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**MANA 40970: Special Problems in Management**

**Social Enterprise Strategies and other Values-Based Business Models**

**TTH 2-3:20**

**SPRING SEMESTER, 2013 Smith 118**

**COURSE SYLLABUS**

**COURSE DESCRIPTION:** 3 hours. Prerequisite: Junior standing.

**General Information.** A social enterprise is defined as an organization or venture that achieves its primary social or environmental mission using business methods. A social enterprise is distinct from other types of businesses in two key ways. First, a social enterprise directly addresses social needs through its products and services or through the numbers of disadvantaged people it employs. Second, a social enterprise uses earned revenue strategies either as a stand-alone entity, or as a significant segment of a NFP. Thus, social enterprises can include both for-profit and NFP organizations. Social entrepreneurs have a variety of innovative models to learn and understand prior to the launch of their particular venture, and navigating this ever increasingly complex choice of business models will become even more difficult without significant guidance.

This course is a survey course in understanding organizations that have adapted their business models to meet the needs of a variety of stakeholders. Examples include business models that incorporate for-profit companies with significant cause-related activities (such as Tom’s Shoes and Soap Hope) to hybrid models that are focused on society as their primary reason for being but are also profit-based and thus primarily self-sustainable, (such as organizations using the L3C legal structure) to NFPs whose organizations are encouraging innovative business models to improve their sustainability. Because of the recent downturn in the economy limiting charitable giving, coupled with a greater attention to social based enterprises in our society, these innovative business models are exploding in popularity.

**Course Format.** This course requires 29 sessions of 80 minute classes. I will use a combination of lectures, class, videos, guest speakers and case discussions and a half-day visit to a social enterprise (equivalent to three sessions).

**Required Text: Mission, Inc.: The practitioner’s guide to social enterprise,** Lynch, K. and Walls, J. 2009. Berrett-Koehler Publishers, Inc. San Francisco.

**Additional Materials:** Customized case packet available through Harvard Business website.

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| **Key Objectives:** |
| Develop students’ ability to appreciate various values-based business models and social enterprise models from pure non-profits to for profit models of social responsibility. |
| Build the students’ understanding of analyzing the external and internal environment within a social enterprise context. |
| Develop the students’ ability to generate a coherent and consistent set of strategic decisions for a values-based business. |
| Increase students’ awareness of the need to incorporate personal and professional values and ethical principles throughout both for-profit and non-profit businesses. |
| Enhance and encourage active participation and learning through a two way exchange of information. |
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**GRADING.** The grading system for this course has been designed to broadly evaluate the student’s improvement in problem solving abilities both orally and written.

 Class Contribution 20%

 Paired Case Presentation 15%

 Take Home Exam 20%

 Reflective paper 15%

Team Business Model paper 20%

Team Business Model presentation 10%

 Total: 100%

The grade distribution for final grades will be as follows:

|  |  |
| --- | --- |
|  |  |
| AA- | 94-10090-93 |
| B+ | 87-89 |
| B | 84-86 |
| B- | 80-83 |
| C+ | 77-79 |
| C | 74-76 |
| C- | 70-73 |
| D+ | 67-69  |
| D | 64-66 |
| D- | 60-63 |
| F | 0-59 |

**Class Contribution (20%).** This is a class participation course. Your presence is expected at each class session. **YOU MUST BE ACTIVELY INVOLVED IN THE DISCUSSION TO IMPROVE YOUR THINKING AND FULFILL THE COURSE OBJECTIVES.** **PLEASE COME TO CLASS PREPARED – THAT MEANS READING THE DAY’S ASSIGNMENT PRIOR TO CLASS.** Please turn off cell phones and web browsing during class as this interferes with your ability to concentrate fully on the material in class and may distract others as well.

We will frequently discuss issues and events not found in the textbook or readings, thus you limit your opportunities for learning by missing class. **If you must miss class for any reason, including OFFICIAL UNIVERSITY ABSENCES please notify me IN WRITING in advance** **(Please email me).** I accept official university absences, illness, accident and family emergencies for the purposes of attendance, but written documentation of the reason for your absence must be presented to me and notification given to me ASAP before/after the class missed. Unexcused absences due to other reasons will reflect greatly on your contribution grade. I judge participation by contributions to class discussions. A significant portion of your education will transpire in class through challenging each other (including the instructor) and searching for alternative solutions. You must be actively involved in the discussion to improve your analytical and creative thinking. In particular, I am concerned with the quality of your input, your ability to contribute to the advancement of the discussion, articulate an in-depth understanding of the course material, persuasively convey your thoughts, illuminate difficult concepts, and substantiate comments with facts and examples.

