

PUBPOL 555 A
SOCIAL ENTERPRISE: New Models for Mission Based Business

University of Washington – Evans School

Spring 2018

Credits 4

Monday's 2:30 to 5:20 pm meets in Parrington Hall, TBD

Instructor: Dr. Akhtar Badshah

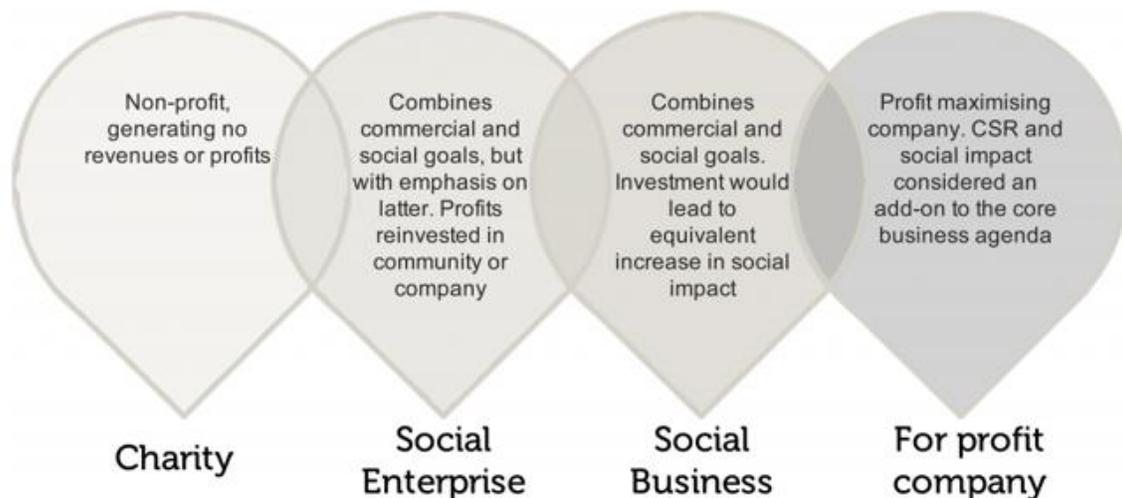
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Office Hours: By Appointment (I'm also available before/after each class)

COURSE DESCRIPTION

This course will offer students an understanding of the changing landscape for social investments and the tools to become an effective social entrepreneur or practitioner working in the social enterprise and mission-based business space. A social enterprise is an organization that applies commercial strategies to maximize improvements in human and environmental well-being—this may include maximizing social impact alongside profits for external shareholders. Over the next decade it is expected that funds supporting social enterprises and social businesses will continue to grow and major financial institutions such as BlackRock, Goldman and JP Morgan have all established impact investment funds.



This class will focus on Social Enterprise and Social Business. Through lectures, discussion and practical projects this 9-week course will engage students to explore concepts such as: Ethics of Development; New Funding Models and Investor Expectations; Innovation and Scalability; and Importance of Policy.

COURSE OVERVIEW

This seminar course will offer students an understanding of the changing landscape for social investment and the tools to become an effective social entrepreneur or practitioner working in the social enterprise and mission-based business space. Through lectures, discussion and practical projects this course will engage students to explore concepts such as:

- Ethics of Development

- New Funding Models and Investor Expectations
- Innovation and Scalability
- Importance of Policy

Over the last several years, there has been a significant shift in how we undertake social impact and philanthropic efforts. The Institute for the Future refers to this shift as the “Second Curve Philanthropy,” which includes the following changes which we will learn more about and address in this class.

- A new generation of funders are creating different opportunities for social investments, including new instruments for investments which go beyond traditional grant-making to impact investment funds, mission or program related funds, etc., creating new opportunities and challenges on how investors expect return on investment and social impact. There is an increasing coming together between ROI (return on investment) and SROI (social return on investment).
- As the dialogue around more risk-taking and doing no harm is increasing and the use of different funding instruments is gaining traction, new ways of measuring impact and outcome are being introduced, making it critical for us to (re)consider how we take risk, scale projects and determine impact.
- The rampant growth and dominance of technology is impacting how we design development projects, make social investments, collect data and report results. There is an evolving intersection of technology, creativity and social impact, which is paving the way for project design and implementation that is much more appropriate and effective.
- As policy continues to integrate with technology and society, it becomes imperative to establish a deeper understanding of its role in order to design innovative solutions and effectively scale projects to accelerate social transformation and maximize impact.

