

PRINCIPLES AND PRACTICES OF SOCIAL ENTREPRENEURSHIP

SPEA V559

Tuesdays, Thursdays 5:30 p.m. – 6:45 p.m.
SPEA PV 272

Professor Leslie Lenkowsky
School of Public and Environmental Affairs &

Phone: 812-855-4072
E-mail: llenkows@indiana.edu

Office Hours: Tuesdays, Thursdays 2:00 p.m. to 5:00 p.m., SPEA 327
or by appointment

Graduate Assistant: Rachel Krefetz, Ph.D. Student

Phone: 518-312-3941.
Email: rkrefetz@indiana.edu

Office Hours: Tuesdays, 3 – 5 p.m., PV 440A
or by appointment

Administrative Assistant: Eugenia Marvin (euasher@indiana.edu)
Phone: 812- 855-0563

Description of course: “Social entrepreneurship” is a phrase widely used today in the nonprofit sector, business, and even government. But what exactly is it? How does it work? What is different about it? And what does it really accomplish?

This course will provide students with an introduction to principles and practices in social entrepreneurship. Social entrepreneurship can be defined minimally as the establishment and management of successful social mission-driven ventures. While entrepreneurship for commercial gain (in for-profit organizations) has been studied extensively, the study of entrepreneurship for social gain is in its infancy. This course is designed to give current and future nonprofit, business and government managers and leaders an overview of a range of topics in this emerging field. This course will focus particularly on social entrepreneurship in the nonprofit sector and government.

Upon successful completion of this course, students can expect to have:

- o familiarity with major works in the social entrepreneurship literature

- knowledge of social entrepreneurship methods and practices
- understanding of laws, standards, and guidelines applicable to social entrepreneurship
- experience in analyzing social entrepreneurship dilemmas and proposing responses
- experience in developing or critiquing social entrepreneurship plans
- familiarity with resources useful for further investigation of social entrepreneurship

Students seeking the Social Entrepreneurship Certificate or intending to apply for a Social Entrepreneurship internship in the summer are required to take this course. However, any student with an interest in the subject is welcome to take this course as an elective.

Texts: The following books will be read:

Jerome Baggett, *Habitat for Humanity: Building Private Homes, Building Public Religion*, Temple University Press, 2000.

David Bornstein and Susan Davis, *Social Entrepreneurship: What Everyone Needs to Know*, Oxford University Press, 2010.

Paul Brest and Hal Harvey, *Money Well Spent: A Strategic Plan for Smart Philanthropy*, Bloomberg Press, 2008.

Joseph J. Cordes and C. Eugene Steuerle, ed., *Nonprofits and Business*, Urban Institute, 2008.

Frederick M. Hess, *Education Unbound: The Promise and Practice of Greenfield Schooling*, Association for Supervision and Curriculum Development, 2010. (Electronic copy available on OnCourse.)

*Paul C. Light, *The Search for Social Entrepreneurship*, Brookings, 2008.

*William D. Eggers and Shalab Kumar Singh, *The Public Innovator's Playbook: Nurturing Bold Ideas in Government*, Deloitte Research and JFK School, 2009. (Electronic copy available on OnCourse.)

Dambisa Moyo, *Dead Aid: Why Aid is Not Working and Why There is a Better Way for Africa*, Farrar, Strauss and Giroux, 2010.

*David Vogel, *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*, Brookings, 2006.

Recommended

*Arthur C. Brooks, *Social Entrepreneurship: A Modern Approach to Social Value Creation*, Prentice-Hall, 2008. Also available in Kindle edition (\$17.60), and a Prentice-Hall CourseSmart eTextbook at <http://www.coursesmart.com>.

* Electronic edition available.

A number of chapters, reports, cases, and articles from books, magazines and journals will also be discussed. These will be available on electronic reserve or directly linked through the syllabus. Most, if not all of the articles can be found through the electronic resources (such as JSTOR and EBSCO) of the Indiana University library, or on OnCourse.

