Social Entrepreneurship
MBA 797
Assistant Professor James W. Wolfe

Learning Objectives: In this first-ever SOM offering of an elective in social entrepreneurship, we will use a graduate seminar format to explore issues in this growing field. Social entrepreneurship is frequently described as the use of free market principles from the private sector to address pressing public social problems. Examples of such problems include third world economic development (micro-lending, entrepreneurship training), public health issues (infant mortality, child health, AIDS), education (private schooling, charter schools, online education), and income disparity (wealth creation, entrepreneurship education, privatization). Our format will include readings from academic and popular literature, guest speakers, and individual research papers students will share with the entire class. The course will be useful to those interested in becoming entrepreneurs, as well as those involved in nonprofit management and issues of public policy. GMU is well known as a growing center of expertise in social entrepreneurship, and we will draw upon experts from the School of Public Policy and other academic fields to inform our study.

Our objectives include: 1) Gaining advanced understanding of concepts and processes associated with social entrepreneurship; 2) Acquiring knowledge of best practices in the management of social enterprise and application of market dynamics, and; 3) Practicing entrepreneurial skills in funding, growing and leading a socially-focused enterprise.

Format: This class is a combination of in-depth seminar discussions with the case method. The syllabus will closely follow articles and cases that have been put on online. Required cases will primarily be Harvard Business Review cases (available for purchase by you online). Classes will include a discussion of the practical aspects of that week’s topic and a guest speaker.

Grading: The Final Project (a team exercise) will count 40%. An individual research paper will count 25%. Note that there is no written case analysis. Every student should be prepared to discuss the assigned articles and case at every session. Students should note that class participation is not a trivial part of the grade. The Professor should be viewed as a facilitator to discussion, and not as an oracle.

Grading will be weighted:

- Class Participation: 35%
- Research Paper (individual): 25
- Final Project (team):
  - Project – Statement of Issues: 10
  - Project – Write Up: 20
  - Project – Peer Evaluation: 10
- Project Total: 40
- Total 100%

Grade Structure:

- 95 – 100 A
- 90 - 94.99 A-
- 85 - 89.99 B+
- 75 - 84.99 B
- 70 - 74.99 B-
- 65 - 69.99 C
- Below 65 F
Grading standards: The average grade for Prof. Wolfe’s courses is about 3.6, a “B+”. You will have to work very hard to receive an “A” and even harder to receive only a “C”. Grading is relative; you are being judged against both your peers and your own potential. Please use a name placard in class, and keep the same seat. See: http://som.gmu.edu/blog/entrepreneurship/

Cases: There will be no formal team “case presentation” and no written case analysis in this class. Be prepared to fully discuss every case in detail. Purchase cases online from HBS at: http://cb.hbsp.harvard.edu/cb/access/13757207

Research Paper: Students will prepare one written research paper to share with the class when time permits. The research paper must be prepared using published materials, either in peer reviewed journals, trade industry press, or book form. Papers must be well written, well documented, and show research and citations. Topics will be randomly assigned the first day of class; you may trade assignments. 20 pages maximum; 11pt. type minimum; double spaced.

Final Project: The Final Project will be a written team assignment. Choose a social enterprise (with the permission of the professor) and analyze its mission, goals and business model. Describe its major challenges and issues. Finally, provide your professional assessment of its efficacy and likelihood for success. For ideas, a list of candidates is in the Appendix (you may choose something else). 20 pages maximum; 11pt. type minimum; double spaced.

Peer Evaluation: Confidential peer reviews of work in teams will be collected before presentations. Consistently poor reviews may count against individual project grades.

Required Materials: HBS cases are required readings, and must be purchased online from Harvard Business Publications, available at their website. Assigned articles may be obtained online from the Mason Libraries (I recommend using the ABI-Inform database, primarily).

Required Materials:

Recommended (for those with no background in entrepreneurship):

Schedule: Tuesdays & Thursdays, 4:30 pm – 7:10 pm, Jun. 5 to July 26. NO CLASS MEETINGS on June 26 or June 28. Location: Arlington Campus, Founders Hall, Rm 466.

Office hours: Founders Hall Lobby after class, 7:30pm, or by appointment.

Contact information: Professor Wolfe may be reached via: email: jwolfe7@gmu.edu Telephone: 703-689-9656. Please use your GMU email account to avoid spam filters.