The course is divided into three broad components:

1. *Discussing the Evolving Theory of Change* and understanding the new models of investments; expectations on ROI/SROI; impact of technology on society; and the role of scale and policy will be discussed and debated.
2. *Learning from Practitioners* – this course will get you to work directly with several groups in the Seattle area that are practicing within the mission-based enterprise space they include: Gates Foundation, Global Good, Vulcan, Fare Start, Win-Win.com, Capria among others. Students will work in teams and select one of the above to evaluate the approach and develop a specific case-study.
3. *Functioning Effectively* - the class will also will involve learning how to most effectively function as a social entrepreneur or work in the field of mission-based enterprise and learn new tools to functions effectively in the broader social impact space. This class will be useful to students who want to work in the social enterprise and social investment space or for those that want to understand that space so they can be effective in nonprofit and public policy sector.

Through this class you will get a set of conceptual tools to navigate through the often contradictory and ambiguous mass of information about mission-based businesses and their impact; a clear understanding of how to evaluate and interpret the effects of economic, financial, cultural, political, and social factors on mission-based efforts; and a deeper understanding of the most current research on innovation and social entrepreneurship.

This class is an immersive experience bringing together students, local social impact innovators, and organizations that are futuristic in their thinking and are method-driven change makers to co-learn, connect, and create human centered change.

LEARNING OBJECTIVES

In this class students will learn what social enterprise is, who is doing it, how it is being used and the role of different actors in the success of this emerging sector. Students will gain a set of conceptual tools to navigate through the often contradictory and ambiguous information about social enterprise and impact. A set of criteria for evaluating which financial investment model will have the most effective social impact and provide returns on investments. A clear understanding of how to evaluate and interpret the effects of economic, financial, cultural, political, and social factors on social impact efforts. A greater understanding of the best and most current research on innovation and social entrepreneurship. And a deeper appreciation of the role, ethics and policy play in the overall success of a social enterprise.

COURSE REQUIREMENTS

1. **Readings:** The course will integrate readings from a variety of social science disciplines. Students are expected to do all the readings prior to the class and be prepared to discuss. Required readings are below and other readings will be posted (especially current articles) as the class progresses.
2. **Class Participation – 20%:** We will have several in class cases and exercises applying the ideas and arguments in the readings and through the class presentations by me or a visitor. We will have guest speakers in most classes. Come prepared with the readings and to ask questions and engage with the guest speakers.
3. **Individual Memo 1 – 20%:** “The Second Curve Philanthropy and the Changing Landscape for Social Investments”. A 1,000-word paper analyzing the Institute for the Futures work on second curve philanthropy and 4 trends we will discuss in class will be expected. Paper due end of class April 13 EOD.
4. **Individual Memo 2 – 20%:** “The Changing Landscape of Mission Based Enterprises”. A 1,000-word paper analyzing the various approaches to creating mission-based business and funding models. The paper could be a survey of the various models discussed in class, research that you will undertake on other approaches, or an analysis of one of the approaches that was presented in class or what you may discover in your research. Paper due end of term.
5. **Team Project and Presentation – 40%:** Students will be divided into teams. Each team will select one of the cases – Gates Foundation (Financial Services for the Poor), Global Good, Vulcan, Fare Start, and Population Health. Student teams will analyze their model and provide insights on how they might grow their work. Specific case will be provided by each company/organization. Students will get the opportunity to work with the principals and then design their overall case-study. Presentation May 21.

READINGS

There will be several required readings for this class.

1. There are several books on mission-based business and social enterprise. Students will be required to select one book from below and read it to discuss in class. This way through class discussion we can get an understanding of what different authors are saying on the subject. Pick one book to read:
 - Roger Martin and Sally Osberg -- [Getting-Beyond-Better-Social-Entrepreneurship](#)
 - John Elkington and Pamela Hartigan -- The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World
 - [David Bornstein](#) – How to Change the World: Social Entrepreneurs and the Power of New Ideas
 - Muhammad Yunus – The World of Three Zeros, www.worldofthreezeros.com
 - Paul Shoemaker – Can't Not Do – The Compelling Social Drive That Changes our World - https://www.amazon.com/Cant-Not-Do-Compelling-Changes/dp/1119131596/ref=sr_1_1?ie=UTF8&qid=1429810416&sr=8-1&keywords=can't+not+do+and+shoemaker
2. There are also several articles that students will be required to read and discuss in class during the student discussion time:
 - <http://www.forbes.com/sites/eshachhabra/2014/06/04/impact-investing-not-just-for-billionaires/#2d70fa2e6cb6>
 - Anthony Levine and Jed Emerson -- https://ssir.org/book_reviews/entry/impact_investing_antony_levine_jed_emerson
 - Pamela Hartigan -- http://www.huffingtonpost.com/pamela-hartigan/putting-the-venture-back- b_3345365.html
 - Pamela Hartigan -- <http://oxfamblogs.org/fp2p/why-social-entrepreneurship-has-become-a-distraction-its-mainstream-capitalism-that-needs-to-change/>
 - <http://www.causeartist.com/causeartist-presents-the-social-entrepreneurs-to-watch-for-in-2017/>
 - <http://www.economist.com/news/business/21715695-its-biggest-challenge-may-well-be-financial-bridge-international-academies-gets-high-marks?frsc=dg%7Cd>
 - https://ssir.org/book_reviews/entry/innovation_and_scaling_for_impact_how_effective_social_enterprises_do_it#
 - https://ssir.org/articles/entry/moving_toward_a_better_future_for_measurement
3. There are also required readings for each class. The links to the readings are embedded in the class schedule below.