Formidable as this reading list might seem, it barely scratches the surface of the many (and growing number of) worthwhile books and articles about social entrepreneurship. Students with special interests in topics not covered in this syllabus, or who wish to delve more fully into any of the topics that are, should not hesitate to consult the instructor.

All students should be familiar with and comfortable using OnCourse. The course will make extensive use of this tool, including for all course-related communications. Students should also plan on reading *The Chronicle of Philanthropy* regularly. Although it is available in university libraries, the principal instructor, who is also a regular contributor to that publication, will try to arrange for students to have an electronic subscription to it for the duration of the course.

Students are expected to have done the required reading before the class in which we will be discussing it.

In developing the list of required books, the instructor assumed that students would purchase them from the most economical supplier. He also tried to choose books that are well-written.

Since this is a new course, additional readings may be added during the semester. Students are also encouraged to suggest materials their classmates would benefit from perusing.

Requirements: In addition to attending and participating in class, as well as completing assigned readings, students will be required to pass a take-home final exam. Doctoral students who are taking this class are required to submit a research-based term paper of at least 20 pages in lieu of this exam.

Each student will also be required to complete a social entrepreneurship project. This analysis could take one of several forms:

1. Design a proposal for a social venture.
2. Compare, analyze, and critique similar social ventures in different sectors.
3. Since this is a course on social entrepreneurship, something else that is related to the topic.

Whatever approach you take, your analysis (which need not be longer than ten double-spaced pages) should apply issues and concepts discussed in the course to a “real-world” situation. Topics must be approved by the instructor, who will also suggest some possibilities, as well as help identify sources of information. Students will make presentations on their topics during class. With approval of the instructor, students may work in groups, but each member of a group will receive the same grade. Further details about this assignment can be found on OnCourse.

Each unit of the course contains at least one case study related to the topic under discussion in that unit. Students are required to analyze at least two of these cases, starting from questions provided by the instructor. These analyses should not be more than 1000 words in length (and double-spaced); they will be graded, as well as discussed in class. Questions will be posted on OnCourse under the Assignments tab.

In *Democracy in America*, a 19th-century French visitor to the United States, Alexis deTocqueville famously described the importance of civic associations to the success of American democracy. He also noted the close connection between associational activity and newspaper readership. (See Volume II, Part 2, Chapter Six.) Since many of the topics covered in this course, as well as others that are relevant to the course's themes, are frequently discussed in widely available publications, the instructor has created a Class Blog in Discussion Forums in OnCourse for students to post clippings that they believe other members of the class would be interested in. Students should also include a brief explanation of the relevance of the clipping to understanding issues related to social entrepreneurship. Students are encouraged to comment on the clippings and a few minutes of each class will be devoted to discussing the most interesting. Students who post at least 10 original and relevant clippings, or make particularly insightful and worthwhile comments, during the course, (i.e., a total of 10 posts) will receive an "A" for this requirement, with fewer clippings and comments resulting in proportionately lower grades.

Please refrain from posting grant announcements, public relations releases, personnel changes, or similar events, unless you believe they have broader implications for social entrepreneurship generally (which you will, of course, explain). And please be sure your clipping illustrates some aspect of social entrepreneurship (i.e., it is not merely about a development in business, government or the nonprofit sector that is claimed to be innovative, etc.)

Students taking the course should be familiar with the nature, scope and functions of business, government and voluntary institutions in the United States.

Grading: The grade each student receives in this class will reflect a balanced appreciation of the totality of his or her work. However, the various course requirements will count *roughly* as follows:

- Class participation --10 percent
- Clippings – 10 percent
- Case analyses – 20 percent
- Term Paper – 25 percent
- Final exam – 35 percent

While the instructor encourages students to discuss the course, exchange ideas, and critique each other's work as much as they desire, he also expects that all work submitted for grading will be done in a manner consistent with the university's academic rules and requirements. Links to the relevant sections of the IU academic handbook will be found on OnCourse, as well as a statement of the instructor's attendance policy.

SYLLABUS

August 31
September 2, 7

Introduction

Video: *The New Recruits* (PBS)

Jonathan Rauch, “This is Not Charity,” *The Atlantic Monthly*, October 2007. Online at OnCourse.

