Understanding Social Entrepreneurship:
What is it, why is it important,
and how can it be leveraged to realize true social breakthrough

UPADM-GP 264(001)
Goddard, Room B02, Fridays 9:30am-12:00pm
New York University
Syllabus Subject to Amendments
Adjunct Associate Professor, Gabriel Brodbar
Office Hours Immediately After Class and By Appointment
091213

Course Description
In this fast paced course, taught by a leader in social entrepreneurship education, we will investigate the different ways in which social entrepreneurs and social entrepreneurship can make a difference across the country and around the world. The class will address many questions including: What is social entrepreneurship? Why do we need social innovation? How can founders protect their mission in an age when entrepreneurship is often governed by venture capitalists? How can one innovate inside a large corporation or non-profit institution? How can entrepreneurs plan for and manage the high risks of starting ventures that fail more often than not? How can we distinguish between excellent social entrepreneurial efforts that realize true impact, and excellent PR campaigns? The course will also feature visits by successful social entrepreneurs, both well-known and unsung, who answered, and are continuing to formulate new answers to these questions in different ways.

Course Requirements
Punctual attendance at all classes, given our limited time together, is essential: if you must be absent, please let me know in advance. Grading is as follows: Reading responses + class participation (25%); midterm exam (30%) and a final paper and in class presentation (45%). We will hold regular class-wide conversations; please arrive in class on time and prepared to discuss readings and case studies. We will also have some wonderful guest speakers; please arrive at those classes ready with questions, issues, and observations.
Required Texts
A single course pack binder is available at the bookstore before class begins. One text is required, and is also available at the book store: Cohen, Ben, and Jerry Greenfield. Ben & Jerry's Double-Dip. New York: Simon & Schuster, 1997. Other readings are available online and links are provided in the syllabus.

Reading Responses
Reading Responses (RRs) are designed to provide critical background information, help ensure informed and insightful classroom discussions, and provide an opportunity for you to demonstrate growth in your thinking over the course of the semester. Your answers for each RR question are due via NYU Classes at 5pm EST on the Wednesday immediately prior to our Friday class. RRs must be typed, double-spaced, in 12 point font, at least 200 words, and consist of your response to the discussion questions posed on your syllabus. I encourage you to quote the text to support your arguments. The RRs can also serve as a resource for class. Each week, the two best RR's will be identified and shared with the group via NYU Classes.

Feedback and a grade will be provided by Friday morning so that you can use your response as a basis for discussion in class. Grades will be made on 3-point scale of √-, √ or √+. No late responses will be accepted. The totality of your RRs will be graded at the end of the semester as a portfolio, and combined with your in-class participation grade to constitute 25% of your semester grade.

Again, please be sure to turn in the required RRs on the assigned reading on Wednesday evening for which they are due. Failure to meet this deadline will result in a 0 for this assignment.

Class Participation
Blessed is he or she who grows one eloquent word, where two confused words grew before. Participation is not just about speaking in class; it's about providing topically appropriate insights and creative conclusions that can illuminate the material and move the discussions forward. You should feel encouraged to engage in the discussions, but please do so thoughtfully and with purpose. Its best understood as your contribution to the learning of the class. Part of the assessment will be based on an end of the semester survey asking each student which of the classmates contributed most to their learning.

Extra Credit Policy
A maximum of five extra credit points can be earned over the course of the semester by participating in and reflecting on other social entrepreneurial activity at NYU, by publishing a post on an edited social entrepreneurship blog, or by participating, through the submission of the business plan, in the NYU Reynolds Changemaker Challenge (CmC) or other qualified social venture competitions. A maximum of one point can be earned per reflection or post or published blog post, with the CmC exception outlined below. Reflections must be must be typed, double-spaced, in
12-point type, at least 200 words, and submitted in class on the Friday following the event. Blog posts must be credible and edited social entrepreneurship and related blogs, be new and original material, and at least 200 words in length. Email notification should be provided to the professor following the post. Eligible activities for reflection can include, but are not limited to NYU Reynolds Programing including eligible REAL Workshops and the Social Entrepreneurship in the 21st Century Speaker Series. Posts to edited blogs include the NYU Reynolds Blog and Everyday Ambassador (http://everydayambassador.org/). Please check with the professor to determine eligibility of other blogs you may want to post to. Participation in the CmC, through submission of the business plan, will earn students a maximum of five points. Please email the professor a copy of the business plan following submission to the CmC. Please check with the professor to determine eligibility of other competitions you may want to participate in.

