

# University 161: Social Entrepreneurship

308 Rand Hall • Tuesday/Thursday 01:10-02:25 pm • <http://majorsmatter.net/univ>

Professor Paul Speer  
Human & Org Development – 206B Mayborn Hall  
Office hrs: M 1:30-2:30; T 8:30-9:30

Professor Richard Pitt  
Sociology - 315 Garland Hall  
Office Hrs: R 8:00-9:00

*“Social entrepreneurs are not content just to give a fish or teach how to fish. They will not rest until they have revolutionized the fishing industry”* Bill Drayton, Ashoka Changemakers

*“If you are successful, it is because somewhere, sometime, someone gave you a life or an idea that started you in the right direction. Remember also that you are indebted to life until you help some less fortunate person, just as you were helped.”* Melinda Gates, Bill & Melinda Gates Foundation

**COURSE DESCRIPTION.** Broadly, entrepreneurship is a process of recognizing an opportunity to create new goods or services (or ways to deliver them) and then acting on this recognition. We tend to think of entrepreneurs only as individuals or groups who create “firms”, that is, organizations whose primary goal is to create wealth. Social entrepreneurship, on the other hand, is new venture creation designed to advance a social mission rather than to generate profit for oneself or their shareholders. What makes these enterprises different from the many important public-benefit student organizations common to college campuses is their mission to have large-scale, meaningful, sustainable social impact that is also economically viable. This course aims to help nascent undergraduate social entrepreneurs consider both the opportunities and the challenges presented by this emerging form of collective social action.

Upon completion of the course, students should be able to do the following:

1. Understand the concept of social entrepreneurship and be able to analyze multiple theories of social entrepreneurship and their historical antecedents.
2. Evaluate how scholars and practitioners define the role and characteristics of the social entrepreneur and social entrepreneurial organizations
3. Discuss key issues regarding the emergence and the management of both non-profit and for-profit social enterprise organizations.
4. Assess the importance of scale and sustainability of socially entrepreneurial organizations, especially relative to the work of social service providers and social movement organizations.
5. Describe a variety of approaches and methods for measuring the impact of social entrepreneurship organizations.

**TEXTS.** The main texts for this course are as follows: Bornstein and Davis *Social Entrepreneurship: What Everyone Needs To Know* and Brooks’ *Social Entrepreneurship: A Modern Approach to Social Value Creation*. The books are available in the bookstore. Unless otherwise marked, all of the readings listed in the syllabus are from these texts. There are additional readings online. To access them, go to the course webpage and click on the paidia memo link. You will need Adobe Acrobat to read/print the articles. These readings will be marked in the syllabus with a superscript “R”.

**REQUIREMENTS AND GRADING.** Your grade in this class is based on your performance on the following forms of evaluation. Every assignment will be graded based on our subjective judgment; we will not, Not, NOT quibble with you over points. Your continued enrollment means that you understand and accept this grading policy. Unless otherwise noted, all assignments should be single-spaced, 1" margins, in Times or Times New Roman font, and have no more than a one line header with your name, the date, and the assignment. Do not use paragraph breaks; indent to start new paragraphs.

|                                  |                                  |                                  |                                  |
|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                                  | <b>B+</b> = 348-359 points (87%) | <b>C+</b> = 308-319 points (77%) | <b>D+</b> = 268-279 points (67%) |
| <b>A</b> = 376-400 points (94%)  | <b>B</b> = 332-347 points (83%)  | <b>C</b> = 292-307 points (73%)  | <b>D</b> = 252-267 points (63%)  |
| <b>A-</b> = 360-375 points (90%) | <b>B-</b> = 320-331 points (80%) | <b>C-</b> = 280-291 points (70%) | <b>D-</b> = 240-251 points (60%) |

**A) Engage The Material:** As much of the learning taking place in this class will happen during the two and a half hours we have together each week, I take attendance very seriously. We will, therefore, take roll in each class session within the first five minutes of class. Each of you is allowed two (2) absences this semester. No other absences—whatever the reason, excuse, or emergency—will be accepted. If you miss class beyond those two absences, your grade in the class will drop 50 points automatically for each additional absence.