Bill Bradley, Paul Jansen and Les Silverman, “The Nonprofit Sector’s \$100 Billion Opportunity,” *Harvard Business Review*, May 2003. Online at OnCourse.

Peter F. Drucker, “What Business Can Learn from Nonprofits,” *Harvard Business Review*, July-August, 1989. Online at OnCourse.

Case: Stuart Conger, “Social Innovations,” *The Innovation Journal: The Public Sector Innovation Journal*, 14:2 (2009). Online at OnCourse. (Skim chapter 1 and the appendices)

September 9, 14

Social Entrepreneurship: Changing the World?

David Bornstein and Susan Davis, *Social Entrepreneurship: What Everyone Needs to Know*

Aneel Karnani, “Microfinance Misses its Mark,” *Stanford Social Innovation Review*, Summer 2007. Online at OnCourse.

Connie Bruck, “Millions for Millions,” *The New Yorker*, October 30, 2006. Online at OnCourse.

Case: *Muhammad Yunus and the Grameen Bank*, Kennedy School of Government. Online at OnCourse.

September 16, 21

The Search for Social Entrepreneurship

Paul C. Light, *The Search for Social*

Entrepreneurship

Pritha Sen, "Ashoka's Big Idea: Transforming the World through Social Entrepreneurship," *Futures*, 39 (2007), 534-553. Online at OnCourse.

Leslie Lenkowsky, "Review of The Search for Social Entrepreneurship," *Journal of Policy Analysis and Management*, 28:3 (2009), 517-20. Online at OnCourse.

Case: *Upwardly Global: Building a Model for Assisting Immigrant Professionals*, Kennedy School of Government. Online at OnCourse.

Case: *Measuring Effectiveness: A Six-Year Summary of Methodology and Findings*, Ashoka. Online at OnCourse.

September 23, 28, 30

Social Entrepreneurship in the Nonprofit Sector

Joseph J. Cordes and C. Eugene Steuerle, eds., *Nonprofits and Business*

Thomas J. Billitteri, *Mixing Mission and Business: Does Social Enterprise Need a New Legal Approach?* Aspen Institute, January 2007. Online at OnCourse.

William Foster and Jeffrey Bradach, "Should Nonprofits Seek Profits?" *Harvard Business Review*, February 2005, pp. 92 – 100. Online at OnCourse.

Angela M. Elkenberry and Jodie Drapal Kluver, "The Marketization of the Nonprofit Sector: Civil Society at Risk?" *Public Administration Review*, March/April 2004, Vol. 64, No. 2, pp. 132-140. Online at OnCourse.

Burton Weisbrod, "The Pitfalls of Profits," *Stanford Social Innovation Review*, 2 (3): 41 – 47. Online at OnCourse

Case: *Pallotta Team Works*, by Alan Grossman and Liz Kind. Harvard Business School. Online at OnCourse.

Case: *Minnesota Public Radio: Social Purpose Capitalism*, Stanford Graduate School of Business, 2006. Online at OnCourse.

October 5, 7, 12,

Social Entrepreneurship in the Public Sector

William D. Eggers and Shalab Kumar Singh, *The Public Innovator's Playbook: Nurturing Bold Ideas in Government*

David M. Van Slyke, "The Mythology of Privatization in Contracting for Social Services," *Public Administration Review*, May/June 2003, Vol. 63, Nu. 3, 296-315. Online at OnCourse.

Sandford Borins, "Losse Cannons and Rule Breakers, or Enterprising Leaders? Some Evidence about Innovative Public Managers," *Public Administration Review*, 60:6, 2000. Online at OnCourse.

Rick Cohen, "Will the Social Innovation Fund Fund Social Innovation," Hudson Institute, 2009. Online at OnCourse (with commentaries).

Peter Frumkin and David Reingold, "Why Programs Get Replicated," *The Nonprofit Quarterly*, Fall 2004. Online at OnCourse (with responses).

