

**Social Entrepreneurship
NBAY 5100**

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The goal of this course to prepare students to lead companies that have embedded social missions and to engage various stakeholders that are at the nexus of business and social value. Internally, leaders will need to be prepared to manage the organization's culture, establish a mission, and find synergies in pursuit of a triple bottom line. Externally, leaders must manage not only supply chain and customer relationships, but also seek to fundamentally change the social, environmental and legal environments in which business operates.

We will study leading social entrepreneurs and their companies, providing compelling examples that doing well and doing good can be inextricably linked by using the levers of business to achieve profit and social impact. We will explore a range of cases, from small start-up organizations dealing with growth issues to more established firms that have successfully scaled their operations while maintaining a commitment to social mission.

A major focus of the course will be on the challenges associated with connecting social initiatives and missions with bottom-line benefits. How can the goals of a company be articulated in and driven by the corporate mission? How can leaders establish a mission that is big enough to attract employees, customers and partners but specific enough to be achievable? Also, what does success look like for a social entrepreneur? And, which goals are established by the market and which by the mission?

Students will also wrestle with questions on the implementation and execution of social entrepreneurship. Central to this theme is corporate growth. How can companies grow in reach and profit, while staying true to their mission and maintaining their quality of services or products? If companies chose to expand through partnerships, does the additional breath outweigh the risks of losing some control over their social mission? Furthermore, should social entrepreneurs focus their efforts on leading change of the broader system in which they operate, or should they focus on achieving impact within the existing system? What are the ramifications of such choices for the social, environmental and financial footprint of the company?

Course Grading, Assignments and Expectations

This course has three main requirements: class participation, team presentations and a final exam

- **Class Participation (30%).** Part of the class will be taught by the case study method and so much of the action takes place during class discussion. It is expected that all participants should show up prepared to discuss the assigned case and associated readings for each and every class. In addition, we will be having guest speakers in most classes, and it is important that all students prepare well for these guests and be ready to ask them questions.
- **Team Presentations (30%).** There will be two team presentations in class. You will need to form teams of 4 or 5 students to present on the topics that are **listed on the March 12 and March 19 class sessions.**
- **Final Exam (40%).** The final exam will be on March 24th (9am-11:45 am). It will be a case based exam (you will be given a case study and required to analyze the situation using what you have learned from the class).

March 10 9:00-11:45

9:00-10:30

- 1) Class introduction and overview: The idea of a social businesses, class goals and readings
- 2) Discussion of Warby Parker case study
- 3) Short break out session on team presentations (see **March 11th and 12th assignment**)

10:30-10:45: Break

10:45-11:45

- 4) Discussion with Anjali Kumar, General Counsel and Head of Social Innovation at Warby Parker. **Be prepared to ask questions!**

Class materials:

- Warby Parker: Vision of a “good” fashion brand (HBS No. 412-104) by Christopher Marquis and Laura Velez Villa
- Marquis, Christopher and Andrew Park. 2014 “Inside the Buy-one Give-one Model.” Stanford Social Innovation Review. 12 (1): 28–33.
- Creating Successful Business Models by John Elkington and Pamela Hartigan (Chapter 1 in the 2008 book “The Power of Unreasonable People”)

Warby Parker case study discussion questions:

- What is your evaluation of Warby Parker’s buy-one give-one model?
- How would you describe the Warby Parker culture? How does it facilitate the attainment of a hybrid mission (why does retaining it matter)?
- Has the company put in place mechanisms to avoid mission drift? What are these?
- How does Warby Parker create systematic change? How does that benefit the company?

March 11 9:00-11:45

9:00-10:30

- 1) Discussion and wrap-up of Warby Parker case study and visit
- 2) Discussion of Whole Foods case study

10:30-10:45: Break

10:45-11:45

3) Student team presentations on their buy-one give-one business idea

Students should form into groups of 4 or 5 and come up with a “buy-one give-one” concept. In class, teams will be given 5 minutes to present their idea. Teams should consider questions such as “why is this a viable product for a “buy-one give-one”?” “What social value is created?” “how to manage the “give-one” aspect of the business?” and “how sustainable is this idea as a buy-one give one?”

- 4) Interactive discussion/lecture on key themes in the course

Class readings and materials:

- Whole Foods: Balancing Social Mission and Growth (410023) by Christopher Marquis, Marya Besharov and Bobbi Thomason.

