drivers on social enterprise (business) models? How are social ventures blending business and social objectives?

Readings:

- “Social Entrepreneurship: What Everyone Needs to Know”, by David Bornstein and Susan Davis. 2010. Oxford University Press. Part 1, pp. 1 - 47.
- “Creating Shared Value”, by Michael Porter and Mark Kramer. Harvard Business Review, January-February 2011:
<https://archive.harvardbusiness.org/cla/web/pl/product.seam?c=8062&i=8064&cs=1b64dfac8e4d2ef4da5976b5665c5540>
- “The Process of Social Entrepreneurship: creating opportunities worthy of serious pursuit”, by Ayse Guclu, J. Gregory Dees, and Beth Battle Anderson.
http://www.impactalliance.org/ev_en.php?ID=22738_201&ID2=DO_TOPIC
- “Social Enterprise in Context” and “Social Enterprise Classification”, by Sutia Kim Alter:
http://www.4lenses.org/Setypology/se_in_context (follow all sub-links to [Hybrid Spectrum](#), [Dual Value Creation](#), [Financial Strategy](#), and [Program Strategy](#)) and
<http://www.4lenses.org/setypology/classification> (follow all sub-links to [Mission Orientation](#), [Business/Program Integration](#), and [Target Market](#))

Class 3 (Sept 26): Business Modelling for Social Enterprise

Theory: What models exist for social enterprises? How do these models inform the structure and operations of the social venture? What are the key issues, tensions and considerations that make these models applicable to specific contexts?

Practice: How can business model development be applied to the development of a social enterprise?

Readings:

- “Business Model Generation”, by Alexander Osterwalder and Yves Pigneur. Chapter 1 (Canvas) and Chapter 3 (Design).
- “Rigour: How to Create World-Changing Spaces”. Centre for Social Innovation, pp. 14 - 29:
http://socialinnovation.ca/sites/socialinnovation.ca/files/Rigour_How_to_create_World-Changing_Shared_Spaces_.pdf
- “Models” and “Social Enterprise Structures”, by Sutia Kim Alter:
<http://www.4lenses.org/setypology/models> (follow all sub-links to [Fundamental](#), [Combining Models](#), and [Enhancing Models](#)) and <http://www.4lenses.org/setypology/structures> (follow all sub-links to [Organizational](#), [Legal](#), and [Ownership](#))

Class 4 (Oct 3): Identifying Business Potential

Theory: How do social entrepreneurs assess the business potential of their ideas?

Practice: What are the challenges associated with collecting and synthesizing market research data, and applying this data to making business decisions?

Readings:

- “Business Model Generation”, by Alexander Osterwalder and Yves Pigneur. Chapter 2 (Patterns) and Chapter 4 (Strategy).
- “Market Strategy Workbook 2: Assessing Critical Value Factors”, published by MaRS Discovery District: <http://www.marsdd.com/entrepreneurs-toolkit/workbooks/market-strategy-workbook-2-critical-value-factors>
- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 4 (Idea Identification and Feasibility Analysis): http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE_Web_Chapter_Four_0.pdf

Class 5 (Oct 17): Financial Modeling

- Part A: Building a Financial Model for Social Enterprise
- Part B: Financial Considerations for Social Enterprise

The first half of this class will be run “workshop” style using data from a real social enterprise and using Microsoft Excel to develop a basic financial model. The second half will focus on identifying key financial considerations unique to social enterprise.

Theory: How do you construct a financial model for your social venture?

Practice: What are the main cost drivers and revenue streams for your social venture? What are the various types of financing that social enterprises require, and how does this vary over the lifecycle of the business?

Readings:

- “Business Planning and Financial Forecasting: A Start-Up Guide”, published by Western Economic Diversification Canada and Small Business BC, Pages 13 - 32: <http://public-files.prbb.org/intervals/docs/16760815-Business-Planning.pdf>
- Financing Options for Social Enterprise”, by MaRS Discovery District. <http://www.marsdd.com/entrepreneurs-toolkit/articles/Financing-Options-for-Social-Enterprises-non-profit>
- “Financing Options for Social Purpose Businesses”, by MaRS Discovery District. <http://www.marsdd.com/entrepreneurs-toolkit/articles/Financing-Options-for-Social-Purpose-Businesses-for-profit>

Class 6 (Oct 24): Operational and Human Resource Considerations

Theory: What are the unique HR and operational considerations that social entrepreneurs need to incorporate in their social enterprise?

