

BUS 4553

Social Enterprise

Course Outline

Winter 2012

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Classroom: 2B02, Tuesdays & Thursdays, 2:10-3:30 p.m.

Office Hours: Please make an appointment. I am available in person, by phone or on skype.

Steffen, Alex (Ed) *World Changing: A User's Guide for the 21st Century, Business – Introduction, p. 379:*

Today's successful business is about exploring new ways of making things happen in the world, seeing potential and pursuing it, and recognizing that now - perhaps more than ever – the market is receptive to thinking outside the box.

In some ways, business is the boldest and most exhilarating adventure we could embark on. But it's up to us to keep it fresh, or we risk falling into the groove of business as usual, spreading poverty and pollution, maybe getting a little richer but ultimately feeling sordid and hollow. Money made this way is an ethical cheat, often producing nothing of real value, and sometimes doing real harm. It's also boring: nothing is more tedious than rehashing old business models, paddling around in the backwaters, looking to squeeze just a little more profit.

If we can avoid the tired groove, we're likely to find the path towards world-changing business, full of men and women who see sustainability, fairness, and openness as prerequisites not just for a better company, but for a better life. These fine minds see a chance to do something extraordinary, to improve the state of the world, and just maybe, in the process, to get reasonably rich. This is the new frontier of business, full of innovative technologies, radically reimagined business models, counterintuitive opportunities – there's room for vision here, and the visionaries see a bright green future.

Course Objectives

The objectives of the course are to enable students to a) explore social enterprise as an alternative to traditional entrepreneurship; b) sample the range of hybrid organizations that do well by doing good; c) apply conceptual frameworks to create pro-social, for-profit business models; d) evaluate social opportunities in different settings and according to different personal priorities; and e) *make a difference!*

The course is designed for young leaders for whom making money is important – but no longer enough, who may have an urge to give back, or who are simply growing impatient with the pace at which traditional businesses tackle issues of global significance, from climate change to child poverty. The course also builds business modelling and critical evaluation skills useful to students contemplating careers in social investing, business consulting, or in international institutions (many of which are now actively embracing entrepreneurial solutions to address the millennium goals, stabilize post-conflict regions, and create transactions that add equity, social justice and gender empowerment by supporting the creation of markets and income-generating models).

Course Overview

This course provides a comprehensive introduction to social enterprise in developed and developing countries. It focuses on the unique entrepreneurial processes associated with the creation or discovery of positive social change. We explore the different mechanisms of value creation in organizations designed to combine doing good and doing well. It also engages the students in anticipating, evaluating and addressing the challenges of implementing such hybrid business models in different socio-economic, political and cultural contexts, ranging from affluence to extreme scarcity (rural villages in Africa or South America), and from stability to extreme volatility (urban slums, conflict zones).

The course complements the main offerings on Entrepreneurship by addressing the specific types and motivations of social entrepreneurs and by exploring the key differences between traditional and pro-social enterprise. It also dovetails with all the HBA2 electives on Corporations and Society by taking a closer look at the “difference-makers”, their attempts to diagnose and correct market failures, and their efforts to create socially- and environmentally-minded markets where none existed (e.g. green technologies in rural Africa, computing technologies for children missing out on an education, nutrition and healthcare in urban slums).

The course consists of four modules. Using the powerful symbolic analogy of the Fibonacci spiral (please see our course framework on page 9), we strive to logarithmically leverage our knowledge as we go from one module from the other.

We start from the centre, by meeting different types and generations of social entrepreneurs and tracking the evolution (and growing momentum!) of social entrepreneurship across time, geographies and sectors. The first module is designed as a broad survey of who social entrepreneurs are, and why they do what they do. It covers the types and the drives of social entrepreneurs. Our main focus in this first module is value creation. We add to what you have learned in the Ivey program so far, and build on your personal interests and outside causes (both charitable and entrepreneurial) by grappling with the importance of generating social and environmental value through business activities.

We then examine different types of social enterprises, so we begin to understand the choice and (re)configurations of activities social entrepreneurs pursue in order to unearth additional value. We start looking beyond value creation to the unique processes of creation and discovery of social opportunities, asking specifically whether and how generating social and environmental value may be monetized or even converted into superior economic value. The notion of profitability for non-profits, and the balance between profitability and impact gains deeper meaning in this module as we learn to unpack what social enterprises do to create and convert value; we also start exploring critical levers – how we can find them, sustain them and change them to maintain the desired balance between margin and mission introduced in module 1.

Once we understand how social enterprises may hit a sweet spot where socially-minded actions magnify economic returns and vice-versa, we look further at how their business models evolve, how we track and reward financial and non-financial returns, and most importantly how we integrate unconventional thinking into what we already know about business models. In this module we also explore models that maximize accessibility and scalability, and begin to challenge some of the conventional wisdom of money-making by showing the financial and non-financial impact of micro-work (microenterprise, micro-franchise, micro-insurance); we also revisit the earlier topic of microfinance and expand that discussion into the broader issue of impact investing and innovations in social finance – if you are interested in exploring this further, please join us for the third *Social Innovation @ Ivey* forum on March 9, 2012 (1R40, 9 am - 5pm).

In the fourth and last model, we look at role models: we bring back in Ivey HBA and MBA and EMBA alumni who had engaged in making a change, as social entrepreneurs and/or consultants to social enterprises tackling issues from new forms of business (the B-corp) to social and economic experiments that reach out to marginalized segments of the populations to generate unprecedented triple bottom line value.

Overall, the course recasts both entrepreneurship and sustainability by asking challenging us to think outside the box and imagine the possibilities business organizations (by any name, from Mohammad Yunus's social business to Bill Gates' compassionate capitalism) can open, at home and around the world. It provides role models of thought leadership and action, by showing how enterprise can make a radical difference even under extreme conditions. It showcases the really tough trade-offs leaders have to consider when trying to address social and environmental issues. The course helps us think more critically about the tough issues organizations, small and large, traditional and unusual, are now facing; and it gives us hope that everyone can make a difference. The main takeaway from the course is to determine which difference is yours to make and prepare each of you so you can achieve the maximum impact once you get started.

Schedule

We meet Tuesdays and Thursdays, 2:10 – 3:30 pm in 2B02.

Table 1 on page 10 summarizes the dates and topics for our 20 sessions. The materials, reading assignments and discussion questions appear on eZone. Please check e-Zone regularly for this information and other course news as changes may be made throughout the term.

Materials

Custom Course Pack including cases and other readings as detailed in the assignments on eZone. The casebook is required, which generally consists of one case for each class session. I rely on innovative case formats, which include video case, multimedia approaches, live cases with guest speakers as well as learning labs. To maximize the returns from each experience, please follow my recommendations in when and how to engage the material for each session.

Weblinks to Required Readings (pdfs) are posted in ezone. Using these links saves both money and the environment (depending on your printing habits), but must be accessed on the UWO campus to bypass security logins.

There is no textbook required for this course but I would be happy to recommend additional readings, resources and references for anyone wishing to continue their learning journey in social entrepreneurship.

Expectations

You are expected to be fully engaged in the entire learning process. This means devoting time and energy to preparation before class, including team meetings, listening to others during class discussions and engaging in class discussions. Collective reasoning and discovery are critical to the successful application of the case method. Prior to any case discussion, engaging in discussions with (or examining notes from) others who may have already experienced a case is a clear violation of Ivey norms.

As a professional school, we place great emphasis on keeping regular commitments such as arriving to class and other events on time, attendance at every class, appropriate preparation for class, and submission of assignments on time. Our experiential learning process is premised on an expectation that a student will attend all scheduled classes and other assigned events that are part of the program. Missing a class cannot be fully compensated by an individual student, even if we ensure that the student has done the relevant individual and learning team preparation. As a professional courtesy, if you cannot be in class, please let me know in advance. Under University regulations, I may determine at what point absenteeism has become excessive and thus can prevent you from passing the course.

Using your computer during class for personal activities such as reading/writing email, writing letters, surfing the Web, playing games, etc. is distracting, counter-productive and violates Ivey norms. Please refrain from such activities.

Course Evaluation

Each component of your grade in this course will be assigned a percentage grade. Your final grade will be a weighted average of each of the components adjusted to meet the overall class average specified by the program. The grade for this course will be computed from the following components (each component is described in more detail below):

Class Contribution	40%	Every class (2%)
Group Project	30%	First Contact – February 2nd Problem Statement - March 2nd Final Submission – April 2nd
Individual Project	30%	April 10th

NOTE: For the group project, each member of the team will receive the same grade unless a majority of the members of the group inform their professor, in writing, that one or more members of the team have not contributed a reasonably proportionate share of the work. If a request is made for members of a group to receive anything other than the same grade, I will use a 360-degree peer-review process that allows every group member to evaluate every other group member. The professor will consider the results of the peer review in the assignment evaluation.

Class Contribution (40%)

Class contribution is a key factor in the success of the course. This portion of the grade recognizes your *contribution* to the learning of your classmates. Having to articulate your own views and critically listening to the views of others will enhance the learning process.

Your contribution to the learning of others, through the experience and insights you have, is a key part of this learning process. We will follow the usual Ivey norms: class attendance is mandatory; you are expected to come to each class, with the case and/or readings prepared and to contribute to the class discussion, either by starting the class session or by building on the contributions of others to move it ahead. People will be called upon to contribute, but it is safe to assume that waiting to be “cold-called” will not earn you a satisfactory contribution grade. You will need to contribute voluntarily.

Because much of the learning will be delivered through case studies, films, simulations, guest speakers, and lectures, in-class contribution is not merely about repeating facts, prior points of discussion, or simply agreeing with your classmates. A meaningful contribution is when you explain why you think the way you do, so that others can access and assess your argument. Focus on providing thoughtful and convincing arguments, which involve and integrate others’ viewpoint towards a higher collective learning ground.

I consider meaningful contributions to class discussion to include any comments, questions, or analyses which advance the general class understanding of the case, concept or issue, the major problems, key factors to consider, and appropriate decisions or plans of action that could be undertaken.

Come in with an open mind and a willingness to share your learning and participate in the learning of others, and you’ll find the classroom experience enriching. While it may not always be possible for all

students to contribute to each and every class, in grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the classroom, over the course of the semester, by making solid contributions on a regular basis.

Evaluation Process

In grading class contribution, I will be assessing the extent to which you have established a meaningful presence in the class, over the entire course, not just a single class. The **quality, quantity and consistency** of your comments all count. Quantity matters, but quality and consistency are important to establish your presence in the class. Keep in mind, however, that I cannot judge quality without some quantity; greater consistency typically enables a better evaluation of your contributions as well.

I reward contributions that start us off productively, shape our discussion usefully, help us change direction when needed, provoke useful debate, and summarize the comments of others. To build on the comments of others requires you to listen and to consider the timing of your contribution. Your goal should be to provide insights that pass the "so-what" test. This can range from helping to sort out the key facts in a complex case to developing an analysis that builds on prior comments, thereby moving the class discussion forward. Repeating comments without adding additional value is not positively assessed.

In-class contribution, worth 40% of your final mark, will be evaluated on the following scale:

- 90-100: applies, analyzes, synthesizes course material
 - is willing to take risks in attempting to answer difficult questions
 - offers relevant, succinct input to class that advances the discussion
- 80-89: provides constructive feedback to group discussion
 - demonstrates ability to analyze/apply course material
- 70-79: offers clear, concise information relevant to class assignments
- 60-69: occasionally offers topical information of limited relevance
- 0-59: is not regularly in class (misses 25% or more classes)
 - provides little or no contribution to discussions
 - is disruptive or distracting to class
 - fails to follow flow of conversation
 - input is irrelevant, unrelated to topic or non-existent

Each day after class I review each student’s contribution to that class. In keeping with Ivey best practice, evaluations by your classroom peers will be one input to my grading. At the end of the course, I sum the daily points and rank the class by these totals. I use these scores as the first cut to assign grades based on my judgment of how good the top-scoring student is, how bad the lowest-scoring student is, where I should make grade breaks between the extremes, and individual strengths, weaknesses, and trends.