I grade class contribution on a scale of 0-4 for each class period, where 0 is absent, 1 is present (or excused absence), 2 contributes something of minor benefit to the discussion, 3 contributes a key insight to the class, and 4 makes an exceptional contribution to the class discussion. At semester end, I then sum those points and force a distribution that typically ranges from 70 to 100. Typically a student who misses no classes but adds nothing to the class in the way of substantive contribution will make a 75 in class contribution. **You are allowed three unexcused absences. Any absence beyond that will negatively impact your contribution grade (in 5 point increments for each unexcused absence after the first three). Thus, if you have a 90 in class contribution but have six unexcused absences, your contribution grade would be a 75.**

**Paired Case Presentations (15%).** There will be several classes devoted to exploring various business models of real organizations. Each of you will pair up with two other students and conduct research and present a set of power point slides to the class to explain the organization and its current business model. This can involve web-based illustrations, videos from YouTube, newspaper articles, etc. We will discuss the merits of the particular business model presented.

Additionally, a one page summary of your chosen organization should be completed and turned in of the day of the presentation.

**Take Home Exam (20%).** There will be one take home exam that will be individually conducted consisting primarily of essay questions devoted to material discussed in class and readings assigned. This exam is designed to measure your ability to understand the concepts and apply them appropriately.

**Team Business Model Project (30%).** You have two options for this project. 1) Typically conducted in teams of three or four, each team will choose a for-profit business or non-profit organization, research and evaluate their current business model, including their vision and mission statement and economic model for sustainability and profitability. Your assignment is to then develop a values-based model that builds upon the original business model detected. That is, you will demonstrate how you might change the business so that it integrates the concepts considered within this course. Remember that you can choose any of the myriad business models from for-profit to not-for profit, cause related marketing to hybrid models. The key is to recognize and consider the tradeoffs and benefits of your proposed business model. 2) Another option is to develop a business plan for a new values-based business. This would also include an integration of course content into the business plan, and a recognition of what differentiates this from a stand-alone for-profit business.

**A brief (one page) description of the proposed project must be submitted to me by the specified deadline for approval.** I would like each of the groups to examine and research different businesses and organizations, so the choices will be made on a “first come, first serve basis.”

The written report and oral presentation should reflect a thorough investigation, sophisticated analysis and well thought-out business model.

**Team Written Paper (20%)**

The team company written analysis (20% of grade) should include the following:

no more than 10 pages, plus exhibits

* concise discussion, so as not to lose the reader

 original, not plagiarized text

 rigorous use of facts and financial data as appropriate

 innovative extensions using your own outlook (it must be well-supported)

 **single-spaced** with one inch margins and **12 point font size**

* well-organized arguments with a clear statement of assumptions and conclusions

proper grammar, punctuation, and spelling.

* **REFERENCES** are required but no need for citations within the body of the paper.

I expect all work to be original and neatly presented I am particularly interested in your ability to identify the relevant issues, apply the tools discussed in this course, and persuasively articulate an innovative, but realistic recommendation. Your identification of the key issues and recommendations should be clearly stated, and comments as to why you think your plan would be more successful than other obvious alternatives or previous plans should be presented.

**Team Oral Presentation (10%).** All group papers are due on the same date; however, the **presentations** will be conducted over multiple class sessions. **Please provide me with a copy of your PowerPoint presentation material before the presentation.** Each team member must participate in the presentation and responsibilities should be evenly distributed across the group.

**The equality of the labor distribution and the quality of the individual contribution (for the research and written component) will be reported through a peer review form prepared by each group member and grades will be adjusted accordingly.**

**Reflective Paper (15%).** Getting into the habit of reflecting on your experiences facilitates personal development, increases self-awareness and deepens learning opportunities. What I would like you to reflect on with this project is spending some time thinking and writing about what we have discussed in the classroom, what has been assigned in class readings, and how these discussions have helped you to better understand how social enterprises are created and sustained, and how these help you to understand yourself better. Also, how might you use this knowledge in your leadership with others, in your own venture creations, or in your role as an employee in a for-profit company?

For example, in thinking about any of the guest speakers who have demonstrated particular business model, or in our own class discussions of businesses, you should reflect on the business model developed, the key stakeholders involved, the vision/mission of the organization, the economic model of sustainability, and any additional insights gleaned. In addition to this, it is critical to reflect upon what you might do to improve the operations in light of what you have learned from this class. Consider all areas of possibilities, including structure of the organization, mission/vision, stakeholder analysis and evaluation, sustainability, growth, retention of talent, partnerships etc.