**B) Explain The Material (100 points):** Every class session, two or more students will be given formal responsibility for bringing a summary of that day's readings and two questions that can prompt discussion. The memos should be no more than two pages in length, formatted with 1 inch margins and single-spaced with an 11 point Times font. These memos will summarize the main argument, point out central issues and concepts in the text, present 2 key quotes, and offer two questions or critiques that can serve as points of discussion. We would like to post copies of the memo for your classmates, so a copy of your memo is due to us *as an email attachment in ".doc" or ".rtf" format* by noon the day before we cover the readings. This is an individual assignment; each student assigned on any given day must provide their own memo. You will be expected to write one memo this semester for 100 points.

**C) Evaluate The Material (100 points):** In order to explore how well theoretical arguments and empirical evidence fit the practice of social entrepreneurship, trios of students will select an existing social enterprise and evaluate it on a number of factors discussed in the course, including the personal characteristics of the entrepreneur, the value proposition of the venture, its social impact model, and suitability of its scale. This evaluation will take the form of a report directed at the social enterprise's Board of Directors and should be no more than 6 pages where the first two pages provide a research-based introduction to the social problem the entrepreneur aims at impacting. The rest of the report will evaluate the enterprise itself. The grade will be shared. Each student will be evaluated by the other students in the trio, an evaluation that will determine how the group grade is applied to the individual group members.

**D) Employ The Material (200 points):** Groups of 4-5 students will develop a proposal for a social enterprise in three stages. First, students will draft a problem statement describing a problem in their chosen sector. They will then record a 5-minute **video pitch** suggesting a solution to this problem. Finally, they will design a written business plan for a social enterprise that might create a sustainable, self-funding (i.e., non-donor based) solution to the problem. We will grade the papers (100 pts); a team of outside reviewers will grade the presentations and Q&A (100 pts). The paper is due on the last day of class. We will watch the presentations on the day set aside for the course final examination; teams should come prepared to answer questions. The grade will be shared. Each student will be evaluated by the other students in the trio, an evaluation that will determine how the group grade is applied to the individual group members.

# DUE DATES AND GRADING RUBRICS

*Social Enterprise Evaluation: TBD*  
*Social Enterprise Proposal Draft: TBD*  
*Social Enterprise Proposal Final: April 19*  
*Social Enterprise Proposal Conference: Finals Week*

## *How Memos Will Be Graded*

### OTHER IMPORTANT THOUGHTS

**Academic Excuses:** With the astonishing incidence of sickness and death that invariably occurs just around due dates, our policy is to let you know in advance that anything turned in late will lose 10 points for every day it is late. The first 10 points are lost when the assignment is due. We **will not respond** to emails requesting extensions. It would be a mistake for you to wait until the weekend before things are due to begin working on them. In our experience, ANYTHING can and often does go wrong.

**“Academic” Technology:** The use of portable electronic devices, including laptop computers, is disallowed except for the very limited case of consulting a course reading. Emailing, texting, and web browsing are never appropriate. Devices should be completely silenced (not set to vibrate).

**Academic Etiquette:** As a sign of respect to your fellow classmates, please avoid walking in late or leaving early. Respect the views and opinions of others. Avoid talking when others are making a point. You will have your chance. Don't read the paper, talk to your friends, etc. during class. **DO NOT LEAVE CLASS UNTIL CLASS HAS ENDED!** Not only are those things disrespectful and disruptive to your classmates, our guests, and your professors, but they also limit your ability to understand the material.

**Academic Integrity:** Vanderbilt's Honor Code governs all work in this course. Any Honor Code violation will be taken up with the Honor Council and it is your responsibility to familiarize yourself with the provisions of the Code. If you have any doubts about applications of the Honor Code, please ask us and/or consult the Honor Council's web page. Uncertainty about the application of the Honor Code does not excuse a violation. Plagiarism is easily detected and **WILL NOT** be tolerated. If we suspect that plagiarism has taken place, we will report you to the Honor Council and you will receive no credit for the assignment until a hearing with them is concluded.