Peer Evaluators

Appointment of peer evaluators to classes is done by random assignment, and each of you will have one opportunity to evaluate your peers’ performance in a class over the course of the term.

	Category	Components of in-class contribution
4	Outstanding	Several times a term, a student may make a truly grounded and ground-breaking contribution that lifts the learning experience to a new level of personal and professional meaning for all the participants. These are memorable, one-of-a-kind, in-the-moment “aha”-s that truly punctuate how a class gets to experience strategy. These contributions are rare and extremely valuable beyond the teaching point at hand.
3	Excellent	Comments add substantial value to the discussion. Student demonstrates willingness to take risks in attempting to answer difficult or unpopular

		questions. Student breaks new ground and raises the flow of discussion to a higher level, often by synthesizing material and applying multiple lenses/techniques. Adds energy and enthusiasm.
2	Significant	Comments add value to the discussion, beyond case facts. There is evidence of analysis rather than just the expression of opinion (although some espousal of opinion is acceptable, even necessary at times). Comments are linked to those of others, facilitating the flow of the discussion. Student demonstrates knowledge of readings and other relevant course material. Student incorporates relevant insights from other courses or current affairs.
1	Good	Comments advance the flow of the discussion (including responses to questions from the instructor). Student demonstrates clear grasp of case material. Information presented is relevant to the discussion.
0	Neutral	Statement of case facts; relevance not made clear. Present, listening, but silent. Absent from class.
-1	Unsatisfactory	Lack of preparation for class discussion; failure to listen. Criticisms are directed at others versus towards their ideas. Defensive or disruptive behaviour (e.g., aggression or withdrawal) is exhibited. Drains energy from class goals. Inappropriate use of laptop, cell phone, iPod, Blackberry or other devices.

Process: When your turn comes, you will receive a seating chart at the beginning of the class. Please keep track of contributions and, at the end of the class, take 5 minutes to assign each participant a score according to the grading chart below (for your convenience, this grading chart will be copied on the back of the seating chart you receive). Let me know who was absent that day. Please return your marked contribution sheet to me at the end of the class or if it takes you longer to complete, please drop it off at my office right after classes end that same day.

Scores. Please be candid; the scores you assign as a peer evaluator remain confidential to your peers; I use only the average of the peer evaluators’ score and compare it against my own evaluation of your performance that day. Because correlations between my own evaluation and your peer evaluations usually exceed 90%, you will receive the *highest* of the two scores for each respective class.

NOTE: You are encouraged to actively contribute in every class – including the session when you are asked to evaluate your peers. For the class in which you take this evaluator role, your contribution score starts at 2 (Significant). If you feel you made excellent or even outstanding contributions during that class, please don’t be shy and give yourself credit for those!

Privileged information. Prior experience with the industry/firm puts you in a privileged position. This information can be used to assist in the learning of your classmates, but can also compromise the collective reasoning and discovery process that are so critical to the success of the case method. For situations in which you have privileged information about a company, please let the instructor know by email in advance of class. This will give us the opportunity to draw on your experiences appropriately. If you do have privileged information because of your previous experiences, please take the learning process into consideration before you offer a comment. If you happen to know ‘what happened’ based on your own insights/experience of the firm, please refrain from sharing this information.

Missed classes. If you must miss a class, please inform the instructor in advance of class. You will not receive a contribution grade for that day, and there is no way in which you could make up in-class contribution for a missed session. If you miss more than three class sessions, you are at risk of failing the course given that the HBA program requires that you attend 75% of class sessions.

Group Project (30%)

The group project is an opportunity for a hands-on intervention with a social enterprise. This intervention would typically involve business model mapping and the identification or creation of new social opportunities that the chosen social enterprise could serve in their local community. I will make available a

list of London-based enterprises; you are also welcome to explore a social enterprise in any other community, as long as you can connect (personally or virtually) to the social entrepreneur.

Scope: Identify a social enterprise with a compelling triple-bottom line value proposition and/or an unusual business model that effectively converts social and/or environmental value into economic value (this organization can be public, for-profit or non-profit). Analyse the value proposition and the business model and explain how these have shaped and how they will likely impact economic viability of the social venture over the short-term (3-5 years) and the long-term (10-20 years). Recommend one business model change that could improve the economic viability of the social venture without jeopardizing its social mission. Reflect on the challenges of balancing mission and margin in social ventures during the implementation of business model changes in social ventures.

Goal: The main goal of the exercise is “to give back to the community” by making sense, documenting and improving the social viability of a social enterprise. The main learning will come by putting yourself in the shoes of the social entrepreneur – without being bound by all his/her constraints, bring all your experience and expertise to bear to help support what he/she is trying to do.

Format: Please be creative and visual, and take into account the culture of the social entrepreneur you are working with. I recommend using a photo-essay format that “paints” a picture of what the venture does using graphs, images, quotes and testimonials. Your narrative should be brief and vivid, punctuated by anecdotes you may have gleaned from the social entrepreneurs themselves (these anecdotes can be both historical and aspirational); your narrative should introduce your reflections and recommendations in ways that help the social entrepreneurs imagine how the changes you propose will influence the social enterprise – hopefully for the better. Alternative formats include powerpoints, animated slideshows, short plays, or Ted-talk style presentations.

Constraints: Whatever format you choose, the social entrepreneur should be able to access it and get through your submission in no more than 30 minutes. Plan to share your group project with the social entrepreneur. Your creativity should not crowd your key message, but rather bring it to the fore in a way that audiences without a business school education could connect with, and appreciate, what this social entrepreneurs tries to do and how they could do it even better.

Opportunities: A few interventions may be featured in our Social Enterprise Lab on March 9, 2010; a few others may evolve into ‘live cases’ for future classes or community-based programs. These opportunities are independent of your grade and entirely optional; if you are interested in having your project considered for any of these events (or any other dissemination opportunities), please let me know. Your project cannot be used in any way without your explicit consent.

Team: For this project, you will work in a *group of three to five people*. Please choose your group members carefully and actively manage your group, as the norm is for the project grade to be distributed equally among the team members.

Deadlines

By Thursday, February 2nd, one person from each team should email me your group’s membership and a paragraph describing the social venture you have chosen to work with. Please cc all team members on this message and list their full names in the body of your message.

By Friday, March 2nd, each group should have met/talked with representatives of the chosen social venture about their future goals and current bottlenecks, and thought through as a team about how you may be able to help this social venture more effectively reach their goal and/or overcome one of the key bottlenecks. Please email me and the contact person for your group at the social

enterprise you have chosen to work a short memo including a concise problem statement and your team's action plan (no more than one page or 500 words).

By Monday, April 2nd, the group should submit the final project to me and to the representatives of the social enterprise you have chosen to work with. Whenever possible we will set up a joint meeting later that week to ensure that your efforts were appreciated and achieve the maximum impact on the social venture you have chosen to work with.

Individual Project (30%)

For the individual report, due by *Monday, April 10th*, please develop a short (2000 word maximum plus any exhibits and references) personal reflection piece outlining your position and thoughts on your inner social entrepreneur. You can use any of the concepts, frameworks and cases discussed in the course, and any other personalities or causes that are meaningful to you to explain and illustrate why and how social enterprise may be/become part of your life, however the main goal of this assignment is both introspective and anticipative. Fast forward ten years into the future, even twenty if you'd like: *What would you like to have accomplished by then? How do you envision the path to those accomplishments? Looking back from then to now, what words of advice would you give to yourself as you embark on the journey?*

Plagiarism

Students must write their essays and assignments (at Ivey this includes case exams and reports) in their own words. Whenever students take an idea, or a passage from another author, they must acknowledge their debt both by using quotation marks where appropriate and by proper referencing such as footnotes or citations. Plagiarism is a major academic offence (see Scholastic Offense Policy in the Western Academic Calendar).

All required papers may be subject to submission for textual similarity review to the commercial plagiarism detection software under license to the University for the detection of plagiarism. All papers submitted will be included as source documents in the reference database for the purpose of detecting plagiarism of papers subsequently submitted to the system. Use of the service is subject to the licensing agreement, currently between The University of Western Ontario and Turnitin.com (www.turnitin.com).

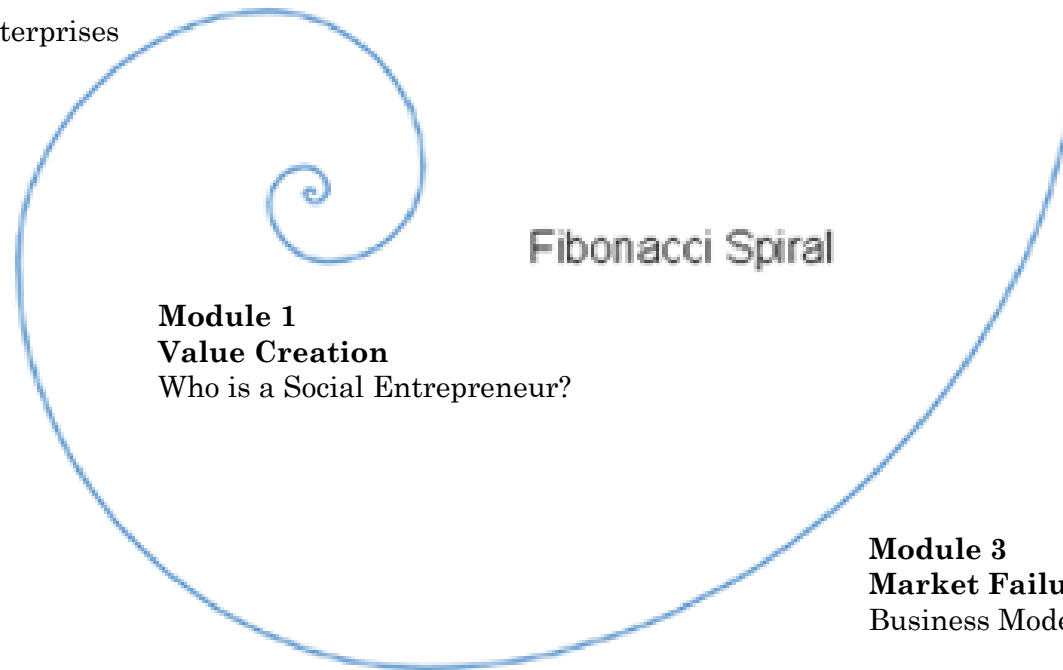
Questions or Issues

My office is Room 1N54, and you can reach me by phone, 519-661-4114, or e-mail, obranzei@ivey.uwo.ca. If you have any questions or concerns, please stop by any time during office hours or make an appointment.

Oana Branzei
January, 2012

Course Framework 4553 Social Enterprise

Module 2
Value Conversion
Continuum of Social Enterprises



Module 1
Value Creation
Who is a Social Entrepreneur?

Module4
Frontier Markets
New Forms of Social Enterprise

Module 3
Market Failures
Business Models of Social Enterprise

The Fibonacci Spiral is a [logarithmic spiral](#) whose growth factor is ϕ , the [golden ratio](#). That is, a golden spiral gets wider (or further from its origin) by a factor of ϕ for every quarter turn it makes.

