Understanding Social Entrepreneurship: How to Change the World One Venture at a Time

This class is sponsored by, and was developed in conjunction with, the NYU Reynolds Program in Social Entrepreneurship

New York University

Sample Syllabus (Speakers May Change)

Adjunct Associate Professor: Andrew Greenblatt, JD

ag162@nyu.edu or 212-786-4807

Office Hours Immediately After Class and By Appointment

Course Description:
In this fun and fast paced course, taught by a practicing serial social entrepreneur, we will investigate the different ways social entrepreneurs can make a difference here in the United States and around the world. The class will address questions like: 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? The course will also feature visits by successful social entrepreneurs who answered these questions in different ways.

Course Requirements:
Attendance at all classes, given our limited time together, is essential: if you must be absent, 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’re a small group and we’ll hold regular class-wide conversations; please arrive in class prepared to discuss readings and case studies. We will have some wonderful guest speakers; please arrives at those classes ready with questions, issues, etc.

Reading Responses:
Keep up with assigned readings and turn in one reading response each week. Reading responses should be one page long and consist of your response to the discussion questions posed on your syllabus. We encourage you
to quote the text to support your argument. RRs must be typed, double-spaced, in 12 point type. RRs should be turned in via Blackboard on Wednesday evening and should address the reading for that week. We will provide feedback and a grade by Friday morning so that you can use your response as a basis for discussion in class. No late responses will be accepted. The reading responses and in-class participation count for 25% of your grade. 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.

**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.
Bio for Prof. Greenblatt:

Andrew Greenblatt is the Founder and CEO of Vendorboon, a start-up that offers discounts to trade and professional associations and their members for a variety of vendors with a special emphasis on socially responsible vendors. Until January of 2010, Andrew Greenblatt was the Director of Products and Innovation at Criterion Ventures where he worked with philanthropists, foundations, non-profit organizations, and entrepreneurs to plan and execute social ventures. Andrew joined Criterion in 2007 after selling Pride Diamonds, LLC, a socially responsible diamond mining company operating in Sierra Leone that he co-founded. He currently sits on the Board of Directors of the acquiring company, Target Resources Plc.

Before Pride Diamonds, Andrew helped launch and then directed TrueMajority.org, an online activist group. Prior to that he worked as the Director of Business Strategy for Oven Digital, a web design company and as Media Director for Business Leaders for Sensible Priorities.

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 posted on the internet video that was shot in Kenya at the sites of recent human rights abuses.

Andrew was the Executive Director of Common Cause/NY from 1993-1997.

Andrew is a cum laude graduate of Harvard Law School and graduated summa cum laude from SUNY Albany with a B.A in Political Science. He moved to New York City “for a couple of years” in 1993 and still lives there with his wife and two children.

Contact Information:

212-786-4807 (office)

ag162@nyu.edu
**Required Texts:**
A single binder will be made available before class begins. Other readings are available online and links are provided in the syllabus.

<p>| Part I: What is Social Entrepreneurship? |  |</p>
<table>
<thead>
<tr>
<th>Week 1</th>
<th><strong>Defining Social entrepreneurship</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>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. What do all these various kinds of ventures have in common? What’s “in” and what’s “out”?</td>
</tr>
<tr>
<td></td>
<td>We’ll also look at where social entrepreneurship comes from. We’ll set the stage for digging into some of the different areas social entrepreneurs practice.</td>
</tr>
<tr>
<td></td>
<td>We will also discuss the structure of the class. During the semester each of you will be responsible for studying in depth a social venture 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.</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>Also, fill out your one page personal info sheet and attach/photocopy a picture or your NYU ID onto it and bring a printed copy to class.</td>
</tr>
<tr>
<td></td>
<td><strong>Questions for Reading Response:</strong></td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
</tbody>
</table>
|        | 2. What would Alinsky think about social entrepreneurship as a way to make change?
**Week 2**  

**Mature Markets**

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).

Guest Speaker: David Bolotsky, Founder of Uncommon Goods. *(NOTE: Guest Speakers are from the Fall 2011 class and some may change.)*

**UncommonGoods** ([www.uncommongoods.com](http://www.uncommongoods.com)) is an online marketplace offering creatively designed, high-quality merchandise at affordable prices.