Late Assignment Policy
Extensions on the final paper and presentation will be granted only in case of emergency, out of respect to those who abide by deadlines despite equally hectic schedules. Late submissions without extensions will be penalized ½ letter grade per day (B+ to B, e.g.)

Students with disabilities
Any students requiring accommodations should contact me to make proper arrangements. Please be prepared to share your documentation from the NYU disabilities office regarding appropriate accommodations.

A Note about Academic Integrity
The following note about academic integrity has been cut and pasted from http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/academic-integrity-for-students-at-nyu.html

Following are examples of behaviors that compromise the academic and intellectual community of NYU. The list is not exhaustive. Students should consult the websites and guidelines of their individual schools for an extended list of examples and for further clarification.

1. Plagiarism: presenting others' work without adequate acknowledgement of its source, as though it were one's own. Plagiarism is a form of fraud. We all stand on the shoulders of others, and we must give credit to the creators of the works that we incorporate into products that we call our own. Some examples of plagiarism:

- a sequence of words incorporated without quotation marks
- an unacknowledged passage paraphrased from another's work
- the use of ideas, sound recordings, computer data or images created by others as though it were one's own
2. Cheating: deceiving a faculty member or other individual who assess student performance into believing that one’s mastery of a subject or discipline is greater than it is by a range of dishonest methods, including but not limited to:

- bringing or accessing unauthorized materials during an examination (e.g., notes, books, or other information accessed via cell phones, computers, other technology or any other means)
- providing assistance to acts of academic misconduct/dishonesty (e.g., sharing copies of exams via cell phones, computers, other technology or any other means, allowing others to copy answers on an exam)
- submitting the same or substantially similar work in multiple courses, either in the same semester or in a different semester, without the express approval of all instructors
- submitting work (papers, homework assignments, computer programs, experimental results, artwork, etc.) that was created by another, substantially or in whole, as one’s own
- submitting answers on an exam that were obtained from the work of another person or providing answers or assistance to others during an exam when not explicitly permitted by the instructor
- submitting evaluations of group members’ work for an assigned group project which misrepresent the work that was performed by another group member

- altering or forging academic documents, including but not limited to admissions materials, academic records, grade reports, add/drop forms, course registration forms, etc.

3. Any behavior that violates the academic policies set forth by the student’s NYU school, department, or division.
Bio for Prof. Brodbar

Gabriel Brodbar is the founder and Executive Director of the NYU Reynolds Program in Social Entrepreneurship at New York University. Among the first cross-university initiatives of its kind, the program established a best-in-field fellowship program that finds change-makers from across the globe and helps transform them into social entrepreneurial game-changers. The program also brings significant social entrepreneurial resources and opportunities to the NYU and NYC communities in order to grow the field, including the Social Entrepreneurship in the 21st Century Speaker Series, the R.E.A.L Workshop Series, the Change Maker Challenge (CmC) social venture business plan competition, and new classes in social entrepreneurship.

Prior to joining NYU, Gabriel served as the Director of Dartington-i New York, a national and international consulting firm providing a wide range of research and practice tools to city and state child welfare and social service systems, with special expertise in performance contracting systems (now called Social Impact Bonds) and supportive housing development. He is the former founding Director of the Office of Housing Policy and Development at the New York City Administration for Children's Services, where he developed and implemented a data-based method of policy analysis that led to a fundamental change in New York City’s housing policy for children, families and young adults involved in the child welfare system. Prior to that, Gabriel developed and operated award-winning, drop-out prevention and college preparatory programs for at-risk high school students in Houston and New York City including Upward Bound, AmeriCorps, and Liberty Partnership Programs.