I am not looking for any particular length or format, but a range of 4-5 single spaced pages is probably sufficient to relay the kind of material that I hope to see. Please see formatting requirements for group paper.

**Reminders.**

 Please advise me in advance of any anticipated absences from class.

 Do not wait until the end of the semester to see me regarding problems with the course material or your performance (it will be too late to address any deficiencies!).

 I may amend the course syllabus slightly as the semester progresses.

* As managers, you will not be afforded the luxury of missing deadlines. In the interest of avoiding the creation of bad habits now, **unexcused late assignments will be penalized 20% for each calendar day past the deadline**.

**TURNITIN:** Group Project papers, exams, and reflective papers will be submitted to TURNITIN through the ecollege website. A plagiarism score of 30% or lower is required.

# STUDENT SERVICES: Disabilities Statement: Texas Christian University complies with the Americans with Disabilities Act and Section 504 of the Rehabilitation Act of 1973 regarding students with disabilities. Eligible students seeking accommodations should contact the Coordinator of Student Disabilities Services in the Center for Academic Services located in Sadler Hall, 11. Accommodations are not retroactive, therefore, students should contact the Coordinator as soon as possible in the term for which they are seeking accommodations. Further information can be obtained from the Center for Academic Services, TCU Box 297710, Fort Worth, TX 76129, or at (817) 257-7486.

**eCOLLEGE INFORMATION:** This course will be using a web component (eCollege). If you have not used eCollege in a previous course or have not yet taken the Student Tutorial, please do so as soon as possible.  The Student tutorial is listed on your personal student homepage.  If you experience technical problems during your usage of eCollege, help is available as follows.

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| eCollege HELP | TCU eLearning HELP |
| email: helpdesk@tcuglobal.com  | http://www.elearning.tcu.edu/helpdesk/default.asp |
| phone: 1-800-826-1665  |  |

**ACADEMIC HONESTY:** Academic Misconduct (Sec. 3.4 from the Student Handbook) –Any act that violates the academic integrity of the institution is considered academic misconduct. The procedures used to resolve suspected acts of academic misconduct are available in the offices of Academic Deans and the Office of Campus Life and are listed in detail in the Undergraduate Catalog (Student Policies>Academic Conduct Policy Details; <http://catalog.tcu.edu/undergraduate/>). Specific examples include, but are not limited to:

* Cheating: Copying from another student’s test paper, laboratory report, other report, or computer files and listings; using, during any academic exercise, material and/or devices not authorized by the person in charge of the test; collaborating with or seeking aid from another student during a test or laboratory without permission; knowingly using, buying, selling, stealing, transporting, or soliciting in its entirety or in part, the contents of a test or other assignment unauthorized for release; substituting for another student or permitting another student to substitute for oneself.
* Plagiarism: The appropriation, theft, purchase or obtaining by any means another’s work, and the unacknowledged submission or incorporation of that work as one’s own offered for credit. Appropriation includes the quoting or paraphrasing of another’s work without giving credit.

# Collusion: The unauthorized collaboration with another in preparing work offered for credit.

# GRADE APPEALS: Students should immediately bring to my attention any obvious errors, such as math errors, in the grading and/or scoring of exams. Any appeal of an individual grade must be made within three days of the posting of the grade on eCollege. Students wishing to appeal their grade in the course should follow the procedures outlined in the TCU Official Student Handbook.

# Netiquette: Communication Courtesy Code: All members of the class are expected to follow rules of common courtesy in all email messages, threaded discussions and chats.  If I deem any of them to be inappropriate or offensive, I will forward the message to the Chair of the department and the online administrators and appropriate action will be taken, not excluding expulsion from the course. The same rules apply online as they do in person.  Be respectful of other students.  Foul discourse will not be tolerated.  Please take a moment and read the following link concerning "netiquette".<http://www.albion.com/netiquette/>

**TCU Mission:** *To educate individuals to think and act as ethical leaders and responsible citizens in the global community.*