# Curriculum Units

## *Week 1 (Jan09/Jan11): Introduction To Social Entrepreneurship*

Readings: TUESDAY Bornstein and Davis 1-41 “Social Entrepreneurship”  
THURSDAY Matthias “Entrepreneurship as a Non-Profit-Seeking Activity”  
Guest: None

## *Week 2 (Jan16/Jan18): The Business of Change*

Readings: TUESDAY Bornstein and Davis 75-114 “Social Entrepreneurship”  
THURSDAY Porter and Kramer “Competitive Advantage of Corporate Philanthropy”  
Guest: None

## *Week 3 (Jan23/Jan25): Social Entrepreneurs – Human and Cultural Capital*

Readings: TUESDAY Chell “Review of Skill and the Entrepreneurial Process”  
THURSDAY Hartog et al “If You Are So Smart, Why Aren’t You an Entrepreneur?”  
Guest: None

## *Week 4 (Jan30/Feb01): Social Entrepreneurs – Social Capital and Networking*

Readings: TUESDAY Elfring and Hulsink “Networking by Entrepreneurs”  
THURSDAY Ruef et al “The Structure of Founding Teams”  
Guest: None

## *Week 5 (Feb06/Feb08): Opportunity: Recognition and Identification*

Readings: TUESDAY Brooks, Chapter 2 “Ideas and Opportunities”  
THURSDAY Eyring, Johnson, and Nair “New Business Models in Emerging Markets”  
Guest: TBD

## *Week 6 (Feb13/Feb15): Opportunity: Measuring Social Value*

Readings: TUESDAY Brooks Chapter 5 “Measuring Social Value”  
THURSDAY Karnani “Microfinance Misses Its Mark”  
Guest: TBD

## *Week 7 (Feb20/Feb22): Framing and Measuring Performance*

Readings: TUESDAY Brooks Chapter 3: Developing the Social Enterprise Concepts  
THURSDAY Christensen et al “Disruptive Innovation for Social Change”  
Guest: TBD

## *Week 8 (Feb27/Mar01): Positioning for Social and Strategic Advantage*

Readings: TUESDAY Dart “Being ‘Business-Like’ In A Nonprofit Organization”  
THURSDAY Lovins et al “A Roadmap for Natural Capitalism”  
Guest: TBD

**Week 9 ((Mar06/Mar08)**  
**SPRING BREAK • NO CLASS • SPRING BREAK**

**Week 10 (Mar13/Mar15): Resource Mobilization: Human Resources**

**Readings:** TUESDAY Bornstein and Davis 48-60 “Social Entrepreneurship”  
THURSDAY Cook “The Contribution Revolution”  
**Guest:** TBD

**Week 11 (Mar20/Mar22): Resource Mobilization: Attracting Social Impact Money**

**Readings:** TUESDAY Brooks Chapter 7 “Donations and Government Grants”  
THURSDAY Dees & Dolby “Sources of Financing for New Nonprofit Ventures”  
**Guest:** TBD

**Week 12 (Mar27/Mar29): Resource Mobilization: Earned Income and Sustainability**

**Readings:** TUESDAY Brooks Chapter 6 “Earned Income”  
THURSDAY Marquis and Park “Inside The Buy-One, Give-One Model”  
**Guest:** TBD

**Week 13 (Apr03/Apr05)**  
**NO CLASS • WORK ON PROJECTS**

**Week 14 (Apr10/Apr12): Opportunities and Problems of Going To Scale**

**Readings:** TUESDAY Bornstein and David 61-74 “Social Entrepreneurship”  
THURSDAY Dees, Anderson, and Wei-skillern “Scaling Social Impact”  
**Guest:** TBD

**Week 15 (Apr17/Apr19): Marketing in Social Ventures**

**Readings:** TUESDAY Brooks Chapter 8 “Entrepreneurial Fundraising & Marketing”  
THURSDAY Westley and Antadze “Strategies for Scaling Social Innovation”  
**Guest:** TBD

**BUSINESS PLAN PRESENTATIONS**

# SOCIAL ENTERPRISE EVALUATION ASSIGNMENT

*DUE BY 5PM ON FEBRUARY 23rd IN DR. PITT'S MAILBOX (201 GARLAND)*

One of the five specified learning goals of this course is for you to develop the ability to evaluate social enterprises. Studying practical cases will lead you to a well-rounded understanding of social entrepreneurship. This assignment will allow you and your groupmates to explore and apply much of the knowledge you have gained thus far by determining how well theoretical arguments and empirical evidence fit with the practice of social entrepreneurship. For this assignment, you will collaborate with two other students to select an existing social enterprise and evaluate it on a number of factors discussed over the duration of this course. If you need help coming up with a social enterprise, examples are listed on the course webpage under “links” and throughout the Brooks textbook.