Practice: What strategies and techniques can social entrepreneurs apply to effectively execute the operational and HR aspects of their social venture?

Readings:

- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 5 (Planning for Your Social Enterprise): http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE_Web_Chapter_Five.pdf
- “The Challenges of Staffing and Leading a Social Purpose Business”, by John Braer and Michelle Tatos. http://www.redf.org/download/boxset/REDF_Vol1_4.pdf

Class 7 (Oct 31): Marketing and Legal Considerations

Theory: What are the unique marketing challenges that social enterprises face? Why is legal form such an important issue for social enterprise?

Practice: How have social enterprises applied marketing principles in the real world to market their social venture? What legal forms can social enterprises assume, and what are the pros and cons for each form?

Readings:

- “Market Strategy Workbook 3: Strategic Marketing Approach”, by MaRS Discovery District. <http://www.marsdd.com/entrepreneurs-toolkit/workbooks/market-strategy-workbook-3-strategic-marketing-approach>
- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 7 (The Legal Context): http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE_Web_Chapter_Seven.pdf
- “For Love or Lucre”, by Jim Fruchterman. Stanford Social Innovation Review, Spring 2011: http://www.ssireview.org/articles/entry/for_love_or_lucre/

Class 8 (Nov 7): Managing for Social Impact

Theory: What are the unique challenges of managing a social enterprise? How do social entrepreneurs manage for social impact?

Practice: How do you grow or scale up a social enterprise? How do social enterprises assess their social impact, and balance the various facets of “blended value creation”?

Readings:

- “Simple Measures for Social Enterprise”, by Brian Trelstad. [Innovations Journal, July 2008: http://www.mitpressjournals.org/doi/pdf/10.1162/itgg.2008.3.3.105](http://www.mitpressjournals.org/doi/pdf/10.1162/itgg.2008.3.3.105)
- “Measuring Social Value”, by Geoff Mulgan, Stanford Social Innovation Review, Summer 2010: http://www.ssireview.org/articles/entry/measuring_social_value/
- “Social Entrepreneurship: What Everyone Needs to Know”, by David Bornstein and Susan Davis. 2010. Oxford University Press. Part 2, pp. 48 - 74.
- “Creating Large-Scale Change: Not ‘Can’ but ‘How’”, by J. Gregory Dees. McKinsey & Company “What Matters,” 6 April 2010: http://whatmatters.mckinseydigital.com/social_entrepreneurs/creating-large-scale-change-not-can-but-how-

Class 9 (Nov 14): Impact Investing and Social Finance

Theory: What are the key trends and issues being addressed in the impact investing and social finance?

Practice: What range of organizations are actively engaged in impact investing? What innovative practices exist in these organizations?

Readings:

- “Impact Investing: Harnessing Capital Markets to Drive Development at Scale”, by Antony Bugg-Levine. Beyond Profit, May/June 2009: <http://www.rockefellerfoundation.org/news/publications/impact-investing-bold-models-drive>
- “Market Minded Development”, by Hima Batavia et al., Stanford Social Innovation Review, Winter 2011: http://www.ssireview.org/articles/entry/market-minded_development/
- “Microfinance Misses its Mark”, by Anil Karnani, Stanford Social Innovation Review, Summer 2007: http://www.ssireview.org/articles/entry/microfinance_misses_its_mark/

Class 10 (Nov 21): The Enabling Environment for Social Entrepreneurship

Theory: What are the various constituent parts of an “ecosystem” required for social entrepreneurship to flourish?

Practice: What is the range and nature of activity related to social entrepreneurship across Canada and the world?

Readings:

- “Social Entrepreneurship: What Everyone Needs to Know”, by David Bornstein and Susan Davis. 2010. Oxford University Press. Part 3: pp. 75 - 128.
- “Patterns, Principles, and Practices”, by Stephen Huddart. The Philanthropist, Vol. 23, No. 3, 2010:<http://thephilanthropist.ca/index.php/phil/article/view/852>

Class 11 (Nov 29): Student Pitches to Social Investors

Student teams will present their social enterprise pitch to a panel of social investors.

No Readings

Class 12 (Dec 6): Student Pitches to Angel Investors

Student teams will present their social enterprise pitch to a panel of Angel investors.

No Readings

Class 13 (Dec 12): Course Review

Review of key course themes, and debrief from business model pitches.

No Readings