TABLE 1: Session Summary

	Session	Date	Case	Takeaways	Please note:
Module 1 Value Creation	1	January 10	<u>Coconets vs. Gorongosa</u>	Types of Social Entrepreneurship	Discussion with Video Cases
	2	January 12	<u>Kick Start vs. Playpumps</u>		Contrast Cases; Debate
	3	January 17	<u>Grameen Bank</u>		Discussion; Exercise
	4	January 19	<u>Kiva</u>		Multimedia; Multipart Case
	5	January 24	<u>YOU</u>		Live Case, On-site Case, Note: <u>Leave @ 1pm; Back @3:30 pm</u>
Module 2 Value Conversion	6	January 26	<u>Me to We</u>	Continuum of Social Enterprise	Guest Speaker Craig Kielburger Note: <u>2B02, 12:50-2:10 pm</u>
	7	January 31	<u>Veja vs. Green Soldiers vs. Tom's Shoes</u>		Structured Exercise; Note: <u>Each team signs-up to present or to challenge one of the three ventures. Presentation, 1-2 pm (1R40)</u>
	8	February 2	<u>Oliberté Made in Africa</u>		Live Case; Guest Speaker: Tal Dehtiar
	9	February 7	<u>Aravind</u>		Part I - 12:50-2:10 pm
	10	February 7	<u>Aurolab</u>		Part II – 2:10-3:30 pm Note: <u>Replaces our February 9th class.</u>
Module 3 Market Failures	11	February 28	<u>CONASE vs. Seviagro vs. Corporacion Solar</u>	Business Models of Social Enterprise	Structured Exercise
	12	March 1	<u>Yogurt Mamas</u>		<i>Yogurt Sampler 1-2 pm (2B02)</i> Learning Lab; Guest Speakers
	13	March 6	<u>Microenterprise vs. Microfranchise</u>		Retrospective & Prospective; Sampler & Structured Exercise
	14	March 8	<u>M-pesa</u>		Case; Multi-media Simulation
	15	March 13	<u>London Farmers' Market</u>		Live Case; Guest Speaker
Module 4 Frontier Markets	16	March 15	<u>C-Corporation S-Corporation B-Corporation</u>	New Forms of Social Enterprise	Video Retrospective, B-Lab Sampler & Structured Exercise
	17	March 20	<u>Bullfrog Power</u>		Case
	18	March 22	<u>Specialisterne</u>		Part I – Case, 1-2 pm (2B02)
	19	March 22	<u>Goodwill Industries</u>		Part II – Learning Lab, 2:10-3:30 pm Note: <u>Replaces our March 29th class.</u>
	20	March 27	<u>Café Xaragua</u>		<i>Presentation 1-2 pm (2B02)</i> Multi-part Case

Learning Labs: The learning lab format involves protagonists making real-time decisions & reflecting on past decisions.

Recommended events: *Social Innovation @ Ivey*, March 7th, 1R40, 9 am - 5 pm.

Module 1: Value Creation**Session 1****January 10, 2012**

Format: Discussion; Video Cases

The first class challenges us to rethink what value creation means in the midst of a resource revolution. According to a recent article by McKinsey Global Institute (January 2012:1), “over the next quarter century, the rise of three billion more middle-class consumers will strain natural resources. The race is on to boost resource supplies, overhaul their management, and change the game with new technologies”.

We’ll start the class asking ourselves what we already know about creating value in traditional organizations. We then question what role social enterprises (for-profit and non-profit and hybrid) could or should play in value creation, especially in the context of scarce and strained resources and persistent poverty and social inequality/inequity.

In our first class, we use two video-cases to bring alive the notion of value creation and create a shared conversation platform around the new imperative for business leaders to create value – economic, social and environmental.

Note: This opening discussion dovetails with introductory sessions in your Corporations & Society courses and Sustainability in Action by openly questioning the sufficiency of economic value creation. It complements your learning in those classes by moving us forward to explore how economic value creation may be enabled and accelerated by efforts to leverage or at least safeguard the sources of social and environmental value that our collective wellbeing depends upon in the (not so) long run.

Preparation

Please read the assigned reading and come to class ready to discuss how organizations create value (hint: the value cycle of value creation-capture and distribution you have discussed in Strategy Analysis and Action is a good start but focus on how exactly can we tell that an organization has or will create value). Be prepared to explain how traditional organizations create value – or when/why they may not consider value creation a necessity or a priority. We will strive for a balance of optimistic and pessimistic views on value creation by traditional organizations as we get the discussion started but move quickly to the more important question of how exactly you and the next generation of leaders create value. Then we will explore how social entrepreneurship and social enterprises can enlarge our possibilities to imagine and realize new ways of creating value for and with society.

Assigned Readings

[Social Entrepreneurship: The Case for Definition](#), Stanford Social Innovation Review, Spring 2007
[The Landscape of Social Entrepreneurship](#), Business Horizons, 2009, 5: 13-19.

Video Cases (in-class)

We will review, discuss and contrast two short documentaries: the 2005 award winning BBC World Challenge finalist, **Coconets** from Phillipines, and the 60-minute feature on **Gorongosa** in Mozambique. These two documentaries introduce the social entrepreneurs that started these two organizations, who speak candidly to the motivation that got them started in the first place. For current profiles of these organizations, you can take a virtual tour of their profiles and current operations by visiting them at <http://www.cocogreen.net/#nogo22> and <http://www.gorongosa.net/en/page/restoration/restoration-project>.

Should you be interested in sampling more recent social enterprise ideas a good place to meet more recent entrepreneurs is on the BBC World Challenge site (see optional resources below for a video featuring the three 2011 finalists).

Optional Resources

[2011 BBC World Challenge Winners](#): Snow Leopard (Mongolia), Recycla (Chile), Hand in Hand (India).

European Commissioner for Climate Action Connie Hedegaard gave the keynote speech at the event, and hailed World Challenge as proving global growth can be more sustainable. "When everybody challenges that we can't do the transformation we need, I know that it's not true, you know that it's not true, we see so many activities going on and this is the kind of effort and the kind of examples we need in the world of the 21st century," she noted.

[Changing Spots](#) (Mongolia)

[Recycla](#) (Chile)

[Hand in Hand](#) (India)

Module 1: Value Creation**Session 2****January 12, 2012**

Format: Video Case & Interactive Case; Debate

The second class explores the ways in which social entrepreneurs come to build a sustainable business in developing and emerging markets while addressing some of the most pressing issues confronting the global community.

Assigned Reading**Ten Characteristics of Successful Social Entrepreneurs**

1. Try to shrug off the constraints of ideology or discipline.
2. Identify and apply practical solutions to social problems, combining innovation, resourcefulness, and opportunity.
3. Innovate by finding a new product, a new service, or a new approach to a social problem.
4. Focus—first and foremost—on social value creation and, in that spirit, are willing to share their innovations and insights for others to replicate.
5. Jump in before ensuring they are fully resourced.
6. Have an unwavering belief in everyone's innate capacity, often regardless of education, to contribute meaningfully to economic and social development.
7. Show a dogged determination that pushes them to take risks that others wouldn't dare.
8. Balance their passion for change with a zeal to measure and monitor their impact.
9. Have a great deal to teach change makers in other sectors.
10. Display a healthy impatience (e.g., they don't do well in bureaucracies, which can raise succession issues as their organizations grow—and almost inevitably become more bureaucratic).

Video Case (in-class)

We start with a short documentary produced by Robert Redford for PRB, suggestively titled the New Heroes, about **Kick Start** (originally **ApproTEC**) and its co-founders of Kick Start, Nick Moon and Martin Fisher.

Preparation

Before you come to class, I highly recommend reading the history of Kick Start, especially **The Beginning of the End of Poverty**, at <http://kickstart.org/about-us/history/> and browsing through the online profiles for Nick Moon and Martin Fisher at <http://kickstart.org/about-us/people/>. Some highlights follow:

For his efforts and innovation, Nick Moon has received a number of awards including [TIME Magazine's 2003 European Hero](#) award, [2005 Skoll Award for Social Entrepreneurship](#), the [Schwab Foundation's Social Entrepreneur of the Year" award](#), as well as the [2003 Beacon Prize for Creative Giving](#). In 2002, was named a Fellow of [the Royal Society for the advancement of Arts Commerce and Manufactures \(FRSA\)](#).

Martin Fisher has won numerous awards and recognition for his inventions and work as a social entrepreneur, including the IDEA Design Gold Medal, [TIME Magazine's 2003 European Hero](#) award, [2005 Skoll Award for Social Entrepreneurship](#), and the [Schwab Foundation's "2003 Social Entrepreneur of the Year" award](#). In 2008 he was named Engineer of the Year by Design News magazine. Also in 2008, he received the prestigious [\\$100,000 Lemelson-MIT Award for Sustainability](#)" for his achievements in transforming the lives of hundreds of thousands of poor Africans through invention and innovation.

Case

Trevor Field and the Playpumps of Africa, ICMR Center for Management Research, 809-022-1.

The water crisis in African countries is quite severe with two out of five people lacking access to an improved water supply. The implication of this problem goes beyond diseases and deaths due to water-related disease. Particularly in peri-urban and rural areas, women and girls have to commute long distances (up to 8 kilometres) and spend hours collecting water from water sources that could be contaminated. In places where people rely on bore-wells, pumps may break down forcing them to go back to unsafe water sources. Since, the responsibility of fetching water in Africa is linked to gender, women and girls spend a disproportionate part of their time hauling water. Touched by their hardship, Trevor Field a UK-born advertising professional who had emigrated to South Africa, sought to do something to address this problem. In the late-1980s, he chanced upon a child's roundabout (merry-go-round) fitted with a pump that could pump water as it turned. Field worked with the inventor of this roundabout to bring about improvements in the system, and later developed the PlayPump Water System that was attached to a high-capacity storage tank and a tap. The four surfaces of the storage tank were used as billboards for commercial and public education / social messages (such as HIV / AIDS prevention). Revenue earned from the advertising helped maintain the water systems for up to a decade. Field co-founded a for-profit organisation with a social mission, and Roundabout Outdoor Party Ltd were instructed to install and maintain these PlayPumps in various parts of Southern Africa. The funds for installing the PlayPumps were arranged by PlayPumps International, a non-profit organisation also co-founded by Field. By the end of 2007, more than 1,000 PlayPumps had been installed in four countries in Southern Africa. Field had succeeded in scaling up installations of the water system across five countries in Southern Africa by adopting an innovative business model based on collaboration with individuals, corporations, governments, foundations, and non-governmental organisations. However, Field faced a number of challenges in scaling up further; he aimed to install 4,000 PlayPumps in ten African countries by 2010.

Preparation

Before you come to class, please read the assigned reading and the case, considering these questions:

1. What are the key challenges for PlayPumps?
2. What factors/actions led to these challenges?
3. What roles did 'others' play? What role could/ought 'others' have played?

Exercise

We will end the class with a self-reflection exercise based on the assigned reading which lists the ten characteristics of successful social entrepreneurs. Should you need some additional inspiration, the optional reading on *How to Change the World* linked below may help 'kick start' your self-reflection.

Preparation:

1. Which characteristics would you say stand out for the three leaders featured in this sessions (Nick Moon, Martin Fisher and Trevor Field)?
2. Which characteristic do you relate to most closely and how do you think it may help (or hinder) you from starting or growing your own venture?

Optional Resources

[How to Change the World](#), On the Ground, New York Times, October 20, 2010.