ASSIGNMENTS AND GRADES

Your final grade for this course depends on:

Writing Analytical Memos on topics discussed in class – 40%

Team Case Study Presentation on one of the projects you will select and study – 40%

Class Participation and Discussion – 20%

ACADEMIC INTEGRITY

As a student in this course, you acknowledge that you are a member of a learning community in the Evans School of Public Affairs that is committed to the highest academic standards. As a member of this community, you agree to uphold the fundamental standards of honesty, respect and integrity, and you accept the responsibility to encourage others to adhere to these standards. If you are uncertain about whether a particular action constitutes academic misconduct, please ask me or the teaching assistant for guidance *before* an assignment is due. You must write your own memos, not copy or paraphrase memos others have written. Plagiarized memos will receive a grade of 0. Group projects must also be original work done by the group. Please review the Evans School student handbook pages 28-30 for detailed guidelines on academic integrity.

STATEMENT ON DISABILITIES

The university will provide reasonable accommodation of academically qualified students with disabilities so those students can participate fully in the university's educational programs and activities. Any student requesting academic accommodation based on a disability is required to register with Disability Resources for Students (DRS). You can apply at this website: depts.washington.edu/uwdrs/ Please inform me of your accommodation so that I can prepare adequate resources for you.

ATTENDANCE POLICY

Attendance in all class sessions is mandatory. If you miss a session due to illness, please inform the instructor as soon as possible and we will agree upon any makeup needed. If you need to miss a class for professional reasons/travel, you must inform the instructor via email in advance, and must complete a two-page (single spaced) analytic reflection paper that discusses the case and the readings for that week.

GRADING POLICY

We will follow the Evans School guidelines for grading students work as outlined in the student handbook on pages 26-27. Assignments will be reviewed and graded by both the TA and the instructor. Any questions about assignment grading should be taken up with the instructor.

COURSE SCHEDULE

Week 1, March 26: Prof Akhtar Badshah

Course Overview and Expectations

Intro: Changing Dynamics of Social Investments and Mission Based Business

Read:

- <http://www.schwabfound.org/content/what-social-entrepreneur>

- Pages 9-21 (i.e. pages 14-26 of the PDF version) of *Entrepreneurship and Government: A New Breed of Entrepreneurs Developing Solutions to Social Problems* – Andrew M. Wolk. – <http://community-wealth.org/sites/clone.community-wealth.org/files/downloads/report-wolk.pdf>
- https://ssir.org/articles/entry/second_curve_philanthropy
- http://www.iftf.org/fileadmin/user_upload/downloads/ourwork/IFTF_FutureOfPhilanthropy_Map.pdf
- http://www.csrwire.com/press_releases/20713-How-to-Change-the-World-Social-Entrepreneurs-and-The-Power-of-New-Ideas-by-David-Bornstein-Part-2
- <https://hbr.org/2017/09/audacious-philanthropy>

Class Discussion – How has Social Entrepreneurship and Mission Based Business evolved – Second Curve Philanthropy

Week 2, April 2: Human Centered Design

This class will focus on how design thinking is changing the way we solve societal problems. In 2009, IDEO designed and launched the *HCD Toolkit*, a first-of-its-kind book that laid out how and why human-centered design can impact the social sector. Jason Rissman of IDEO will be in class to take us through the process of and how it is being applied to create new effective solutions to societal problems. We will have a short interactive design exercise.

Guest Speaker: Jason Rissman, IDEO <https://www.linkedin.com/in/jasonrissman/>

Readings:

Please download the HCD kit from IDEO. <https://www.ideo.com/post/design-kit>

Week 3, April 9: New Models for Social Impact Investments

This class will focus on new models of social impact investments. A new generation of funders are creating different opportunities for social investments, including new instruments for investments which go beyond traditional grant-making to impact investment funds, mission or program related funds, etc., creating new opportunities and challenges on how investors expect return on investment and social impact. There is an increasing coming together between ROI (return on investment) and SROI (social return on investment).