Your social enterprise evaluation will take the form of a formal report directed at a given social enterprise’s Board of Directors. The document you turn in should be no more than six pages. The paper should be single-spaced, have one-inch margins, and have page numbers in the footer. The font should be Times or Times New Roman and nothing bigger than 12 point. The first two pages will provide a research-based introduction to the social problem the entrepreneur aims to address. The rest of the report will evaluate the enterprise itself and will appraise the enterprise’s solution to a given social problem, its source(s) of income, its overall business model, personal characteristics of the entrepreneur(s), the value proposition of the venture, and its social impact model.

Each member of the group will submit an evaluation for each of the other group members. That percentage will then determine individual grades. For example, if the group receives 90 points total, and one of you receives an 86% peer evaluation, that person’s credit for the project will be 86% of 90 points. That person’s grade on the project will be a “77.” Grades will be shared. This approach provides you with protection against team members who wish to receive a good grade without doing any work.

**What will we expect from the papers and how will they be graded?** The paper is worth 100 points. The grading scheme is as follows:

**30 points Research-Based Introduction:** In two pages or less, introduce the reader to the enterprise as well as the specific social problem(s) your social enterprise aims to address. The introduction should briefly (two paragraphs?) describe the social enterprise. In other words, when and why was it founded? How was it developed? Who runs it? Where is it located? These questions should get you started. You do not need to answer all of them.

Most importantly, the introduction should underscore the importance/severity of the social problem in question. In other words, why has your enterprise chosen to address a given social problem? This will require you and your groupmates to know or to learn something about the social problem and its causes/consequences. This section may require you to consult academic sources (which should be cited in the bibliography).

**60 points Evaluation:** The rest of the report will evaluate the enterprise and its solution to a social problem. To conduct a critical appraisal of your social enterprise, consider its source(s)

of income, its overall business model, personal characteristics of its entrepreneur(s), the value proposition of the venture, its social impact model, and the suitability of its scale. Consider whether the social enterprise communicates its social vision and mission well. How does the social enterprise develop and maintain relationships with internal and external stakeholders? What is its organizational structure? How does the social enterprise measure its social impact? What strategies does it pursue to cope with current challenges? *See list below for more possible facets on which to evaluate it; similar facets will be important for your own enterprise-development project.*

While evaluating your enterprise, determine how well theoretical arguments and empirical evidence fit with the practice of social entrepreneurship. Since you have already read a host of articles and chapters on social entrepreneurship, *include at least five citations* that connect your evaluation of the enterprise to academic research. Remember that you have read about non-profit seeking activity, corporate philanthropy, and social enterprises as hybrid organizations.

**10 points Mechanics:** Proofread your paper to ensure it is free of spelling, typographical, and grammatical errors. Cite sources correctly cited throughout the paper and in the bibliography. Use APA documentation style for citations. We will take off 1/4 a point for every error.

## ADDITIONAL POINTS TO CONSIDER

**NEED:** *Is the original mission of the enterprise still relevant? Do its current practices match the scale of the problem? How does this enterprise's solutions fit in with the norms in its field? How does it challenge (stand out from) these norms? What would success look like to YOU as an evaluator?*

**SPECIES OF CAPITAL:** *What particular human capital did the founders bring to the table when developing their enterprise? Are there "psychological attributes" that seemed especially important in this enterprise's development? What about cultural capital (embodied, objectified, institutionalized) traits that may have benefitted them? What role did social capital and networking play in the enterprise's development? Are there ways that networks seem key to their continued success? Who in the networks (what players) seem most important to success?*

**AFFECTED POPULATION:** *What are the sociodemographic characteristics (age, gender, income, occupation, education, homogeneity or diversity) of these people? Are there important geographic characteristics (region, physical infrastructure, urbanicity/rurality, environmental factors causing or affected by the problem to be solved)? What cultural characteristics—traditions and norms especially—affect the way the targeted population thinks about the problem or reacts to solutions?*

**DELIVERING SOLUTIONS:** *What systems do/did the entrepreneurs put in place that enable them to deliver their solution effectively, both in the early stages and in sustainable ways? Do they have a clear marketing plan? Did you hear about them prior to this assignment? If so, how'd they reach you? What human resources do they use—beyond the founders—to build the organization?*

**MEASURING SOCIAL IMPACT:** *What are their performance indicators? Is it clear that they have a metric for success, both in terms of processes and outcomes? In class, Dr. Pitt briefly mentioned "manifest" functions and "latent" functions: what are the manifest (direct) and latent (indirect) benefits/outcomes for this enterprise?*