Missed Discussions, Exams or Late Work: Missed class participation or late work will count against your grade. Class discussion is an integral part of this course; please note that missed class discussion cannot be made up. For this reason there is no need to inform the professor in advance if you will be out. Don’t worry if you must miss one or two sessions for work or health. Class discussion is not attendance; it is the quality of your contribution.
COURSE OUTLINE:

Tue  June 5  
Introduction & Course Mechanics  
Reading:  
• “The Questions Every Entrepreneur Must Answer,” Amar V. Bhide.  
• “Reviving Entrepreneurship,” Lerner, Josh and William A. Sahlman.  
Assignment Due: Pick Research Paper Topics  
Assignment Due: Begin Organizing Your Project Teams  
Assignment Due: Review Some Candidate Firms for Projects

Thur  June 7  
Overview of Social Entrepreneurship  
Reading:  
• Bornstein, Chapters 1-3, 5-8  
Case 1: Windhorse Farm’s Eco-Woodshop Guitar Top Decision (HBS Case)

Tue  June 12  
Externalities: Nothing So Practical as a Good Theory  
Social Economics – Understanding Externalities – Coase’s Theorem – Basic Market Theory  
Reading:  
Case 2: London’s Congestion Charge (HBS Case – Skim only)

Thur  June 14  
Social Entrepreneurship, Social Enterprise, and Corporations  
Reading:  
• “Current Issues in Social Entrepreneurship Funding and Finance,” Justis, Cleveland T., Protrero Group Papers (available online at proterogroup.com).  
• Bornstein, Chapters 10-12  
Case 3: Newman’s Own (HBS Case)  
Assignment Due: Selection of Social Enterprise for Final Project
Tue June 19
For-Profit Social Venture Models
Reading:
• “For Love or Lucre,” Fruchterman, Jim, Stanford Social Innovation Review (Spring 2011, pp 42-47.
• “Focusing the Social Marketing Concept,” Rangan et al.
• “Should Nonprofits Seek Profits?,” William Foster & Jeffrey Bradach
• *Bornstein*, Chapters 13-15, 18-19

Thur June 21
Execution & Measurement: Making It Work
Reading:
• “The Reluctant Social Entrepreneur,” Steven Prokesch, HBR, June 2011.
Case 4: *Patagonia* (HBS Case)
Assignment Due: Statement of Issues for Final Project

Tue June 26
Teams work on final projects - *No Class Meeting*.

Thur June 28
Teams work on final projects - *No Class Meeting*.

Tue July 3
Financing the Social Venture
Reading:
• A New Approach to Funding Social Enterprises,” Antony Bugg-Levine, Bruce Kogut, and Nalin Kulatilaka, HBR, Jan-Feb 2012.
Case 5: *New Schools Venture Fund (A)* (HBS Case)
Case 6: *Acumen Fund: Measurement in Impact Investing (B)* (HBS Case)

Thur July 5
Nonprofits & Social Ventures
Readings:
• “Social Entrepreneurship: The Case for Definition,” By Roger L. Martin & Sally Osberg.
• “Sources of Financing for New Nonprofit Ventures,” Dees & Dolby.
• *Bornstein*, Chapters 16-17

Tue July 10
Global Issues & Solutions
Case 7: *Mountain Hazelnuts: Social Entrepreneurship in Bhutan*
Thur July 12
Governments and Social Entrepreneurship
Reading:
Case 8: Nature Conservancy (HBS Case)

Tue July 17
Team Meetings
Teams work on Final Projects.
The professor will be available to meet with teams during class time.

Thur July 19
Conclusions
Lessons Learned – Wrap Up Discussion – Next Steps
Case 9: Stonyfield Farms (HBS Case)
Case 10: Ben & Jerry’s (HBS Case)
We will compare and contrast the two cases.
Assignment: Peer Evaluations Due

Tue July 24
Group Presentations

Thur July 26
Group Presentations

ACADEMIC HONESTY: Student members of the George Mason University community pledge not to cheat, plagiarize, steal, or lie in matters related to academic work. See the Honor Code at:
http://academicintegrity.gmu.edu/honorcode/
Appendix

Final Project Ideas

Selected U.S.-Based Social Ventures

*This list is meant to be a thought-starter for those who cannot identify a local firm acting as a social enterprise. Our preference is for profit-oriented social entrepreneurs. However, those interested in the nonprofit sector may choose a foundation or other charitable venture.*

- Acumen Fund
- Ashoka
- Bonnie Clac
- Citizen Schools
- City Year
- College Summit
- Five Talents
- Freelancers Union
- Genesys Works
- Habitat for Humanity
- Harlem Children’s Zone
- Hope Lab
- Jump Start
- KaBoom
- KIPP Schools
- Kiva
- Nurse-Family Partnership
- RIJI Green
- Sweet Unity Farms
- Teach for America
- Tom’s Shoes
- Year Up
- Youth Build
- Youth Villages