Whole Foods case study discussion questions:

- In what ways do you think that Whole Foods has created value for society? And how have their efforts to create social value led to business results?
- How has Whole Foods grown while also trying to stay true to its social mission? I.e. what organizational strategies, processes and procedures have enabled them to balance these seemingly conflicting goals?
- In the last few years is Whole Foods more about growth or its social mission? How does their support of practices such as the development of large-scale organic farms fit with their broader social ideology?
- What is your assessment of Mackey's new model of "conscious capitalism?"

March 12 9:00-11:45

9:00-10:30

- 1) Discussion of sweetriot case study
- 2) **Student team presentations on their buy-one give-one business idea**
Students should form into groups of 4 or 5 and come up with a “buy-one give-one” concept. In class, teams will be given 5 minutes to present their idea. Teams should consider questions such as “why is this a viable product for a “buy-one give-one”?” “What social value is created?” “how to manage the “give-one” aspect of the business?” and “how sustainable is this idea as a buy-one give one?”

10:30-10:45: Break

10:45-11:45

- 3) Discussion with Sarah Endline, Founder and CEO at sweetriot. **Be prepared to ask questions!**

Class readings and materials:

- sweetriot 2.0. (HBS No. 412-007) by Christopher Marquis, Donna Khalife and Bobbi Thomason
- In Search of the Hybrid Ideal by Julie Battilana, Mathew Lee, John Walker and Cheryl Dorsey (From *Stanford Social Innovation Review*, Summer 2012)

sweetriot case study discussion questions:

- How does sweetriot create social value? Is the product innovative in addressing a social need(s)?
- What types of social activities does sweetriot’s approach use? Where in the business models are they present?
- In what ways is Sarah Endline sacrificing profit over social value creation? Is the company taking on too much risk in order to fulfill Sarah’s theory of change?
- Which of the concerns or decision points presented in the case strike you as most urgent?

March 17 9:00-11:45

9:00-10:30

- 1) Discussion of B-lab case studies
- 2) Short break out session and check in on team presentations (see **March 19 assignment**)

10:30-10:45: Break

10:45-11:45

- 3) Discussion with Andrew Kassoy, Co-Founder of B-lab. **Be prepared to ask questions!**

Class readings and materials:

- B Lab: Building a New Sector of the Economy (HBS No. 411-047) by Christopher Marquis, Andrew Klaber and Bobbi Thomason
- B Lab: From Retail to Wholesale (Draft of HBS Case study) by Christopher Marquis and Matthew Lee

B lab case study discussion questions:

- What is your assessment of B Lab's tripartite mission and strategy? As the case asks, is it their secret sauce or their albatross? If the former, what synergies exist between the different elements? If the latter, how to you recommend they change their objectives?
- What is the value-added to companies of becoming a B Corporation? What would you recommend B Lab do to grow the number of B Corporations? More generally, how do you motivate companies and investors to think long-term (instead of short term) and at a societal level (not just about their own profits)?
- How do you assess their work to gain legal recognition for the Benefit Corporation? How can they be more effective on this front? How important is it form them to get legal recognition for this form across all 50 US states?

March 18 9:00-11:45

9:00-10:30

- 1) Discussion of New Resource Bank case study and social investment generally

10:30-10:45: Break

10:45-11:45

- 2) Panel discussion on impact investing (list of panelists to be distributed later). **Be prepared to ask questions!**

Class readings and materials:

- New Resource Bank: In Pursuit of Green (HBS No. 412-060) by Christopher Marquis and John Almandoz
- Paul Brest and Kelly Born, “Unpacking the Impact in Impact Investing,” *Stanford Social Innovation Review*, 2013.

New Resource bank case study discussion questions:

- Why does New Resource Bank leadership believe becoming a “green” bank rather than a traditional community bank will help its business? Do you agree?
- Would a large bank, grown by all kinds of clients, be a better way to serve green companies? Or should the bank only select clients who were both consistent with the sustainability mission and bankable?
- How important to potential depositors and investors would the green borrower selection process be? Was including clients that intended to become greener a good strategy given external perceptions and business volume? If so, would the bank have to offer sustainability advice along with banking services? Would that become a problematic overstretch of responsibilities?

March 19 9:00-11:45

9:00-10:30

1) Student team presentations on their social business idea

- Students should form into groups of 4 or 5 and based on all the content in the class, come up with a social business idea. In class, teams will be given 10 minutes to present their idea. Some things to consider. “What is the social mission of your business?” “What is the connection between the social mission and the business goals?” “How will you manage the tension between social and financial goals (consider both internal and external stakeholders?” “What does success look like for your business?”

10:30-10:45: Break

10:45-11:45

2) Class wrap-up and final discussion

March 24 9:00-11:45

Final Exam