Gabriel is a founding member of the Child Welfare League of America’s National Homelessness Advisory Panel, a Teach For America alumnus (’91), holds a Masters Degree in Social Work from the CUNY Hunter College School of Social Work and a Masters in Business Administration from the Zicklin School of Business at CUNY Baruch College. His published work on the intersections of foster care and homelessness, community-based needs assessment tools and social entrepreneurhip can be found in Child Welfare, The Social Service Review, and Beyond Profit.

Contact Information: Gib1@nyu.edu
Part I: What is Social Entrepreneurship? Is walking on water a job requirement?

**WEEK 1**
**SEPT 6**

**Defining Social Entrepreneurship**

In our first week together we’ll try to pin down a definition for social entrepreneurship and look at its rise as a tool for social change. Is it a means or an end? How is it similar and/or different from other means of achieving true social breakthrough? Why does it matter? How does defining it help or hinder social change efforts? This is a huge question, and we will likely revisit it throughout the semester.

We’ll also look at where social entrepreneurship comes from, and set the stage for digging into some of the different areas social entrepreneurs practice.

We will also discuss the structure of the class. During the semester each of you will be responsible for studying a social venture in depth and preparing a final paper and presentation for the class during the last two weeks. You will need to have much of your research done by the middle of the semester for an in-class activity about legal structures.

To prepare for class:
Read “Social Entrepreneurship: The Case for Definition”

Then read the short selection from Rules for Radicals by Saul Alinsky in your binder. Alinsky pioneered many of the activist techniques we take for granted today.

Also read “Viewpoint: Not Everyone’s A Social Entrepreneur” by Gabriel Brodbar in the Fall 2009 issue of Beyond Profit. You can find it here: [http://www.nyu.edu/reynolds/pdf/BeyondProfit_Brodbar_articleonly.pdf](http://www.nyu.edu/reynolds/pdf/BeyondProfit_Brodbar_articleonly.pdf)

Also, fill out your one page personal info sheet and attach/photocopy a picture or your NYU ID it and bring a printed copy to class.

Questions for Reading Response:

1. Are social entrepreneurs modern day hippies who’ve lost their radical edge? Innovative changemakers who’ve found a better way? Business leaders with a stronger morality? Support your argument.

Continued on next page…
2. What would Alinsky think about social entrepreneurship as a way to make change?

3. Provide your own definition for social entrepreneurship. Try to reference both outcome and process.

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This week we’ll try to answer the question “Can a couple of guys who sell a high-fat, expensive dessert really be social entrepreneurs?” Yup, we’ll look at Ben & Jerry’s. We’ll also discuss Uncommon Goods and talk about worm poop (the company that sells the worm poop is TerraCycle).

To prepare for class: Read the selection (assigned via NYU Classes) from Double Dip by Ben Cohen and Jerry Greenfield.

Also we will break up into small groups at the end of the class. Between weeks 2 and 3, your groups will be asked to do some basic research on a common consumer product or service, or B2B product or service that normally has no social mission, bent, impact or inclination associated with it. (In this age of green washing, it is becoming increasingly difficult!) Your groups will also be asked to come up with a socially responsible business model that takes this common product and turns the company making it into a social venture. Your group will need to research how your product is produced and marketed, and what the social bent is, before you get to class for week 3, when you will share your findings.

Questions for Reading Response:

What are some ways social entrepreneurs can capture market share in mature markets by creating what Ben Cohen calls “values led businesses”? Provide examples from the reading to support your case.
**WEEK 3  SEP 20**

**Failed Markets – Foreign.**

In this session we will do two things:

1. Working in your groups, develop a socially responsible business model that takes the common product or service you have researched and turns it into a social venture. Each group will be asked to present their efforts. The goal is to gain a deeper more intuitive understanding of what social entrepreneurship looks like in mature markets by applying what you have learned about social ventures.