Module 1: Value Creation**Session 3****January 17, 2012**

Format: Case, Discussion.

The third class asks whether, when and how companies could or should act on social goals. Taking the resolve of Nobel laureate Mohammad Yunus, who founded the Grameen bank and network, we explore why and how social entrepreneurs like go about creating value for the societies in which they operate. We will also think about situations that slow down or halt value creation and explore how social entrepreneurs think about and do in response to such situation – here we learn about decision frames that challenge the impossible and make new ideas and models possible.

Think through the preparation questions below and make some notes based on your encounter with Yunus through his writing (if you are so inclined the one hour talk linked under optional resources provides you front seats to his experience, and I highly recommend watching any portion of the video to get a sense of his personality and drive; if you do so, also think through whether you relate to him as a person and to his experience).

Finally prepare the Grameen Bank case; please focus on the issue in the case (which precedes his global recognition and writing), thinking about the preparation questions listed below.

Video (in-class)

[Muhammad Yunus](#), founder of Grameen Bank, Nobel Peace Prize Laureate 2006

Assigned Readings

Mohammad Yunus: [Building Social Business \(Chapter 1\): Why Social Business?](#), May 2010, HBS PER 035

Chapter 1 from Building Social Business (2010), a nine-chapter collection written by 2006 Nobel Peace Laureate Muhammad Yunus, defines social business and outlines its importance. The objective of social business is to create self-supporting, viable commercial enterprises that generate economic growth even as they produce goods and services that serve the poor. Yunus demonstrates how social business transforms lives, offers practical guidance for those who want to create social businesses of their own, and argues that public and corporate policies must adapt to make room for the social business model which, in his view, has the potential to reduce the negative fallout from free-market enterprise. The differences between social business and social enterprise are explained, and the significance of non-governmental organizations (NGOs) and charitable behavior is highlighted.

Preparation

Before coming to class, please read first Chapter 1 from Mohammad Yunus' recent book on Building Social Business. As you read this chapter, reflect on his motivation, his actions, and his impact.

1. What type of social entrepreneurs is Muhammad Yunus?
2. What key strengths and weaknesses do you see in the Grameen Bank model of value creation?
3. How do those reflect his aspirations and limitations?

Case

Grameen Bank, SM-116, Revised 10/18/05.

I strongly believe that we can create a poverty-free world, if we want to.... In that kind of world, [the] only place you can see poverty is in the museum. When school children will be on a tour of the poverty museum, they will be horrified to see the misery and indignity of human beings. They will blame their forefathers for tolerating this inhuman condition to continue in a massive way....

Muhammad Yunus, Managing Director, Grameen Bank

Preparation

Please analyse the Grameen Bank model and come prepared to answer the questions the case poses on page 13, and give some forethought to the following challenges Mohammad Yunus faces after the floods.

1. How do you think Yunus ought to confront the emotional issues affecting his borrowers?
2. What signals would his actions send?
3. What would be the consequences of different actions, and how would this affect the success and scalability of the Grameen Bank model looking forward?

Optional Resources

[‘To Catch A Dollar’ Documents Success of Bank For Poor](#), The Huffington Post, September 23, 2011

Module 1: Value Creation

Session 4

January 19, 2012

Format: Multimedia, Multipart case

In this session we take a close look at an innovative microfinance model (Kiva) to understand how social entrepreneurs identify, connect and leverage unconventional sources of value. Prefaced by our prior discussion of the microfinance industry, we juxtapose the direct model lending envisioned by Jessica Jackley and Matt Flannery when they initially founded Kiva back in 2005 with the challenges the model faced and the changes it undertook at it went on to scale up to more than 1 million users from 216 countries, who have now funded about \$275 millions in small loans to entrepreneurs (more than 80% women), working with 146 MFIs in 60 countries.

Preparation

Before you come to class, please read the articles assigned for Part 1 and Part 4 of the case – an overview of the start-up motivation and initial idea, written by Kiva’s co-founder Matt Flannery back in 2007 and his reflections two years later in 2009; then review [How Kiva Works](#), and glance over the current stats (updated daily) at <http://www.kiva.org/about/stats>.

1. Does Kiva create value? For whom? How?
2. When it launched, was Kiva different from other models of microfinance? How?
3. Do you notice any differences between the model Matt Flannery describes in the assigned readings and the current description on their website? What differences stand out for you?
4. How did Kiva evolve over time?
 - a. Has its approach to value creation changed? Would you change it further?
 - b. Has the balance between margin and mission tilted? Would you change it further?

Multimedia, Multipart Case

Part 1 (*please prepare before our session*)

[Kiva and the Birth of Person-to-Person Microfinance](#), MIT Innovations, 2007: 31-56.

Part 2 (*in-class*)

Ted Talk: [Jessica Jackley: Poverty, money -- and love](#), July 2010

Part 3, (*in-class*)

[Confusion on Where Money Lent via Kiva Goes](#), New York Times, November 8, 2009

Part 4, (*in-class*)

[Kiva at Four](#), MIT Innovations, 2009: 29-47.

Part 5, (*in-class*)

[Kiva as a Test of Our “Societal Creativity” Innovations Case Discussion: Kiva.org](#), by Robert D. Austin, MIT Innovations: Technology, Governance, Globalization Winter/Spring 2007, 2(1-2): 57-62.

[Building on Kiva's Success: Can Kiva Lenders Influence U.S. Foreign Aid Policy?](#) (Innovations Case Discussion: Kiva), by Sam Daley-Harris, MIT Innovations: Technology, Governance, Globalization, Spring 2009, 4(2): 51-55.

Contrast Case

[EBay's Founder on Innovating the Business Model of Social Change](#), HBR September 2011, R1109A

When eBay's IPO in September 1998 made Omidyar wealthier than he'd ever imagined, he and his fiancée, Pam (now his wife), decided to create a nonprofit family foundation. For a few years they made grants randomly, according to whatever needs resonated with them. But that was just charity, by Omidyar's definition: an important but never-ending effort to alleviate suffering. He wanted to be involved in philanthropy: improving the state of humanity and the world by addressing the root causes of suffering. He began looking for ways to harness the incredible power of business to make the world better. After running up against the complexities of the tax code regarding nonprofits, he ended up creating a limited liability corporation called Omidyar Network, whose staff would be able to handle both nonprofit grants and for-profit investments. This hybrid philanthropic model faced cultural challenges, in part because a program officer's due diligence for a foundation is vastly different from an investment analyst's due diligence for a venture capital firm, and in part because it was difficult to incentivize the for-profit employees without disincentivizing the nonprofit ones. Eventually the organization was restructured to be more like a venture capital firm, though more than half of its \$442 million in commitments has gone to nonprofits, with a focus on microfinance. Omidyar believes that a true philanthropist will use every tool he can to create impact, and business is a key part of the equation.

Model 2: Value Creation

Session 5

January 24, 2012

Format: Live Case, On-site at the Cornerstone, Richmond & York – Leave @ 1pm; Back @ 3:30 pm

Carefully read the address and directions posted on e-zone in case you miss the bus and have to find your own way to YOU: the Cornerstone Café is across the street from the train station downtown.

We focus on the tension between mission and margin to understand some of the challenges that social entrepreneurs face while starting and growing their ventures. We debate which ones comes first (or second) and explore how the tension between mission and margin shapes the motivation of the social entrepreneur and the evolution of the venture over time. For an overview and additional examples of how social entrepreneurs balance mission and margin, please see the recommended chapter on hybrid organization under optional resources.

Assigned Reading (will be handed out during the visit)

The Ten Paradoxes of Social Enterprise, Chapter 1 in *Mission, Inc.: The Practitioner's Guide to Social Enterprise* by Kevin Lynch & Julius Walls, p. 17-27.

Case

Youth Opportunities Unlimited (YOU), Ivey Publishing (forthcoming)

To understand how YOU accomplishes its mission, please watch the following two video clips featuring the 2011 YOU Annual Breakfast speakers:

Tracy Little: <http://www.youtube.com/watch?v=O62-IsVdBQk>

Chantel Grayston-Clairmont: <http://www.youtube.com/watch?v=9M0f4elFOfo&feature=related>

Preparation:

Before you come to class, please read the draft of the case and prepare your chosen position (critique, response or community) based on the local newspaper coverage linked below. In anticipation of a dialogue with Steve Cordes and a tour of the Cornerstone on January 24th, carefully reflect on the ten paradoxes of social enterprise described by social entrepreneurs Kevin Lynch and Julius Walls, Jr. in their 2009 book, *Mission, Inc.: The Practitioner's Guide to Social Enterprise*, and how they influence YOU and you.

1. What paradoxes do you see in the history of Youth Opportunities Unlimited (YOU)?
2. What paradoxes do you grapple with when you think about the career of Steve Cordes, YOU's 'boss'?
3. What paradoxes are playing out in the vision for the Cornerstone? How is Steve Cordes managing these paradoxes?
4. What paradoxes do you anticipate in your own journey as a social entrepreneur?

Role Play

CRITIQUE

[Through the Roof](#), Youth Opportunities Unlimited Building Renovation, It's \$2.2M over budget and nearly a year late, sparking charges and alarm, London Free Press, September 1, 2011

[Second Mortgage for Costly Core Project](#), Funding Controversy: Youth Opportunities Unlimited executive director Steve Cordes says he doesn't regret scale of the downtown project, London Free Press, September 7, 2011.

RESPONSE

[YOU Building Step Closer after Funding Boost](#), QUEEN'S PARK: The non-profit facility receives nearly \$46,000 more from the province, London Free Press, August 29, 2011

[YOU Boss Weighs In](#), London Free Press, September 3, 2011

COMMUNITY

[YOU's Vision a Huge Benefit](#), London Free Press, September 10, 2011 ([additional letters](#))

Youth Opportunities Unlimited (YOU) plays an important role in the lives of troubled youth and has been very successful in turning many lives around. It encourages and mentors our youth to dream big and succeed.

The hundreds of youth helped and the amazing success stories are a testament to Steve Cordes, his board and the dedicated staff and volunteers along with their many corporate sponsors.

Cordes has more than adequately addressed and explained the situation.

The final project will be a well-used facility and a proud testament to YOU's vision. This is another terrific example of one of the many projects in the ever improving revitalization of our downtown. Robert T. (Bob) Usher.

Exercise

The discussion will include a self-reflection exercise based on the assigned reading.

The Ten Paradoxes of Social Enterprise

1. Doing Good vs. Doing Well
2. Form vs. Function
3. Planning vs. Practice
4. Debits vs. Credits
5. Do-gooders vs. Good Doers
6. Perception vs. Reality
7. Value vs. Waste
8. Metrics vs. Instinct
9. Growth vs. Focus
10. Sweat Equity vs. Blood Equity

Optional Resources

[The Most Successful Business on Earth](#), Introduction to Mission, Inc.: The Practitioner's Guide to Social Enterprise by Kevin Lynch & Julius Walls, Jr., p. 1-15 (please note the working definition of social enterprise on page 8); the stories of the two social entrepreneurs who co-authored the book appear on p. ix-xix.

Contrast Case

Homeless World Cup: Social Entrepreneurship, Cause Marketing and a Partnership with Nike, Stanford E376.

The case follows Mel Young, Founder and President of Homeless World Cup, a non-profit organization whose mission is to eliminate homelessness around the world. Homeless World Cup organizes annual football (i.e. soccer) tournaments in host cities and through its grassroots partner organizations, recruits and trains homeless people to play in the events. The case highlights the early days of founding and building the organization, including Young's inspiration for the idea.

