

School of Social Policy and Practice
University of Pennsylvania
Spring 2016

Social Innovation

NPLD 510-001 Social Innovation
Time: W 1-3:30pm

Instructor Information

Peter Frumkin

Email: pfrumkin@sp2.upenn.edu

Please contact Ashton Yount (lyount@sp2.upenn.edu) to schedule an appointment.

Course description. This is a class focused on understanding the many forms and functions of innovation for the benefit of society. At a time when fresh solutions to public problems are increasingly coming not just from government, the nonprofit and for-profit sectors, but from collaborations across the three, we will focus in this class on understanding how to diagnose needs and then design effective interventions. We will explore how social entrepreneurs develop their ideas, define intended impact, market their solutions, understand competition, and collaborate with other actors. At the end of the course, students should have mastered a set of conceptual tools that will allow them to be effective problem solvers in diverse settings throughout their careers.

Course Objectives. The course has five main objectives:

- 1) To introduce students to the concepts and practices of social entrepreneurship;
- 2) To expose students to the components of a successful social enterprise;
- 3) To equip students with the tools to be able to accurately identify and assess innovation and impact in social enterprises;
- 4) To train students to view the world from a perspective of social innovation; and
- 5) To empower students to develop their own innovative solutions to difficult social problems around the world.

Readings. All course readings will be available on Canvas

While specific readings are posted electronically, you might like to purchase the following titles:

1. Osterwalder & Pigneur, *Business Model Generation*
2. Bornstein, David and Susan Davis, *Social Entrepreneurship*
3. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*
4. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*

Determination of Grade

6 Assignments	30 points
Class Participation and Presentations	30 points
Midterm	20 points
Final Project	20 points

	100 points

Progress during course. During the term you will receive grades on assignments and on a mid-semester exam. Doing well on assignments and exams depends on maintaining a good attendance record. Further, class participation should demonstrate your engagement with and understanding of (or confusion with) the material, but should also serve as practice for the collaborative idea-generation and collaborative project implementation we promote in this class. I hope that by including you in the learning process, you will not only be more engaged with the material but also learn firsthand the process of directed, collaborative brainstorming.

On grading: Assignments that earn an "A" will reflect not only an understanding of the concepts presented in the lecture and readings and a competent completion of the tasks assigned, but also will reflect a thoughtful, creative, and compelling application of basic concepts to a concrete example that you choose. All "A" assignments are extremely clear and concise, and demonstrate mastery of the material covered. A grade of A- or B+ is still quite good, and demonstrates a solid effort with one or two minor issues. If you are receiving worse than "B+'s," you may be demonstrating a lack of effort or poor attention to examples, instructions, lectures, readings, or a misunderstanding of fundamental concepts. Please see the professor to discuss how to remedy the problem. Short assignments: A=5; A-=4; B+=3; B=2; C=1; F=0

Submitting Assignments. Students will complete a series of exercises/assignments that will require you to apply the tools and frameworks learned in class to an existing non-profit or for-profit enterprise that you choose. By the third, you will finalize your choice of an existing organization and focus your written work for the semester on this one social enterprise.

All solo assignments during the course of the semester must be submitted electronically on Canvas by 5pm the day before class. Students who submit an assignment after the deadline are subject to penalty, though each student is allowed one 3-day extension without penalty.

Attendance and Classroom Rules. Students are required to attend all class meetings. When a student must miss a class due to illness or family emergency, he/she should contact the instructor to inform him about the situation in advance.

There is a **NO CELL PHONE RULE** in effect at all times, and **NO LAPTOPS** should be used during lectures and discussions. All slides from lecture will be posted on Canvas, so detailed electronic note taking will not be linked to successful completion of the class. Students are encouraged to

participate actively. The exception to the no laptop rule is during certain in-class activities, when internet connectivity will aid your participation.

There will be student presentations at various points during the term. Many of you will be called on to present your assignments. Your instructor will tell you when you may be called on to present to the entire class. Your participation, presentations and pitches will all factor into your final participation evaluation so please be prepared each week in the event you are called on to present.

Policy on Scholastic Dishonesty. Students who violate University rules on scholastic dishonesty are subject to disciplinary penalties. Since such dishonesty harms the individual, all students, and the integrity of the University, policies on scholastic dishonesty will be strictly enforced. For further information, please visit Penn's Code of Academic Integrity website at <http://www.upenn.edu/academicintegrity/>

Midterm Exam. The midterm will test your mastery of the concepts and readings we cover in the first half of the course. Completing your reading each week and actively participating in class and sections are the best way to prepare for the exam. Experience has shown that cramming is not effective preparation for this test so students are advised to keep up with the readings. There will be questions that require you to simply demonstrate that you have mastered the course content, and other questions that challenge you to apply the frameworks and concepts to show that you can actually use them effectively.