2. We will then switch gears, and examine social entrepreneurship at work in failed markets overseas. In particular, we will take a close look at the concept of MicroConsignment, and how it is being used to fill gaps in the marketplace and provide an opportunity to allow individuals to take the lead in their own financial empowerment. Of particular importance to this discussion will be an examination of the role played by the personal values of the “outsider” social entrepreneur, and how they can help or hinder social breakthrough efforts.

**Confirmed Guest Speaker, Greg Van Kirk, Co-founder Community Enterprise Solutions and Co-founder Social Entrepreneurs Corp**

Greg Van Kirk is the co-founder of Community Enterprise Solutions and Social Entrepreneur Corps. He is an Ashoka Lemelson Fellow, Ashoka Globalizer, Schwab Foundation Social Entrepreneur of the Year (2012) and a member of the Clinton Global Initiative and the Ashoka Siemens Foundation “Community Impact Development Group”. He and his team are focused on expanding the reach and impact of their award winning “MicroConsignment Model” globally. He has served as an economic development consultant for organizations such as USAID, Chemonics, VisionSpring, Soros Foundation, Church World Service, IDB, Water For People and Fundacion Paraguaya. Greg also contributes time as “Social Entrepreneur in Residence” for universities and has recently worked with Columbia University, New York University, Indiana University, University of San Diego and Arizona State University. He is a senior advisor for AshokaU. He has taught courses in social entrepreneurship at Columbia University and NYU Wagner. Greg began working in rural small business development as a Guatemala Peace Corps volunteer in 2001. Greg worked in investment banking for five years before arriving in Guatemala. Two deals he led at UBS during this time won “Deal of the Year” honors from “Structured Finance International” magazine. Greg is a graduate of Miami University and currently lives with his family in New York City.

To prepare for class: Read “The Big Potential of Small Farms” by Paul Polak, Scientific American, Sept. 2005 distributed in class. Also read the selection from Out of Poverty by Paul Polak in your binder. Also, read the column by Jeffrey Sachs in the August 2009 Scientific American entitled “Good News on Malaria Control”. You can find it here:  
[http://www.scientificamerican.com/article.cfm?id=good-news-on-malaria-control&print=true](http://www.scientificamerican.com/article.cfm?id=good-news-on-malaria-control&print=true)
This class is sponsored by and was developed in conjunction with the NYU Reynolds Program in Social Entrepreneurship

| is a strong critic of Jeffrey Sachs and his poverty alleviation strategies. |

**Questions for Reading Response:**

1. What is your morality behind working with the poorest people on earth? Is it right to profit off the poor? Can we really expect them to fund their own businesses? Do we owe them the minimum they need to survive?
Non-profits have been launching social ventures for decades. But as budgets are shrinking and demands are growing, traditional non-profits are looking for ways to launch sustainable social ventures. Many new ventures that have sustainable revenue streams are also launching as non-profits. We’ll look at some of the differences between non-profit and for-profit structures.

Confirmed Guest Speaker, John Wood, Founder and Board Co-Chair, Room to Read

“We envision a world in which all children can pursue a quality education, reach their full potential and contribute to their community and the world. To achieve this goal, we focus on two areas where we believe we can have the greatest impact: literacy and gender equality in education. We work in collaboration with communities and local governments across Asia and Africa to develop literacy skills and a habit of reading among primary school children, and support girls to complete secondary school with the life skills they’ll need to succeed in school and beyond. We currently work in Bangladesh, Cambodia, India, Laos, Nepal, South Africa, Sri Lanka, Tanzania, Vietnam and Zambia – with plans to expand so we can bring educational opportunities and resources to children throughout the developing world.