Documentary: [Kicking It](#) (91 minutes)

Model 2: Value Conversion

Session 6

January 26, 2012

Format: Learning Lab

Some people's lives are transformed gradually. Others are changed in an instant. (Craig's Story)

Preparation

Please read the two assigned readings before coming to class.

Archives

[I'm Only One Boy](#), Excerpt from *Me to We: Finding Meaning in a Material World*, By Craig Kielburger and Marc Kielburger, *The Oprah Winfrey Show*, May 30, 2008

[Children Changing the World](#), *The Oprah Winfrey Show*, July 10, 2008 (embedded video links, please watch [the school dedication ceremony](#) on page 8).

Assigned Reading

[Reinventing Your Business Model](#), Harvard Business Review, December 2008, R0812C.

Case

Me to We: The Movement of Our Time, Ivey Publishing (Draft) – electronic circulation

Six-part simulation (in class)

Craig Kielburger series, Ivey Publishing

Hard copies of the six cases will be handed out in class; please be prepared to read and react in real time.

Personal Development Exercise

Please complete the [Values in Action Inventory of Strengths \(VIA-IS\)](#) – the assessment of your top character strengths is free once [you register online](#); it has 240 questions and it takes about 30 minutes to fill out. If you desire a more detailed report, you have two paying options (\$20 and \$40).

The best source for an in-depth discussion of specific strengths are the full-length chapters published in [Character, Strengths and Virtues: A Handbook and Classification](#), by Christopher Peterson and Martin Seligman, Oxford.

An OPTIONAL debrief focusing on character and the role character building plays in social entrepreneurship follows the learning lab, 2B02, 2:10-3:10 pm. Individual and team sign-ups available.

Optional Resources

[Basic Field Guide to the Positive Deviance Approach](#), The Power of Positive Deviance: How Unlikely Innovators Solve the World's Toughest Problems, 2010.

[My Extreme MBA](#), HBR October 2007.

*Module 2: Value Conversions***Session 7****January 31, 2012**

Format: Structured Exercise

Three Cases with Six Teams, in a Present-Challenge sequence.

This session examines how social entrepreneurs convert social and environmental constraints into business opportunities. We compare and contrast three different social entrepreneurs to understand how their thinking, feeling, and practice enable them to discover and/or create distinct opportunities. The goal of the structured exercise is to push one another's thinking on what the constraints are and how these models overcome or capitalize on these constraints to create value (economic, social and environmental). Come prepared for disagreements. If you own any of these brands, or any other brand of shoe with a conscience, please wear it to class; same for other eco-fashion brands you are passionate about.

Preparation

Before coming to class please prepare all three cases, paying particular attention to how their business models are alike or different, which model suits your preferences the best, and be prepared to explain why.

At the start of the class you will have 10-15 minutes to work with your assigned team and prepare a 5 minute presentation (no more than 5 slides) outlining your collective learning from the chosen case – each team will choose one of the three cases at the beginning of the class. One champion-team will focus on the strength, and one challenger-team will expose some of the weaknesses of the business model. (the teams are posted on e-zone under course outline and I will have team cards and printouts at the start of class; please sit with your team)

A good way to start is by reading the VEJA case. Consider the differences between what the co-founders are setting out to do and the traditional fashion industry (for those unfamiliar with how the fashion industry works the Ted talk provides a critical overview). Then compare the Veja model with the two multi-media mini-cases on Tom's Shoes and GreenSoul Shoes; all three cases include a short synopsis of their models plus links to additional online resources.

Archive

Russell W. Belk (2003), [Shoes and Self](#), in *Advances in Consumer Research* Volume 30, eds. Punam Anand Keller and Dennis W. Rook, Valdosta, GA: Association for Consumer Research, Pages: 27-33.

Cases

VEJA: Sneakers with a Conscience, Ivey Publishing 9B10M089.

This case examines the founding and growth of Veja, the world's first eco-sneaker company, in the broader context of the evolution of the traditional fashion industry. By September 2010, the five-year-old venture had become a reference in ethical fashion and an inspiration for other eco-fashion start-ups. Its path, its successes and its aspirations made it a perfect acquisition target; like-minded large companies had already approached the two founders, but they were not yet ready to sell. The decision facing Kopp and Morillion is whether to stay the course and grow Veja as a stand-alone brand or to seek a like-minded partner that would preserve the brand and the sustainable practices the founders had been developing since the company's inception.

Preparation:

1. In which key ways does Veja's business model differ from that of conventional fashion industry firms? What role do those differences play in terms of partnership and acquisition?
2. How did the founders build the brand? Did they use any magic ingredients, or was it business as usual? How did Veja's founders choose brand, product and process extensions?
3. Provide your best estimate of Veja's worth. What considerations are included in your valuation?

Multi-media Case

Toms Shoes: What Colour is Your Soul, Ivey Publishing (forthcoming)

[Toms Shoes' model is sell a pair, give a pair away](#), LA Times, April 19, 2009:

The power of shoes. It's something most women and many men understand completely. And it is what transformed the young, shaggy-haired, rope-bracelet-wearing entrepreneur Blake Mycoskie into a visionary business leader hobnobbing with former President Clinton and Nobel Peace Prize winner Desmond Tutu in less than three years. The 32-year-old founded Toms Shoes based on the simple idea that for every pair of his canvas shoes you buy, a pair is given to a child in need. To date, he's given away 140,000 pairs of shoes in the U.S., Argentina, Ethiopia and South Africa. This year, Mycoskie expects to donate 300,000 pairs of shoes, bring in \$13 million in sales and work toward his goal of eradicating podoconiosis in Ethiopia, a deforming foot disease caused by walking barefoot in silica-rich soil

Toms Shoes, [The Story of TOMS Shoes](#), April 10, 2009

Blake Mycoskie is the Founder and Chief Shoe Giver of TOMS Shoes, Inc. As an entrepreneur, he has started five businesses so far. He is 32-years-old and lives on a sailboat in Los Angeles: *“This is my story, our story, and the daily journey each of you are now participating in. So far we have given over 130,000 pairs of shoes to children in need around the world.”*

Multi-media Case

GreenSoul Shoes: What Colour is Your Soul, Ivey Publishing (forthcoming)

[New York's GreenSoul Shoes Tours Southeast Asia](#), The Huffington Post, September 17, 2009

Better than banking, [Reuters](#); **Meet the founders**: <http://www.youtube.com/watch?v=NFDGOqE0ubo>

Alastair Ong's Ted Talk & CNN Live Interview, GreenSoul Shoes' CEO Alastair explained how the business model is helping remove discarded tires while helping shoe children around the world to Pauline Chiou, host for CNN's World Business Today interviewed, August 24, 2010

GreenSoul Shoes: <http://gss.greensoulshoes.org/> (especially the story and video @ About Us:

http://gss.greensoulshoes.org/index.php?option=com_content&view=article&id=46&Itemid=55)

The modern rubber industry started booming in 1839 when Charles Goodyear invented vulcanization. The vulcanization process allows the virgin rubber to be tougher, stronger and more long lasting. This is done by adding chemicals such as sulphur to virgin rubber. Today, everything you see day to day ranging from car tires and bumpers, doormats, shoes soles are made from vulcanized rubber. While vulcanization of rubber has done wonders in our society, it has also been challenging when attempting to recycling products made from vulvanized rubber. A regular car tire would take approximately 80 years to decompose.

While we were traveling extensively in South East Asia, we encountered numerous dump sites that served as tire landfills. These landfill were so large that there were shantytowns built around it. One of the main problems caused by these tire landfills are the breeding of mosquitoes, especially after a rain fall as the tire collects the stagnant rain water. Mosquitoes are highly dangerous in this area as the main causes of Dengue Fever and Malaria. Based on the World Health Organization, There were an estimated 247 million malaria cases among 3.3 billion people at risk in 2006, causing nearly a million deaths, mostly of children under 5 years. 109 countries were endemic for malaria in 2008, 45 within the WHO African region.

GreenSoul Shoes is committed to help reduce the number of tire landfills by working with local artisans to create upcycled products with the discarded tires. In many cases, the local artisans are paid to remove the tires from the landfill, making this a win-win situation for the environment and the local artisan as a way to get material for their handmade products. Each tire can be upcycled into three pairs of GSS sandals. Our goal is to help remove over 600,000 tires in five year.

Module 2: Value Conversions

Session 8

February 2, 2012

Format: Live Case with Guest Speaker – Tal Dehtiar

Please join us for an interactive presentation of the history of Tal's MBA without Borders, Oliberté and the Made in Africa brand from 1-2 pm in 1R40. Sustainability Club students and Sustainability Certificate students and community leaders and social entrepreneurs will join us for the interactive presentation.

The live case analysis follows, during the regular class time, 2:10-3:30 pm in 2B02.

Multi-media Case (in-class)

Oliberté: Made in Africa, Ivey Publishing (forthcoming)

Video-sequence (in-class)

Interview with Tal Dehtiar, February 2010: http://www.youtube.com/watch?v=ekYeH_MOYXM

Oliberte Oakville, February 2010: <http://www.youtube.com/watch?v=cN1parXm9kA&feature=related>

Dragon's Den – Second Chance, January 2011: http://www.youtube.com/watch?v=8i7CRJB_IUo

CNN International, January 2011: http://www.youtube.com/watch?v=_sHy8OoI9wo&feature=related

Entertainment Tonight, May 2011: <http://www.youtube.com/watch?v=FRhKUTqP4hs&feature=related>

Addis-Ababa, Ethiopia, September 2011: <http://www.youtube.com/watch?v=haj2gHrmcs0&feature=related>

Assigned Reading:

[**Making Better Investments at the Base of the Pyramid**](#), HBR R0905J, September 2009.

Optional Resources:

[**Mobilizing for a Resource Revolution**](#), McKinsey Quarterly, January 2012

(please register for a free membership if you have not already done; I also recommend the periodic updates)

[**Johanna Blakley: Lessons from fashion's free culture**](#), Ted Talk, April 2010.

Module 2: Value Conversions

Session 9

February 7, 2012 (Part I, 12:50-2:10 pm)

Format: Case.

Preparation

Before coming to class, please focus on the time-frame and the decision in the case. Work through the numbers to solve the mystery of the free surgeries – how can a business giving its service away for free become increasingly profitable and scale up according to Dr. V's vision?

Please focus your analysis on the numbers and ambitions described in the case. Once we understand what makes this model work, we will fast-forward together through the case updates to the present using audio excerpts from the NPR November 2011 briefing: [India Eye Care Center Finds Middle Way To Capitalism](#) and video segments from the retrospective documentary, [Infinite Vision](#).

After the session, you may want to visit the website at <http://www.aravind.org/>, catch up with their latest news (the 40th eye care centre) and review their latest activity report, [2010-2011](#). Reflect further on your learning in this case: What are the key mechanisms of value conversion? Which mechanism endured over time? Why?

Case

Aravind Eye Hospital, Madurai, India: In Service for Sight, HBS 593098

Starting as a modest 20-bed hospital, Aravind had grown into a 1,400-bed hospital complex by 1992. It had by then screened 3.65 million patients and performed 335,000 cataract surgeries, nearly 70% of them free of cost for the poorest of India's blind population. Aravind's founder, Dr. Venkataswamy, now 74 years old, had a goal to spread the Aravind model to every nook and corner of India, Asia, and Africa. The case sets the stage for developing such a plan of action.