Final presentation. The instructor will define three social problems or challenges that students will be asked to address in their work during the second half of the term. Collaborative work is encouraged but not required. If the proposed social problems do not have much appeal, students are free to select their own topic or problem and work on it. If you are passionate about a topic or issue, this is your chance to focus on it! In either case, the goal is to develop an innovative, sustainable, and scalable solution. Students wanting to work individually or in pairs on their projects should discuss their plans with the instructor. **All students will present their innovations either individually or collaboratively**, though some may choose a different option for the final paper (see just below).

Final written assignment.

There are two options.

1. The final assignment can build on the final innovation presentation you make to the class. This means integrating and applying the strategy and planning tools we studied to create a mini-venture plan for the idea you are working on individually or collaboratively. If you follow this route post to canvas both your slides and plan.
2. The final assignment can consist of a report directed to the CEO of the social enterprise studied over the course of the term in which the student will provide an analysis of the

entrepreneurship, innovation, and social impact of the organization, and provide detailed recommendations on how the organization might achieve or maintain its impact. Building upon the semester's assignments, you will develop a full-blown social venture planning document that makes a powerful and convincing argument for the organization and that speaks to mission, competition, marketing, performance measurement, risk analysis etc. It must be bigger and better than a simple assembly of the short assignments.

The final assignment is due on Canvas by 5pm on April 29.

Class 1: Defining and Identifying Social Innovation

January 20

Key Questions:

- What is social innovation?
- What is social entrepreneurship?
- Who are social entrepreneurs?
- What is an entrepreneurial way of thinking?

Readings covered today:

1. Bornstein, David and Susan Davis, *Social Entrepreneurship*, Chapter 1
2. Phills, Deiglmeier and Miller, "Rediscovering Social Innovation", *Stanford Social Innovation Review* 2008.
3. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 1, pp: 1-17.
4. *Business Model Generation*. "The Business Model Canvas" Pages 16 – 51.
5. *Aravind Eye Hospital*, Harvard Business School case.

Assignment 1a: Select a social enterprise to be the focus of your assessment for the rest of the semester. The organization you select must be entrepreneurial, innovative, and have a social impact. You should also select an organization on which there is plenty of information to facilitate your research and assessment. For ideas, consider the organizations launched by Ashoka, Echoing Green, and Acumen Fund (see below for more info). You should come to class next week with *a first choice and a second choice organization*, and be ready to discuss them.

It is essential that students choose the enterprise they which to study early in the course so that they can complete assignments on time. The range of possible enterprises is very broad. You should choose an organization (or a program within an organization) that fits our course's definition of innovative, which you will learn in the first two lectures. This organization should be young enough or innovative enough to be developing new solutions to social problems, but should be developed enough to have a comprehensive website with the information you need to complete the assignments. Thus, look carefully over the assignments in this syllabus, and try to make sure the organization you've selected has enough information posted for you to complete them.

- www.Ashoka.org As a leader in the support of social entrepreneurs, Ashoka has a large database of “fellows” who have carried out projects all around the world. Click through from Ashoka fellows’ profiles to their organization websites to find one that interests you.
- www.echoinggreen.org This organization has been supporting social innovation for many years, and the list of former fellows is a good place to find a project that you can study. Check out the videos describing fellows’ work, and see if one of these profiles intrigues you.
- www.acumenfund.org This investor supports various social enterprises around the world. View project summaries and reports, and link to the sites of the supported organizations. Any of these organizations would likely be appropriate for you to study through your assignments.

Assignment 1b: Prepare a business model canvas for the organization you select. Post it to Canvas by 5pm on Jan 26.

Class 2: Defining Impact & Creating a Theory of Change

January 27

Key Questions:

- What is the social problem the organization is attacking?
- How do its activities contribute to the solving of that problem?
- What kinds of activities and outcomes can the organization measure to assess its progress?
- How reliable are those measures?

Readings covered today:

1. Kellogg Foundation *Logic Model Workbook pp. 1-14*
2. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 1: “Developing a Strategic Service Vision”, pp: 3 -18
3. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 2: “Defining Your Mission”, pp: 19-37.
4. Peter Frumkin, *Strategic Giving*, chapter on “Logic Models”

Assignment 2: Create the logic model for the organization you have chosen and write a one-page narrative to accompany it. Post it to Canvas by 5pm on February 2 and be prepared to share it with others.

Key Questions:

- What is the “market” in which the organization operates?
- Who are its “competitors”?
- What makes this organization different from others with a similar mission?
- What is unique?

Readings covered today:

1. Frumkin and Sosa. “Competitive Positioning” NPQ
2. Oster, Sharon. Chapter 3: “Structural Analysis of a Nonprofit Industry,” *Strategic Management of Nonprofit Organizations*, pp: 29 – 45
3. Collins, *Good to Great in the Social Sector*.
4. Kim and Mauborgne, “Creating Blue Oceans” chapter 1 of *Blue Ocean Strategy*.

Assignment 3: *Take on the entrepreneurial challenge (see assignment sheet) and then present in class your performance. All cash raised should be brought to class on February 10. Report is due the week after that on Feb 16. In the report, you should describe the process you followed, why you chose it, whether it worked, if you iterated it, and what you learned. Report should include photos of your activities.*

Entrepreneurial challenge money should be brought to class and groups should be ready to present their work over the past week.