To prepare for class: Read the selection from Double Dip by Ben Cohen and Jerry Greenfield.

Also, at the end of week 1 you were broken up into small groups and asked to do some basic research on a common consumer product. This week your groups will meet in class and 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. You will need to research how your product is produced and marketed before you get to class.

**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.
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.

**Guest Speaker:** Matthew Bernardo, Senior Vice President of Housing Works Business Enterprises.

“Housing Works is the largest community-based AIDS service organization in the United States, as well as the nation’s largest minority-controlled AIDS service organization. Housing Works also runs social enterprise businesses that raise millions of dollars every year to help pay for the services that we provide, spread awareness of our mission, and provide jobs to graduates of our Job Training Program. Learn more at [www.housingworks.org](http://www.housingworks.org)”

1. To prepare for class read “The Limits of Social Enterprise” by the Seedco Policy Center. You can find it here: [www.seedco.org/download/?id=10](http://www.seedco.org/download/?id=10)

**Questions for Reading Response:**

What are some of the risks and opportunities available to non-profits as they look for newer sustainable models?
Week 4

Failed Markets – Foreign

Guest Speaker: Zenia Tata, Former Executive VP of International Development Enterprises (IDE)

IDE is a cutting edge international non-profit that is turning the ideas about how to end poverty upside down. They believe that the key to ending poverty is to find ways the poorest on earth can make more money with what they’ve got (in most cases their own cheap labor and an acre of farmland).

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 Polak 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?
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.

Guest Speaker: Arjan Schutte, Owner/Managing Partner of Core Innovation Capital; Senior Advisor to the Center for Financial Services Innovation.

“Core Innovation Capital invests in the most innovative companies serving underbanked consumers in America.

We are passionate about financial services that meaningfully improve the lives of underserved people. We focus on early growth-stage for-profit companies whose management shares our vision that scalable, technology-driven solutions focused on delivering the highest value to underbanked people can create great businesses and strengthen the American middle class. (www.corevc.com)”

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


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?
### Week 6

**Social Entrepreneurs Within Large Institutions**

This week we’ll look at the possibility of using the power of large existing institutions to spearhead social ventures.

**Guest Speaker:** Andy Hart, Vice President of Diamonds and Gemstones, Tiffany and Co.


**Questions for Reading Response:**

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.

---

### Part II. Social Entrepreneurship: Looking Under the Hood

### Week 7

**Mid-Term**

### Week 8

**Ethics**

We will also look at ethical issues in business more broadly. 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.

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.
<table>
<thead>
<tr>
<th>Week 9</th>
<th><strong>Legal Structures</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Find out what the legal structure is for the social venture you are studying for your final project and why they chose that structure.</td>
</tr>
<tr>
<td></td>
<td>I will post some readings on Blackboard about legal structures. Please read them before class.</td>
</tr>
<tr>
<td></td>
<td><strong>Questions for Reading Response:</strong></td>
</tr>
<tr>
<td></td>
<td>Outline the legal structure of the social venture you are studying for your semester long project. Use terms from the Structure Cards.</td>
</tr>
</tbody>
</table>
Week 10  

**Capital Markets**

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 still 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.

Guest Speaker: Andrew Kassoy, co-founder of B-Lab.

“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:

1. Meet comprehensive and transparent social and environmental performance standards;
2. Meet higher legal accountability standards;
3. Build business constituency for good business”

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 will each be given the background materials at the end of week 9 for your venture. You will do this work in small groups.

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.

**No Reading Response this week.**
Week 11

**Corporate Social Responsibility**

One of the greatest impacts social entrepreneurship is having is on changing 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.

Guest Speaker: Bari Pearlman, Founder of BTG Productions. Through her work as a documentary film-maker, Bari explores the question of what makes people choose who and what they identify with, what the implications are of their having that identity, and how they navigate that choice.

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?

Week 12

**Thanksgiving**

Be Thankful.

Weeks 13 and 14

**Student presentations**

The last two weeks 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.