Preparation

1. What are the key factors that have led to Aravind's success?
2. What has Dr. V's role been in all this?
3. How do you evaluate the quality of care at the free hospital? At the paying hospital?
4. What has been the role of Aravind's clinical support staff in all this? Are they dedicated and altruistic, or do they have an ulterior motive?
5. Are there any weaknesses at all?
6. How are the satellite hospitals at Tirunelveli and Theni doing?
7. How are its eye camps performing?
8. How should Dr. V expand its model to other parts of India, Asia and Africa?

Optional Resources

[PBS News Hour](#)

[2008 Gates Award Video](#)

[Infinite Vision \(Biography\)](#)

Module 2: Value Conversions**Session 10****February 7, 2012** (Part II – 2:10-3:30 pm)

Format: Multimedia Case

We will start the session with an excerpt from the PBS documentary series, the New Heroes, featuring Dr. V and David Green, which explores the connection between Aurolab and Aravind. We will then analyse the Aurolab case, looking for social and/or economic levers that increase the efficiency and/or effectiveness of both organizations.

Case

Aurolab: Bringing First-World Technology to the Third-World Blind, HBS 9-507-061, August 11, 2009

Aurolab is the in-house producer of IOLs (required in cataract surgery) for the Aravind Eye Care System, a group of charity hospitals with the largest volume of eye surgery in the world. Aurolab's manufacturing capability and capacity had long exceeded the requirements of Aravind. With its impending move to a new, world-class facility, fundamental questions of strategic direction and mission fulfillment gained renewed attention among the organization's senior leaders.

Preparation

1. What is the connection between Aurolab and Aravind?
2. What are some of the mechanisms by which Aurolab helps Aravind create economic value? What are the mechanisms by which Aravind helps Aurolab create social value?
3. What are the key social and economic implications of outpacing Aravind's growth? What are the competitive implications of tilting towards economic value creation? Towards social value creation?

Optional Resources

After class, please visit the website at <http://www.aravind.org/Aurolab.aspx> and explore some of the most recent adjacencies to the Aurolab model.

Module 3: Market Failures

Session 11

February 28, 2012

Format: Structured Exercise

Please work in your assigned teams to prepare presentations and challenges for each of the three social ventures (the teams are posted on e-zone under course outline).

This class introduces a typology of operational models for social enterprise. Using three start-ups in Peru we will discuss the costs and benefits of different operational models. The main goal of this session is to develop an appreciation for the choices and dynamics associated with operational models during the launch and early growth of social ventures.

Case

Cultivating Social Enterprise in Peru: A Portfolio Approach, Ivey Publishing 9B08M047.

A consultant with CARE Enterprise Partners (CEP) is tasked to provide consulting for three social enterprises in different stages of development, each benefiting from CEP funding and support. CONASE - an oatmeal manufacturer selling to the government's vaso de leche free breakfast program - asked for advice on strategic analysis and creative approaches to customer relations. Seviagro - a market linkage social enterprise aggregating produce from smallholder artichoke farmers for resale to a large processing and export company - requested support with cost analysis and accounting. Corporacion Solar - initially established as a buyer and reseller of spinach produced by Andean farmers but currently transitioning from a market linkage model to a hybrid model - was looking for assistance in reshaping its growth strategy to target major buyers in Lima with a more diversified product offering. The three for-profit social enterprises profiled in this case sample a new breed of locally-reliant, market-driven models, which could further Peru's rural development in mountainous regions like the Ancash province. Their success could be tremendously influential in charting a new approach to development in the Andes. Success here could also endorse CEP's pioneering approach to development around the world. But despite careful start-up planning and very promising triple-bottom line projections, each enterprise confronted unexpected challenges in customer relations, cost management, sourcing and distribution. As these social ventures were getting off the ground, their founders' ability to simultaneously meet their social goals and remain economically viable was in jeopardy. The case asks students to put themselves in the consultant role and reposition these social ventures for sustainable growth.

Preparation

1. Describe the operational models for CONASE, Seviagro and Corporacion Solar?
2. What are the key costs and benefits of each operational model?
3. Would you recommend a different operational model for these ventures?
4. When or why would we need to/prefer to change these operational models?
5. What difficulties do entrepreneurs encounter when they try to reorganize their ventures?

Assigned Resources

[Hybrid Organizations: New Business Models for Environmental Leadership](#)

Optional Resources

[Social Enterprise Typology, Operational Models](#), Virtue Ventures

Module 3: Market Failures**Session 12****March 1, 2012**

Format: Learning Lab

From 1-2 pm we will have a sampling station for the yogurt and UWO faculty, alumni and students who have volunteered with the Western Heads East project.

This class explains microfranchising – which, when and why franchises may be good opportunities for poor people and what factors make franchises work (or fail) in frontier markets. We'll introduce and discuss the notion of “microfranchise”, sample several types of microfranchises from different subsistence marketplaces, and take a deep dive into a multi-part case which documents a microfranchise intervention by Ivey faculty and Ivey HBA students in East Africa (Tanzania, Kenya and Uganda).

Case

Yogurt Mamas: Probiotics in Tanzania, Ivey Publishing, 9B09M051.

The case illustrates a grassroots enterprise path to self-sufficiency in a subsistence market context. It explores the gradual evolution of a business model with strong pro-social mandates (pro-health, pro-women) and asks which growth options may best marry profitability and positive social change. The Mwanza-based Yogurt Mamas emerge as entrepreneurial role models in their communities; with funds from Western donors, and an exciting new technology, they seem set on their way to success. Yet close-up analyses reveal several outstanding concerns, including funding sufficiency, clarity of roles and responsibilities, patent restrictions, kitchen ownership, food safety and quality concerns and liability concerns among others. Despite positive health impact assessments, the venture is struggling to grow - and growth is the key to its future. Focused on a mix non-profit and retail model, the Yogurt Mamas produce and locally distribute a probiotic yogurt to their small community; they are interconnected in a local value chain, and benefit from annual inflows of disciplinary expertise from western partners, including free access to patented technology and free culturing of probiotic bacteria in a local lab. However, as the project funding winds down, business issues come to the fore. The case asks students to critically analyze the hurdles to profitability and suggest working solutions to scaling up the venture. Options include microfranchising, technology/model licensing, organic growth and expansion along value chain links to gain higher margins and greater control over the milk supply and to extend their distribution reach to neighboring communities.

Preparation:

1. Would the Yogurt Kitchen be a good candidate for a microfranchise model? Why or why not?
2. What would be the relative merits of a microfranchise model vis-à-vis the alternatives? What would be the key risks and costs for different parties?
3. Describe how the microfranchise model could be scaled up in the next ten years. What contingencies should we plan for?

Assigned Resources

[Franchising in Frontier Markets: What's Working, What's Not, and Why](#), Innovations: Technology, Governance, Globalization, Winter 2010, 5(1): 153-162.

Optional Resources

[A Good Business for Poor People](#), Stanford Social Innovation Review, Summer 2010: 44-49.

Module 3: Market Failures

Session 13

March 6, 2012

This class presents a retrospective and prospective view of franchising – by exploring how new forms of franchising can effectively tackle some of the world’s greatest problems.

We will sample four cases that stretch our understanding of what is possible through social franchising models. We focus on education – in part because education has one of the highest social leverage factors within and across generations, and in part because the education sector has seen a proliferation of radical innovations of late.

We will then put some of these insights to bear on the scaling issue in the ‘school-in-a-box’ case.

Preparation

Before coming to class, please read the assigned reading, engage in the suggested thought-experiment, and review the mini-cases included in the sample.

1. How are these franchises different from the traditional models?
2. How are these franchises able to spearhead and scale social change?
3. How effective are these franchises at creating, capturing and distributing value?

Assigned Reading:

[A New Alliance for Global Change](#), HBR 2010, R1009C.

The citizen sector, composed of millions of groups worldwide that are attempting to address critical social needs, has long been regarded as understaffed and inefficient. But it has grown and matured over the past three decades, say the authors, both of *Ashoka: Innovators for the Public*. Citizen sector organizations (CSOs) are attracting talented and creative leaders, and their work is changing the game in critical industries such as energy and health care. For-profit companies now have an opportunity to collaborate with CSOs to create new markets for reaching the four billion people who are not yet part of the world’s formal economy. The power of such collaborations lies in the complementary strengths of the partners: Business offers scale, expertise in manufacturing and operations, and financing. Social entrepreneurs offer lower costs, strong social networks, and deep insights into potential customers and communities. The authors call this framework the hybrid value chain. In one example, Colceramica, a Colombian manufacturer of kitchen and bathroom tile, collaborated with the human-rights organization Kairos, which recruited and managed a sales force of previously unemployed women, to reach a low-income market. Within three years sales had grown to nearly \$12 million; the living conditions of more than 28,000 families had been improved; and 179 saleswomen were each earning \$230 a month.

Thought Experiment

[Franchising in Frontier Markets: What's Working, What's Not, and Why](#), *Innovations: Technology, Governance, Globalization*, Winter 2010, 5(1): 153-162.

Sampler

Bridge International Academies: A School in a Box, HBS 511064 (please prepare for case analysis)

Bridge International was founded in 2007 as a for-profit social enterprise to address the educational needs of poor children in Africa. Ten schools were operational in Kenya by 2010. The plan was to franchise nearly 3,000 schools all over Africa. The case is meant to discuss the challenges of scaling.

Pathways to Education (online)

Each year, thousands of Canadian youth make the life-altering decision to drop out of school. This seemingly simple and personal decision puts our youth on a downward spiralling course. It's a decision that costs them their education and future earning potential. Taken collectively, it costs their community by ingraining a culture of failure. Nationally, it costs our economy through a reduced employment pool and tax base, and an enormous strain on public expenditures. Tens of thousands of youth in Canada's lower income neighbourhoods have the potential to succeed in school but are unable to overcome the barriers to education that are created by poverty. Insufficient financial means, lack of positive role models in the community, absence of parental support, and integration into a new country and culture, are just some of the barriers that can make high school graduation seem like an impossible dream. The problem is big and it is real. While Canada's provincial high school drop-out rates range between 25-30%, in affluent communities, that number decreases to 6-11%. In low income communities, where residents are more likely to be immigrants, Aboriginal or single parent families, the rate can soar higher than 70%. Research confirms that high school drop-outs are more likely to be unemployed, tend to commit more crime, have higher incidents of illness and drug use, and tend to rely more on social assistance.

What does it cost to leave entire communities of youth behind?

\$307 billion – the estimated collective lifetime loss of earning potential of high school drop outs in Canada

\$115 billion – the estimated collective loss of tax revenue from high school drop outs in Canada

\$623 billion – the estimated collective private costs of health care over a lifetime for high school drop-outs in Canada

Udacity (online)

Sebastian Thrun has made headlines for a variety of his accomplishments as computer scientist doing groundbreaking work on artificial intelligence. He has long been interested in robotic vehicles, leading the team that developed the car which won the [2005 DARPA Grand Challenge](#). He is the co-inventor of the Google Street View mapping service and is the [brains behind](#) the Google self-driving automobile. He joined Stanford University as a full professor in 2007. Impressive though these accomplishments are, Thrun made an announcement about a new project earlier this week at a conference in Germany that might eclipse anything he's done. He wants push forward some innovations in the postsecondary marketplace and change the world as an educator. Thrun has quit his tenured job at Stanford in order to start an online university called [Udacity](#). He hopes to enroll 500,000 students for the first course – on the topic of building search engines – at no cost to the students. In a testimonial video, Google co-founder Sergey Brin recommends that everyone take CS 101 because "computer science is really an enabler for you to do pretty much everything." For more advanced programmers, Thrun is also offering a course on building robotic cars that taps his world-renowned expertise. (more at <http://www.good.is/post/why-stanford-s-free-online-education-experiment-is-booming/>)

Hole in the Wall (online)

Sugata Mitra, Professor of Educational Technology at Newcastle University and visiting professor at M.I.T., talks about how his Hole in the Wall Experiment helped poor children in the slums of Hyderabad, India teach themselves English. Giving them access to tools like computers, Mitra showed that uneducated, non-English speaking children could work in small groups and with the help of computers, teach themselves how to speak and read. Watch to learn more about how children with the right tools can learn how to read, search for information, and find the answers to the world around them. (more at <http://www.good.is/post/the-professor-behind-stanford-s-free-artificial-intelligence-class-launches-an-online-learning-platform/><http://www.good.is/post/the-professor-behind-stanford-s-free-artificial-intelligence-class-launches-an-online-learning-platform/>)

Optional Resources

[Thoughts on Reluctant Entrepreneurship](#), Stanford Social Innovation Review, January 2012.