Case: Peter Frumkin, "Balancing Public Accountability and Nonprofit Autonomy: Milestone Contracting in Oklahoma," Hauser Center for Nonprofit Organizations, Working Paper No. 6, April 2001. Online at: http://www.ksghauser.harvard.edu/PDF_XLS/workpapers/workingpaper_6.pdf

Case: Janet Reingold, Jennifer Wootton, and Andrew Hahn, *The Indy Story: Urban Systems Reform and Community Revitalization in*

Indianapolis During the Stephen Goldsmith Years (1992-1999), The Annie E. Casey Foundation. Online at OnCourse.

October 14, 19, 21

Social Entrepreneurship and Business

David Vogel, *The Market for Virtue: The Potential and Limits of Corporate Social Responsibility*

Michael E. Porter and Mark R. Kramer, "The Link Between Competitive Advantage and Corporate Social Responsibility," *Harvard Business Review*, December 2006. Online at OnCourse.

Henry Blodget, "The Conscientious Investor," *The Atlantic Monthly*, October 2007. Online at OnCourse.

Joshua Margolis, et. al., "Will Companies Cure What Ails Us? Don't Bank on It: Evidence from a Meta-Analysis of the Relationship between Corporate Social and Financial Performance." Unpublished Paper. Online at OnCourse.

James Austin, Howard Stevenson, and Jane Weiskillern, "Social and Commercial Entrepreneurship: Same, Different or Both?" *Entrepreneurship Theory & Practice*, January 2006, 1- 22. Online at OnCourse.

Bill Gates, Speech at Davos Annual Meeting 2008. <http://www.youtube.com/watch?v=Ql-Mtlx31e8>

Aneel Karnani, "The Mirage of Marketing at the Bottom of the Pyramid: How the Private Sector Can Help Alleviate Poverty," *California Management Review*, 49:4 (2007). Online at OnCourse.

"Sponsorship Spending Recedes for First Time: Better Days Seen Ahead," IEG Sponsorship Report, 28:24 (2009). Online at OnCourse.

Case: Suzie Boss, "Do No Evil," *Stanford Social Innovation Review*, Fall 2010. Online at OnCourse.

October 26, 28
November 2

Investing in Social Entrepreneurship

Paul Brest and Hal Harvey, *Money Well Spent: A Strategic Plan for Smart Philanthropy*

Sarah Cooch and Mark Kramer, *Compounding Impact: Mission Investing by US Foundations*, FSG Social Impact Advisors, March 2007. Online at OnCourse.

Mark Kramer, et. al., *From Insight to Action: New Directions in Foundation Evaluation*, Social Impact Advisors, April, 2007. Online at OnCourse.

Grantmakers for Effective Organizations, *Is Grantmaking Getting Smarter?* Washington, D.C.: 2008. Online at OnCourse.

McKinsey & Company, “*And the Winner Is...*” *Capturing the Promise of Philanthropic Prizes*. 2009. Online at OnCourse.

Christine W. Letts, et. al., “Virtuous Capital: What Foundations Can Learn from Venture Capitalists,” *Harvard Business Review*, March-April 1997. Online at OnCourse.

Andrew Blau, “Why Donors Are Not Investors,” *Global Business Network and Monitor Institute*, Online at OnCourse.

Bruce Sievers, “If Pigs Had Wings: The Appeals and Limits of Venture Philanthropy,” *Waldemar A. Nielsen Issues in Philanthropy Series*, Georgetown University, November 16, 2001. Online at: http://cpnl.georgetown.edu/doc_pool/Nielsen0103Sievers.pdf

Case: Barbara Cervone, “When Reach Exceeds Grasp: Taking the Annenberg Challenge to Scale,” in Ray Bacchetti and Thomas Ehrlich, eds., *Reconnecting Education & Foundations*, Jossey-Bass/Carnegie Foundation, 2007. Online at OnCourse.

Case: Allan Grossman and Daniel Curran, “EMCF: A New Approach at an Old Foundation,” *Harvard Business School*. Online at OnCourse.