**Course Schedule – Spring 2011**

**Social Enterprise Strategies**

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| --- | --- | --- | --- | --- | --- |
| **Wk** | **Session** | **Date** |  | **Topic covered** | **Assignment** |
| 1 | 1 | 1/15 | T | Introduction and Course Overview | Read syllabus  |
| 1 | 2 | 1/17 | TH | Mission Inc. Introduction  | Chapter 1 *Social Enterprise: A powerful engine for economic and social development* (SEA) (to be handed out) |
| 2 | 3 | 1/22 | T | What is Social Enterprise? | *The social enterprise spectrum: Philanthropy to commerce* (Harvard) |
| 2 | 4 | 1/24 | TH | Creating Shared Value through business and society  | Porter, *Creating Shared Value* (Harvard) |
| 3 | 5 | 1/29 | T | Debate on Merits of For Profit and NFP models | *Should Non-Profits seek Profits?* (Harvard)*Benefits and Costs of Corporate Social Responsibility* (Harvard) |
| 3 | 6 | 1/31 | TH | Guest Speaker – Charlotte KeanyBalancing Impact and Profit | No readings prior to class. |
| 4 | 7 | 2/5 | T | Aligning Mission and a Social Venture and developing a planTom’s Shoes\* (Costco article available) | Chapter 2Chapter 4 |
| 4 | 8 | 2/7 | TH | Structure DecisionsGuest Speaker – Chris Quadri from Café Momentum of Youth Village in Dallas | Chapter 3  |
| 5 | 9 | 2/12 | T | Financial DecisionsClass Case – Goodwill\* | *Creating Successful Business Models* (Harvard)Chapter 5 |
| 5 | 10 | 2/14 | TH | Marketing and the Social Enterprise Class Case - TROSA – Triangle Residential Options for Substance Abusers, Inc.\* | Chapter 7Website: Wefirst.com |
| 6 | 11 | 2/19 | T | Working on a DimeMeasurement Issues in Social EnterpriseClass Case – Openbooks\* | Chapter 8Chapter 9 |
| 6 | 12 | 2/21 | TH | Group Project Discussion.Assignment of Dates for Presentation. | No readings prior to class. |
| 7 | 13 | 2/26 | T | Hybrid Models-Creating a culture of purpose  | *Bottom Line on Corporate Giving* (U.S. News and World Report, Nov 2010) (to be handed out)Look at zappos.com site prior to class  |
| 7 | 14 | 2/28 | TH | Social Responsibility in the For-Profit World – Guest Speaker from Local Company | *Strategy and Society* (Harvard) Look at Vestergaard Frandsen website prior to class |
| 8 | 15 | 3/5 | T | Scaling the Social Enterprise  | Chapter 10 |
| **8** | **16** | **3/7** | **F** | **Visit to Local Social Enterprise****ACH and Bell Tower****With Barbara Clark-Galupi****Friday 3/9 in the morning.** | Plan on three hours for this event. We will be meeting on the campus of ACH. Directions to be given at a later date. |
| 9 |  |  |  | SPRING BREAK |  |
| 10 | 17 | 3/19 | T | Group project work outside of class. No class meeting. |  |
| 10 | 18 | 3/21 | TH | Take home exam to be completed and turned in today by 330pm. | Exam available on ecollege on the specified day. Drop exam in the dropbox on ecollege. |
| 11 | 19 | 3/26 | T | Guest Speaker Susan Vinsen – from Catholic Charities - WORN | No readings prior to class. |
| 11 | 20 | 3/28 | TH | Social Entrepreneurs: Correcting market failure | Video in class |
| 12 | 21 | 4/2 | T | Using partnerships to create social changeGuest Speaker – City SquareWhite Dog Café\* | No readings prior to class. |
| 12 | 22 | 4/4 | TH | Social Ventures in Emerging MarketsMicro-financing opportunities | Bonsai People Video in class |
| 13 | 23 | 4/9 | T | Group Project discussions in class | *Making Social Ventures Work* (Harvard) |
| 13 | 24 | 4/11 | TH | Implementing your MissionGuest Speaker: Jerr Boschee  | No readings prior to class. |
| 14 | 25 | 4/16 | T | No class due to previous visit |  |
| 14 | 26 | 4/18 | TH | How to Change the World | *How to Change the World Case Study* (Harvard) |
| 15 | 27 | 4/23 | T | Group Papers due.Group Presentations | Submit group papers to dropbox on ecollege by 2pm today. |
| 15 | 28 | 4/25 | TH | Group Presentations |  |
| 16 | 29 | 4/30 | T | Group Presentations |  |
| 17 |  | 5/6 |  | Reflective paper due | May 6, 9am |

**Other Selected References:**

*Brooks, A. 2009. Social Entrepreneurship: A Modern Approach to Social Value Creation, Pearson, Prentice Hall, NJ.*

*Crutchfield, L., and Grant, H.2008. Forces for Good: The Six practices of High-Impact Nonprofits, Jossey-Bass, San Francisco.*

*Dees, G., Emerson, J. and Economy, P. 2002.Strategic Tools for Social Entrepreneurs. Wiley, New York.*