Room to Read’s programs have benefitted more than 7.8 million children so far and we are on track to reach 10 million children by 2015. Imagine a world in which every child has access to an education. Room to Read is doing our best to make this dream a reality, one child at a time.

To prepare for class read the selection from “Creating Room to Read” by John Wood. You will find it in NYU Classes.

Questions for Reading Response:

What are some of the risks and opportunities available to non-profits as they look for newer sustainable models? Other reading response questions to be added to this session.
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<th>OCT 4</th>
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Failed Markets – Domestic

This week we’ll be looking at failed markets here in the U.S. with a particular focus on banking in poor communities. What are traditional financial institutions doing, and not doing, for those at the lower end of the economic spectrum? What are social entrepreneurs doing to fill the void?

**Confirmed Guest Speaker:** Chris Avila Hübschmann, Founder and CEO, Credit DO

To prepare for class: Start by listening to this Planet Money podcast and learn how a lender paid $10,000 in interest on an $800 loan:

[http://www.npr.org/blogs/money/2010/05/the_tuesday_podcast_payday_len.html](http://www.npr.org/blogs/money/2010/05/the_tuesday_podcast_payday_len.html)

Then read “Check Cashers, Redeemed” from the Nov. 7, 2008 New York Times. You can find it at:


Finally, read the “Bank on San Francisco Case Study” here:


At the end of the previous week I handed out a homework assignment where you had to find out what it costs to borrow $100. Bring that in completed.

**Questions for Reading Response:**

In some neighborhoods there are as many banks as Starbucks while in others you can’t find a bank for miles. In these neighborhoods high cost check cashing and payday lenders have filled the void. Can banks profitably fill this void? Are check cashing facilities providing a public service, or exploiting the poor?
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<th>WEEK 6</th>
<th>OCT 11</th>
<th>Social Entrepreneurs Within Large Institutions</th>
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<td>This week we’ll look at the possibility of using the power of large existing institutions to spearhead social ventures.</td>
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<td>Questions for Reading Response:</td>
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<td>Can social ventures thrive within the bureaucracies needed to make large organizations efficient? Alternatively, are large institutions the perfect vehicles for social ventures to quickly get to scale? Use examples to support your case.</td>
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<th>WEEK 7</th>
<th>OCT 18</th>
<th>Part II. Social Entrepreneurship: Looking Under the Hood</th>
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WEEK 8
OCT 25

Ethics

We will look at ethical issues in business, broadly speaking. Most religious traditions frown on wealth and what it takes to become wealthy. We will look at a different view from a Rabbi who argues that business, done right, is doing God’s work.

Confirmed Guest Speaker: Andrew Greenblatt, Senior VP of Strategy, BeneStream

Andrew is a social entrepreneur with a proven track record whose enthusiasm for his area of expertise carries over to the social entrepreneurship course he has taught at New York University. He has launched several successful socially minded businesses, including Vendorboon, a social venture that uses the buying power of trade and professional associations’ member discount programs to improve the social and environmental impact of B2B spending, and Pride Diamonds, a socially responsible diamond mining company operating in Sierra Leone. In the mid-90’s Andrew launched a human rights project called Focus on Justice using the internet. A little ahead of its time, Focus On Justice streamed video shot in Kenya at the sites of recent human rights abuses. Andrew is a cum laude graduate of Harvard Law School.

To prepare for class this week: Read the chapter from The Kabbalah of Money by Nilton Bonder in your binders.