November 4, 9

Social Entrepreneurship in Education

Frederick M. Hess, *Education Unbound: The Promise and Practice of Greenfield Schooling*

Jeffrey Bradach, "Going to Scale: The Challenge of Replicating Social Programs," *Stanford Social Innovation Review*, Spring 2003. Online at: http://www.ssireview.org/images/articles/2003SP_feature_bradach.pdf

George Overholser and Robert Steel, "Going to Scale: A New Era for Funding Nonprofits," *Civic Bulletin*, Center for Civic Innovation, The Manhattan Institute, March 2006. Online at OnCourse.

Case: *The KIPP Schools: Deciding How to Go to Scale*, Kennedy School of Government. Online at OnCourse.

Case: *College Summit: Balancing aggressive national expansion with centralized control*, Bridgespan. Online at OnCourse.

Case: *National Foundation for Teaching Entrepreneurship: Building a scalable network to share its curriculum broadly*, Bridgespan. Online at OnCourse.

November 11, 16

Social Entrepreneurship in Neighborhoods

Jerome Baggett, *Habitat for Humanity: Building Private Homes, Building Public Religion*

Sarah Alford, L. David Brown, and Christine W. Letts, "Social Entrepreneurship and Social Transformation: An Exploratory Study," Working Paper # 15, The Hauser Center for Nonprofit Organizations, Harvard University, November 2002. Online at OnCourse.

Community Wealth Ventures, *Powering Social Change: Lessons on Community Wealth Generation for Nonprofit Sustainability*, 1999, pp. 1-51. Online at OnCourse.

Stephen Goldsmith, with Gigi Georges and Tim Glynn Burke, "Igniting Civic Progress," in *The Power of Social Innovation*, chapter 1. Online at OnCourse.

Case: *Playgrounds and Performance: Results Management at Ka-Boom (A and B)*, Harvard Business School. Online at OnCourse.

Case: Stephen Goldsmith, "Having Faith in Our Neighborhoods: The Front Porch Alliance," in E. J. Dionne, Jr., and John J. DiIulio, *What's God Got to do with the American Experiment*, Brookings, 2000. Online at OnCourse.

November 18, 23

Social Entrepreneurship in International Perspective

Dambisa Moyo, *Dead Aid: Why Aid is Not Working and Why There is a Better Way for Africa*

Janelle A. Kerlin, "Social Enterprise in the United States and Abroad: Learning From Our Differences," in Rachel Mosher-Williams, ed., *Research on Social Entrepreneurship: Understanding and Contributing to an Emerging Field*, ARNOVA Occasional Paper Series, Vol. 1, Nu. 3, 2006, pp. 127-46. Online at OnCourse.

Social Enterprise Coalition (UK), *State of Social Enterprise Survey 2009*. Online at OnCourse.

Cultural and Education Section, British Embassy, "The general report of social enterprise in China," 2008. Online at OnCourse.

The Economist, "The good company," January 20, 2005. Online at OnCourse.

Case: "For Tomorrow: The Toms Shoes Story," DVD. Link in process.

Case: "Eli Lilly Multi-Drug Resistant Tuberculosis Partnership," INSEAD. Online at OnCourse.

Case: The Eli Lilly MDR-TB Partnership:
Creating Private and Public Value,” Kennedy
School of Government. Online at OnCourse.

November 30
December 2, 7

Student Reports

December 9

The Future of Social Entrepreneurship

Michael Edwards, *Just Another Emperor? The Myths and Realities of Philanthrocapitalism,*” 2008.
Online at OnCourse.

“45 Social Entrepreneurs who are Changing the World: The 2008 Social Capitalist Awards,” *Fast Company*, December/January 2008,
<http://www.fastcompany.com/social/2008/index.html>

“Social Entrepreneurship Takes Off,” *Bloomberg Businessweek*, April 3, 2009.
http://www.businessweek.com/smallbiz/special_reports/20090403social_entrepreneurs.htm

“The Social Entrepreneurship Award Winners,” The Manhattan Institute. http://www.manhattan-institute.org/html/se_winners.htm