Module 3: Market Failures

Session 14

March 8, 2012

Format: Case.

This class class explains how social entrepreneurs can fill and harness institutional voids. The main take-away is the notion that constraints can and often to become opportunities for positive social change.

Archive

[M-PESA: Mobile Money for the “Unbanked” Turning Cellphones into 24-Hour Tellers in Kenya](#), MIT Innovations, Winter & Spring 2007

Case

M-pesa: Kenya’s Experiment with Branchless Banking, Amity Research Centers, 110-029-1.

M-PESA is a mobile payment solution provided by Safaricom, Kenya's leading mobile phone service provider. M-PESA facilitates a variety of financial transactions, including deposits, withdrawals, money transfers, loan repayments, and bill payments through the mobile phone and a network of agents that include airtime resellers and retail outlets acting as banking agents. Since its introduction in March 2007, M-PESA had shown exceptional growth, with six million customers having registered for the service which was nearly half the customer base of Safaricom and an average daily transaction volume of \$1.96 million. After over two years of rapid growth, M-PESA now had some challenges on hand as it faced competition from other mobile money services that had entered the market. Besides emerging competition, M-PESA also needed to review its regulatory status as it was very popular as a savings mechanism with customers, but lacked the status of a bank, which had raised concerns on safety of customers' funds and imposed limits on its growth. The case discusses the launch and growth of M-PESA and highlights the challenges ahead.

Preparation:

1. What are the institutional voids that M-pesa was filling initially?
2. What institutional voids is M-pesa filling now? Trying to fill next?
3. What are the implications of M-pesa for social enterprises in different sectors?
4. How does M-pesa influence transactions in subsistence marketplaces?

Assigned Readings

Exploiting Institutional Voids as Business Opportunities: Why Markets Fail and How to Make Them Work, Harvard Business Press Chapters, 5906BC.

In developed economies, dozens of institutions--like credit card systems, market regulation, and comprehensive market research--facilitate the smooth functioning of markets. Developing economies, on the other hand, present unique challenges for companies precisely because they lack these crucial intermediary institutions. While institutional voids are the source of many obstacles to doing business in emerging markets, they can also be a source of advantage for entrepreneurial companies--foreign or domestic--that have the capabilities to help fill these voids.

Optional Resources:

[From Microfinance to m-Finance](#): Innovations Case Discussions, 2007

[Blurring Livelihoods and Lives: The Social Uses of Mobile Phones and Socioeconomic Development](#), MIT Innovations, 2009

[Mobile Banking in the Emerging World](#), New York Times, November 28, 2010

[Making Money Mobile](#)

[A New Idea in Banking for the Poor](#), McKinsey Quarterly, November 2010

Module 3: Market Failures

Session 15

March 13, 2012

Format: Live Case with Guest Speaker, Dave Cook – local serial social entrepreneur & founder

"Slow Money could not be more relevant to our economic situation. We need true, grounded, fundamentally different approaches to investing in our agriculture and in our communities."

– Clifford C. David, Jr, president, Heritage Conservancy

This class contrast the acceleration of M-pesa with the deceleration of Slow Money to draw attention to the fundamental role of social finance models in creating and sustaining social change. Back-to-back these two trends in social finance grapple with the question of pacing our models of investing to the (different) needs of our society. They also reaffirm the role of business as a central partner in community re-building. For students taking the Social Innovation course, this discussion dovetails with the dual systemic problem of overconsumption/obesity and inadequate food sufficiency/safety to suggest how a better alignment between markets and society can address both through social enterprise.

Live Case

London's Farmers Market, Ivey Publishing

The Western Fair Farmers' & Artisans' Market is located in the historic Confederation building on the Western Fairgrounds which started as a place for local merchants to offer their wares in 1927. 28,000 sq ft are dedicated to fresh local food and another 28,000 sq ft that offers many unique items such as birdhouses, concrete animals and other items, paintings, books, antiques, collectables, soaps, tools, baby and children's accessories and clothing, adult clothing etc. The founder is Dave Cook, who lives in the Old East BIA board and is a player in the revival of east London: "I fell in love with east London. I think it's one of the best opportunities out there."

Archive

Slow Money

[Slow Money Entrepreneurs](#)

[The Slow Money Principles](#)

In order to enhance food security, food safety and food access; improve nutrition and health; promote cultural, ecological and economic diversity; and accelerate the transition from an economy based on extraction and consumption to an economy based on preservation and restoration, we do hereby affirm:

- I. We must bring money back down to earth.
- II. There is such a thing as money that is too fast, companies that are too big, finance that is too complex. Therefore, we must slow our money down -- not all of it, of course, but enough to matter.
- III. The 20th Century was the era of Buy Low/Sell High and Wealth Now/Philanthropy Later—what one venture capitalist called “the largest legal accumulation of wealth in history.” The 21st Century will be the era of nurture capital, built around principles of carrying capacity, care of the commons, sense of place and non-violence.
- IV. We must learn to invest as if food, farms and fertility mattered. We must connect investors to the places where they live, creating vital relationships and new sources of capital for small food enterprises.
- V. Let us celebrate the new generation of entrepreneurs, consumers and investors who are showing the way from Making A Killing to Making a Living.
- VI. Paul Newman said, "I just happen to think that in life we need to be a little like the farmer who puts back into the soil what he takes out." Recognizing the wisdom of these words, let us begin rebuilding our economy from the ground up.

Module 4: Market Frontiers

Session 16

March 15, 2012

Format: Mini-lecture; Multimedia Case

Certified B Corporations meet higher standards of social and environmental performance, transparency and accountability. In three years (as of July 2011), there are already more than 425 Certified B Corporations from over 50 industries, representing \$2 billion in collective revenues and \$6.5 billion in capital under management.

The MaRS Centre for Impact Investing in Toronto has a unique partnership with B Lab, acting as the Canadian Certified B Corporation Hub, with the aim of growing the B Corp community in Canada.

In this class we will discuss the recent history of new forms of business designed to address the role of business in society, and give visibility to models that embed and embody social and environmental goals.

Our focus is on B-Corporations. Certified B Corporations 1) meet rigorous standards of social and environmental performance; 2) legally expand their corporate responsibilities to include consideration of stakeholder interests; and 3) build collective voice through the power of the unifying B Corporation brand.

We will first explore the B-corp from the perspective of the B Lab cofounders; then bring to life with short video-cases of famous and new B-corporations (in the next class we will examine Bullfrog power, one of the first certified B-corps in Canada).

Assigned Reading

[B-corp: Firms with Benefits](#), The Economist, January 7, 2012

Video

Ted Talk: [Jay Coen Gilbert, B Lab cofounder](#)

CNN Money: [Bart Houlahan, B Lab Cofounder](#)

Case

B-Lab: Building a New Sector of the Economy, HBS- 411047

The founders of B Lab are on a mission to create a new sector of the economy, and are specifically focused on a three objectives: 1) Building a community of Certified B Corporations (B=Benefit) that legally expand their corporate responsibilities to include consideration of diverse stakeholder interests; 2) Advancing the public policies necessary to create a new corporate form called a Benefit Corporation and 3) Creating an investment rating system to help drive institutional investment to the emerging asset class of "impact investments." The case considers the challenges associated with achieving each of these objectives, let alone all three at the same time. Is B Lab's tri-partite strategy its secret sauce or its albatross?

Optional Resources

Q&A: [Jay Coen Gilbert: Enabling Businesses to Serve a Greater Good](#)

Module 4: Market Frontiers

Session 17

March 20, 2011

Format: Live Case

This class looks at Bullfrog Power, a five-year old company in Canada that supplies 100% clean energy and has played a lead role in marketing the notion of clean energy to Canadian homeowners, businesses and government. Bullfrog Power is among the first to ‘power’ a new form of doing business, the B-corp.

Last year alone, Bullfrog Power was recognized with four achievement awards:

[2011 Sustainability Award](#)—Toronto Board of Trade Business Excellence Awards

[Excellence in Corporate Responsibility](#)—Green Living Enterprise

[Clean16 and Clean50 Awards](#)—Delta Management Group/Corporate Knights

[Small Company of the Year](#)—Ontario Energy Association

Video

[How It Works](#)

Multi-part Case

[Bullfrog Power Inc.](#)

Part I: Bullfrog Power at Five

September 28, 2010 marked the fifth anniversary of the launch of Bullfrog Power. Since 2005, more than 8,000 homes and 1,200 businesses across Canada have signed on for green electricity through Bullfrog Power. Due to this growing support for green power, the organization has been able to expand into five additional provinces—British Columbia, Alberta, Nova Scotia, New Brunswick and Prince Edward Island—since its launch in Ontario in 2005. Businesses across Canada also supporting green electricity include Walmart Canada, TD Bank Financial Group, BMO Financial Group, RBC Financial Group, Ivanhoe Cambridge, Mac’s Convenience Stores Inc., Cadbury and Home Depot. Smaller, local businesses are also signing on to help take action on the environment and demonstrate community leadership. Since its launch, Bullfrog Power has garnered recognition from a number of industry groups for the important role the company and its customer community have played in reshaping the energy landscape. In 2007, in recognition of the impact that bullfrogpowered homes and businesses are having on renewable energy, the Canadian Wind Energy Association awarded Bullfrog Power its highest distinction, the Group Leadership Award. In 2008, Bullfrog Power was proud to accept the Ontario Energy Association’s Leader of the Year award, and in 2009 Bullfrog received imagineCALGARY’s award for leadership in sustainability.

“I am pleased by the achievements the bullfrogpowered community has made over the past five years, and the impact we are having on the energy landscape in Canada,” said Tom Heintzman, President, Bullfrog Power. “But I also know that we’re just getting started. The next five years hold many exciting opportunities for the renewable energy industry and bullfrogpowered homes and businesses.” Over the next five years, Bullfrog will provide a renewable power choice to increasing numbers of Canadians, and continue to enable bullfrogpowered homes and businesses to contribute to the growing amount of renewable energy in the country. The organization also intends to expand its offering and provide Canadians new green energy choices for their homes, businesses and transportation

Part II: [Green Index](#)

Part III: [Bullfrog Power® becomes one of Canada's first Certified B Corporations](#)

On December 14, 2011, Bullfrog Power, Canada's 100 per cent green energy provider, announced that it has received certification as one of Canada's Founding B Corporations by B Lab, a nonprofit organization working to build a community of socially and environmentally conscious businesses. Unlike traditional corporations, Certified B Corporations are legally required to consider the impact of their decisions on their employees, suppliers, community, consumers, and the environment. Founded to use Canadians' energy choices to clean our energy systems, Bullfrog is becoming a B Corp to formally recognize its commitment to Canadians and the environment, and to join a growing group of organizations using the power of business to solve social and environmental problems.