Guest Speaker: Pamela Alford, CFO, Chan-Zuckerberg Initiative. TBC

Readings:

- <https://www.bloomberg.com/news/articles/2017-01-23/chan-zuckerberg-initiative-makes-its-first-acquisition-meta>
- <http://fortune.com/2015/12/02/zuckerberg-charity/>
- http://www.huffingtonpost.com/entry/can-millennials-crowdfunding-and-impact-investing_us_58c2bd6de4b070e55af9ede1?platform=hootsuite
- http://www.huffingtonpost.com/entry/can-millennials-crowdfunding-and-impact-investing_us_58c2bd6de4b070e55af9ede1?platform=hootsuite
- http://effectivephilanthropy.org/wp-content/uploads/2017/03/CEP-A-Date-Certain.pdf?utm_campaign=A%20Date%20Certain%3A%20Lessons%20from%20Limited%20Life%20Foundations&utm_source=hs_automation&utm_medium=email&utm_content=46698075&hsenc=

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Week 4, April 16, Impact Investing

What is Impact Investing and how does it align with modern portfolio theory and with the increasing need for resources by nonprofit organizations as well as the increasing demand for capital by social enterprises that seek to earn revenue and solve social and /or environmental challenges simultaneously?

Guest Speaker: Possible from Omidyar Network

Read:

- Short Guide to Impact Investing, Case Foundation: <http://casefoundation.org/wp-content/uploads/2014/11/ShortGuideToImpactInvesting-2014.pdf>
- Impact Investing: Purpose Driven Finance Finds its Place in India: <file:///C:/Users/Akhta/Documents/AB%20Surface%20Pro%20Back%20Up%20Feb%202018/PUBPOL%20555%20Social%20Enterprise%20Spring%202018/Impact%20Investing%20Purpose%20Driven%20Finance%20in%20India.pdf>
- https://ssir.org/articles/entry/unpacking_the_impact_in_impact_investing#

Week 5, April 23: Rethinking the Traditional Approach to Impact Measurement

As the dialogue around more risk-taking and doing no harm is increasing and the use of different funding instruments is gaining traction, new ways of measuring impact and outcome are being introduced, making it critical for us to (re)consider how we take risk, scale projects and determine impact. In this class we will discuss some of these issues and hear from practitioners as to how they think about impact measurement.

Guest Speaker -- Wendy Chamberlin Gates Foundation, New Models for Financial Inclusion for the Poor, TBC

Read:

- https://ssir.org/articles/entry/across_the_returns_continuum#
- <http://www.globalpartnerships.org/>
- <http://effectivephilanthropy.org/lessons-learned-journey-impact-investing/>
- <http://www.economist.com/news/briefing/21632441-worlds-poor-need-stability-and-security-banks-have-traditionally-offered>
- <http://www.wsj.com/articles/mobile-banking-gives-a-big-boost-to-kenyas-poor-1484324293>
- <http://www.worldbank.org/en/topic/financialinclusion/overview>
- <http://www.cgap.org/sites/default/files/FocusNote-Financial-Inclusion-and-Development-April-2014.pdf>

Week 6, April 30: Impact of Transformational Technology on Social Challenges

The rampant growth and dominance of technology is impacting how we design development projects, make social investments, collect data and report results. There is an evolving intersection of technology,

creativity and social impact, which is paving the way for project design and implementation that is much more appropriate and effective.

Guest Speaker: Paul Keating, Vulcan

Read:

- The Future Computed: https://msblob.blob.core.windows.net/ncmedia/2018/02/The-Future-Computed_2.8.18.pdf
- Using Block Chain for Development: https://www.swissinfo.ch/eng/business/blockchain-for-good_charities-and-ngos-trial-new-technology-to-enhance-performance/43907904
- <https://blogs.microsoft.com/blog/2018/01/22/partnering-for-a-path-to-digital-identity/>

Week 7, May 7 Innovation and Business Models for Social Change

Guest Speaker: Marie Connett and Mark Newell, Global Good, TBC

Read:

Week 8, May 14: Mission Based Enterprises – Spawning Salmon rather than creating Whales

As policy continues to integrate with technology and society, it becomes imperative to establish a deeper understanding of its role to design innovative solutions and effectively scale projects to accelerate social transformation and maximize impact. In this class we look at different examples of how scale and policy intersect.

Guest Speaker: Fare Start a local social enterprise

Read:

Week 9, May 21: Case Study Presentations

Week 10, May 28: Memorial Day No Class