Reading Response:

Prepare an outline of the ethical issues the social ventures you are studying are facing, have faced, or may face. Draw examples from the reading to determine your own perspective on these ethical issues.
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<th>WEEK 9</th>
<th>CAPITAL MARKETS AND INTRODUCTION OF LEGAL STRUCTURES</th>
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<td>NOV 1</td>
<td>This week we'll look at the growing capital markets that are serving the needs of social ventures. From socially minded angels to multi-million dollar funds, this world is booming... and yet it is still just a tiny fraction of traditional capital markets. We'll look at some of the pioneers and try to guess where we go from here. We'll look at what is holding this market back and what is pushing it forward.</td>
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<td><strong>Confirmed Guest Speaker: Andrew Kassoy, co-founder of B-Lab.</strong></td>
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<td>“Certified B Corporations are a new type of corporation which uses the power of business to solve social and environmental problems. B Corps are unlike traditional businesses because they:</td>
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<td>1. Meet comprehensive and transparent social and environmental performance standards;</td>
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<td>2. Meet higher legal accountability standards;</td>
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<td>3. Build business constituency for good business”</td>
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<td>We'll do an exercise in which half the class will be asked to present the case for investing in a model social venture. The other half will play the role of investor. Then the sides will change as we examine a second model venture. You were each given the background materials at the end of week 8 for your venture. You will do this work in small groups.</td>
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<td>To prepare for class this week: Read over the materials you were given for your venture and prepare a presentation for the investors with your group.</td>
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<td><strong>No Reading Response this week.</strong></td>
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**WEEK 10**
**NOV 8**

**Legal Structures, Deep Dive**

In this session, we will undergo a deeper dive into the variety of legal forms social entrepreneurs and social entrepreneurial organizations can employ, and how that relates to the social impact they can, cannot and/or want to have. We will touch on how these forms have implication for formation, management, taxation and capital. An in-class exercise will allow us to engage in a nuanced examination of the way your social venture’s legal structure impacts how profit and purpose are aligned, or misaligned.

**Confirmed Guest Speaker: Kyle Westaway, Founding Partner Westway Law**

Mr. Westaway has lectured at Harvard Law School and Stanford Law School’s Social Entrepreneurship courses. His lectures draw from his experience both as a social entrepreneur and as legal counsel to social entrepreneurs, and focus on the emerging legal structures for social entrepreneurs with a specific focus on equipping the next generation of attorneys with the practical skills necessary to build the sector. Kyle is an emerging thought leader in the nascent field of social enterprise law. He is the founder of Socentlaw.com, the most well-read blog on social enterprise law, and has the largest twitter following on the topic. He writes for Huffington Post, GOOD, and Social Earth. Kyle has been featured by We Are NY Tech, Dowser and Goodness 500 as one of the preeminent attorneys focusing on the emerging sector of social enterprise. The Opportunity Collaboration named Kyle a Cordes Fellow. Kyle is Chairman of the Board for both the Excel Charter School in Brooklyn and The Adventure Project—a nonprofit that seeks to add venture capital to social entrepreneurs in the developing world.

**Questions for Reading Response:**

Identify and describe the legal form of the social venture you are studying. What are your thoughts on some of the pros and cons of that form as it relates to the organizations social mission? You odnt need to write research paper. Rather, what are you instincts here?
### WEEK 11
#### NOV 15

**Corporate Social Responsibility**

One of the greatest impacts of social entrepreneurship is the change in the daily workings of established companies. The rise of the green/sustainability movement is one reflection of this. We'll look at the impact social ventures are having, and should be having, on the rest of economic activity.

**Confirmed Guest Speaker: Jeffrey Hollendar, Founder 7th Generation.**

The first half of this class will be a Q&A with the CEO of Walmart (OK, I'll play the CEO of Walmart, but I'm pretty convincing.) Be sure to have questions ready.


**Questions for Reading Response:**

What responsibilities do companies have to their stockholders vs. other stakeholders? Is being socially responsible just good business? What about when it isn’t?

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### WEEK 12
#### NOV 22

**FLEX WEEK. TOPIC TO BE DETERMINED BY CLASS OR APPLIED CASE EXERCISE.**

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### WEEK 13
#### NOV 29

**THANKSGIVING: BE THANKFUL**
### WEEK 14-15
**DEC 6 and 13**

**Student presentations**
The last two sessions will be spent with students presenting reports about the social ventures they have been studying in depth during the semester. Details will be given out in the beginning of the semester.