“Bullfrog Power is an example of a rapidly growing part of the economy—the social enterprise,” says Tom Heintzman, President, Bullfrog Power. “By using business strategy to forward social and environment objectives, we hope to—with other B Corps—help bring about meaningful change for society. For us, that change includes a future powered by renewable energy.”

Bullfrog's mission is to provide Canadians with easy and practical 100 per cent renewable energy solutions for their homes, businesses and transportation that empower them to create a sustainable world for future generations. A double bottom line organization, Bullfrog donates 10 per cent of its profits to organizations that support sustainability. Using customer demand to bring new renewable energy projects online, Bullfrog Power also works with various environmental non-governmental organizations, such as WWF-Canada, the David Suzuki Foundation and the Pembina Institute, to increase awareness of clean energy choices in Canada.

Across Canada, Bullfrog Power's green electricity is sourced exclusively from regional wind and hydro facilities that meet—and in most cases exceed—Environment Canada's EcoLogo^M standards for renewable energy. Its green natural gas facilities meet strict environmental standards as defined by ICF International. Furthermore, Bullfrog's products are audited annually to verify that as much green energy has been injected onto the respective energy systems as our customers have used, and that Bullfrog has retired all emissions credits related to customer contracts.

Module 4: Market Frontiers

Session 18

March 22, 2011 (Part I, 1-2 pm – 2B02)

Format: Case & Thought Experiment.

On April 1, 2010, Thorkil Sonne, the founder of Specialisterne posted the following [first person reflection](#):

Ten years ago, my family's life changed when our youngest son, Lars, was diagnosed with autism at the age of 3. He would now face a life in which he would be constantly misunderstood and isolated from society, as it would be difficult for him to interpret what others expected of him. Most likely, Lars would never have a normal working life.

In 2004, I founded Specialisterne, a business that made it possible for those with autism spectrum disorder to excel in a competitive market without having to worry about how to fit in with others' social expectations.

I want to create new possibilities for people with ASD. For too long, the strength, capacity and potential of individuals with ASD have gone unrecognized and underappreciated. By spreading the Specialisterne model around the world and sharing our knowledge with workplaces so that they can better integrate people with ASD, we can get there. We can build a world free of unnecessary barriers, stereotypes and discrimination.

My goal is to create 1,000,000 jobs for people with ASD and other invisible disabilities. We use the phrase "specialist people" to describe those in need of extra support and understanding in a competitive business market.

You might ask yourself whether people with ASD in the United States and Denmark share the same needs, enjoy the same possibilities, and whether the Specialisterne model can work in both countries. Yes, I very much believe it can. We all need new ways of employing people with ASD, and I think the Specialisterne model can succeed anywhere with the right support and commitment.

I have been adopted as a fellow by the global network of social entrepreneurs, Ashoka, and will receive its support to globalize our concept and reach our goal.

It started with one boy, and one diagnosis of autism. Now we are well en route to realizing the goal of 1 million jobs for "specialist people."

Case

Specialisterne: Sense and Detail, HBS 2008-608109

Three-quarters of Specialisterne's expert software testing staff are diagnosed with some form of Autistic Spectrum Disorder (ASD). Usually a handicap, ASD conveys talents especially suited to software testing and other highly repetitive tasks that require very high accuracy. This case describes a growing company struggling with unique challenges as it implements a "social enterprise" business model; it describes the difficulties faced by social entrepreneurs implementing for-profit business models in domains usually populated by non-profits.

Thought Experiment

Entrepreneur Thorkil Sonne on what you can learn from employees with autism, Harvard Business Review 2008 – F0809F

Preparation

1. What groups would you have something important to learn from?
2. How would you go about working with those groups?
3. What would be your own motivation?
4. How would you sustain this motivation?

Module 4: Market Frontiers

Session 19

March 22, 2012 (Part II – 2:10-3:30 pm)

Format: Learning Lab

This class examines how one of the oldest and most reputable social enterprises redefines the frontiers of markets and society, looking for socially and environmentally just businesses that provide employment and build stronger communities across the world.

Preparation

Before you come to class, please review Goodwill's mission and values at <http://www.goodwill.org/about-us/our-mission/>. Then please sample a few of the stories at <http://www.goodwill.org/category/my-story/> (zoom in to stay close to home, zoom out to learn about Goodwill overseas).

Assigned Reading

[The Good Business Model at Goodwill](#), HBR blog October 2011

Multi-part Simulation (in-class)

Goodwill Industries International, Ivey Publishing (forthcoming)

Part I: [History](#) (multimedia presentation)

Goodwill was founded in 1902 in Boston by Rev. Edgar J. Helms, a Methodist minister and early social innovator. Helms collected used household goods and clothing in wealthier areas of the city, then trained and hired those who were poor to mend and repair the used goods. The goods were then resold or were given to the people who repaired them. The system worked, and the Goodwill philosophy of “a hand up, not a hand out” was born. Dr. Helms’ vision set an early course for what today has become a \$3.2 billion nonprofit organization. Helms described Goodwill Industries as an “industrial program as well as a social service enterprise...a provider of employment, training and rehabilitation for people of limited employability, and a source of temporary assistance for individuals whose resources were depleted.” Even with a laudable history and record of accomplishment, Goodwill won’t be satisfied when so many people still need our services. Through our [21st Century Initiative](#), we aim to improve the economic self-sufficiency of 20 million people and their families by 2020. Times have changed, but Helms’ vision remains constant. “We have courage and are unafraid. With the prayerful cooperation of millions of our bag contributors and of our workers, we will press on till the curse of poverty and exploitation is banished from mankind.”

Part II: [The Donate Movement](#)

In 2010, Goodwill launched the **Donate Movement**, a corporate social responsibility platform and public awareness movement that focuses on the positive impact donating has on the people and planet.

Part III: [Reconnect](#)

Goodwill, in addition to being a used clothing and furniture repository and store, is also a place where people can drop off their old electronics. Through a program started in partnership with Dell in 2004 called [Reconnect](#), as of December 2011, more than 2,600 Goodwill locations are participating in the Dell Reconnect partnership, which means more than 70 percent of Goodwills now participate in this program. Participating Goodwill centers allow people to drop off their used computers and related peripherals to be

recycled for free. You can now add Microsoft products like Zunes and Xboxes to the [list of electronic items Goodwill accepts](#). The program offer 1,900 Reconnect Goodwill drop-offs in the U.S. and in early April expanded to include drop-offs in Ontario and Quebec, Canada. The electronics are evaluated by Goodwill employees. Viable electronics are resold, those in need of repair or beyond repair are sent out to be refurbished or broken down and recycled. (more at http://news.cnet.com/8301-11128_3-20003152-54.html)

Part IV: [GoodMoney](#)

GoodMoney is a not-for-profit alternative to payday lending that was introduced in 2005 and is available in all four of Prospera's full-service branches. Prospera Credit Union is a community credit union with five full-service branch locations and approximately 15,000 members throughout the Fox Cities. The mission of Prospera is to help people prosper financially to enhance their quality of life. Headquartered in Appleton and founded in 1934, Prospera Credit Union is open to all people living or working in Brown, Calumet, Outagamie or Winnebago counties. Anyone who has ever worked for R.R. Donnelley, as well as anyone who has ever worked for or attended Fox Valley Technical College or the University of Wisconsin-Fox Valley, is eligible for membership. Additionally, Prospera offers GoodMoney as a turnkey solution to assist other credit unions across the nation in implementing their own GoodMoney not-for-profit payday lending program. To date, four credit unions have signed on to the GoodMoney program – Superior Choice Credit Union in Superior, WI, Delta County Credit Union in Escanaba, MI, Frankenmuth Credit Union of Frankenmuth, MI and Tri-Rivers Federal Credit Union of Montgomery, AL. Many others are conducting their due diligence before signing on to the program. [Click for more information on the turnkey solution](#).

Video (in class)

[For Once in My Life](#)

For Once In My Life is a documentary that celebrates the greatness living within each of us, and the music that brings us all together. The 29 members of the Spirit of Goodwill Band face varying mental and physical abilities, such as Autism, Down Syndrome, and blindness. Music is their shared joy—it transcends age, gender, race, physical and mental abilities, and socio-economics.

For Once in My Life focuses on the 12-weeks leading up to the band's performance at the 2008 U.S. Mayor's Convention, held at the Adrienne Arsht Performing Arts Center in Miami, where Miami Mayor Manny Diaz invited the Spirit of Goodwill Band to be key performers at the convention, for an audience of over 1000 people, made up of Mayors from 440 U.S. cities, their families and the city's special guests.

The bandmembers face the challenges shared by all performers—individually learning to play and sing new music, while coming together as a band. And as with all performers, they struggle individually and as a group as they prepare for this one key performance. They also face family members who didn't always embrace their differences, and the support and heartbreak that brought them to where they are today:

- Terry, the blind lead singer and saxophone player, who never fully recovered after being dropped when he was only 14-months old is one of the most inspiring, positive individuals you'll meet.
- Christian, who has autism and is blind, is a genius pianist—a virtuoso performer.
- Nancy is a soprano who is runs her own household. She is the main caregiver of, and breadwinner for, her two older siblings who, like Nancy, have different mental abilities.
- Sam, the drummer, did not thrive in his mother's womb, as she tried to conceal her pregnancy. His aunt raised him, and helped him develop beyond the mental and physical issues he struggled with as a child. The band has helped him to grow socially. He's recently proposed to one of the vocalists, Patricia, and together they have dreams of a life together and having a family.

The stories of the other bandmembers are steeped in heartaches and triumphs, made stronger by the families and friends, and the Spirit of Goodwill Band, which have become their greatest champions and adoring fans.

Module 4: Market Frontiers

Session 20

March 27, 2011

Format: Learning Lab with Guest Speaker (Ivey 2011 HBA & Café Xaragua Founder & CEO, Robert Lehnert)

Robert will give an interactive presentation from 1 to 2 pm in 2B02; there may be some duplication between his presentation and the analysis of the multi-part case, but you are encouraged to attend both.

The last class celebrates a home-grown success story: Rob Lehnert has been ‘in your shoes’ a year ago. This final case which he wrote based on his first-hand experience, using materials pieced together during and after the course, retraces his steps through the milestones you have learned about in the social enterprise class, in four acts.

First, his own awakening as social entrepreneur.

Second his business (re)modelling of what the social enterprise should or could be all about.

Third, the identification of market failures and voids and the design of effective innovations to fill these voids.

Fourth and most important, as the final case in the course, Rob will help you push through one of the most recent frontiers: stretching our sense of time long enough to see social change take root and rebuild society.

Robert Lehnert

Chief Executive Officer

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Video

[CBC Newsmaker, January 4, 2012](#)

Assigned Reading

[HBR's list of Audacious Ideas for Solving the World's Problems](#), HBR January-February 2012.

Multi-part case

Café Xaragua: Rebuilding Haiti Coffee Tree at a Time, Ivey Publishing (forthcoming)

Video

[Haiti devastated by massive earthquake](#), BBC World News, January 13, 2010

A massive 7.0-magnitude earthquake has struck the Caribbean nation of Haiti. Haiti's worst quake in two centuries hit south of the capital Port-au-Prince on Tuesday, wrecking the presidential palace, UN HQ and other buildings. The Red Cross says up to three million people have been affected. Describing the earthquake as a "catastrophe", Haiti's envoy to the US said the cost of the damage could run into billions.

Optional Resources

[Café Society](#) (Kenya)

[Faces of Social Entrepreneurship](#), New York Times