Part I: Debrief Entrepreneurial Challenge**Part II: Sector Selection and Business Models***Key Questions:*

- What are the pros/cons of being a for-profit versus a non-profit social enterprise?
- How do funding models differ on structure and benefits?
- How do different types of income affect the way you can lead/grow the organizations (grants, earned income, individual vs. corporate donors, etc)
- What does “sustainability” mean for an organization?

Readings covered today:

1. Foster, William Landes et al., “Ten Nonprofit Funding Models,” *Stanford Social Innovation Review*, Spring 2009, pp: 32 – 39.

2. Dees, Greg. The Social Enterprise Spectrum: Philanthropy to Commerce. Harvard Business School, 9-396-343.
3. Fruchterman, Jim. "For Love or Lucre", Stanford Social Innovation Review, Spring 2011.
4. Frumkin and Sosa, "Toward a Theory of Sector Selection." NPQ.

Optional Readings:

1. Lapowsky, Issie, "The Social Entrepreneurship Spectrum", Inc. Magazine, May 2, 2011.
2. B-Corporation Annual Report, "If Not Now, When: The Case for B-Corp", Sustainable Industries, 2011.

Class 5: Marketing and assessing risks

February 17

Part I: Marketing for social enterprises

Key Questions:

- What are the key "products" that your organization provides?
- Are they different for different audiences or in different markets?
- How do you figure that out?

Readings covered today:

1. Peter Frumkin, "Eight Building Blocks of Nonprofit Brands" NPQ.
2. Lauffer, Armand, "The strategic Marketing Approach." pp.3-9
3. Andreasen, Alan, "Targeting your Customer Through Market Segmentation Strategies," Chapter 5 of *Marketing Social Change*.
4. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 8: "Understanding and Attracting Your 'Customers'" pp: 199-247.

Part II: Risk assessment and SWOT

Key Questions:

- What are the key risks facing an organization? What's at stake?
- What are the organization's key strengths?
- How should an organization leverage strengths and opportunities?

Readings covered today:

1. Lindahl, Wesley, "The Fundraising Process" in *Understanding Nonprofit Organizations*
2. Pratt, Jon, "Analyzing the Dynamics of Funding" in *Understanding Nonprofit Organizations*

3. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 6: "Understanding Risk", p: 125-159; & Ch 7 Managing Resistance to Innovation. p169-187.
4. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 9: "Developing Viable Earned Income Strategies", pp: 191-232.
5. SWOT Analysis. Read online at: <http://www.cipd.co.uk/subjects/corpstrtgy/general/swot-analysis.htm>

Assignment 4: Create a SWOT analysis OR risk analysis table for your organization. Provide a narrative assessment of the table you generate, including either a detailed set of steps for handling risks OR recommendations for how to leverage key strengths and opportunities and ideas for ways to mitigate weaknesses and threats. Post to Canvas by 5 pm on February 23.

Class 6: Measuring Impact

February 24

Part I: Guest on starting and assessing a social enterprise

Part II: Performance Measurement

Key Questions:

- How will you measure and document your impact?
- How will you mix "social" and "non-social" impact measures?
- Which measures are most compelling to you?
- Which are most compelling to potential donors/investors?
- Which are most compelling to potential customers/clients?

Readings covered today:

1. Kaplan, Robert S. "Measurement and Management in Nonprofit Organizations" *Nonprofit Management and Leadership* 11(3) 2001, pp: 353 - 370.
2. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 8: "Performance Information That Really Performs," pp: 161 – 188.
3. Brest, Paul. "Calculated Impact" *Stanford Social Innovation Review*, Winter 2009, pp: 50 – 56.
4. <http://iris-standards.org/> and <http://www.bcorporation.net/>

Assignment 5: Write a 500-word preliminary assessment of your organization's success at achieving impact. In what areas do you think they have been particularly successful? In which areas have they been weak? Include a balanced scorecard for the organization that you believe

would help them track what really matters in terms of performance. Finally, provide at least three preliminary recommendations on how the organization might increase its impact. (Post by March 15)

Class 7: Midterm Examination**March 2****Part I: Midterm exam (75 minutes)****Part II – Partnerships and Boards***Key Questions:*

- What are the key partnerships an organization needs to succeed?
- How do you begin a partnership and look for partners?
- Why are interdisciplinary teams important?
- What are the traits an organization should look for in selecting the best partners, whether an individual or an organization?

Readings:

1. Chait, Ryan, and Taylor, *Governance as Leadership* pp. 1-31
2. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 3: “Cooperative Strategy: Building Networks, Partnerships, and Alliances,” pp: 45 – 70.

Optional Readings:

1. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 4: “Leading, Retaining, and Rewarding People Entrepreneurially,” pp: 71 – 92, Chapter 7: “Working with Community,” pp: 141 – 160.

No class – Spring Break**March 9**

Class 8: Design thinking for social innovation**March 16****Part I: Design Thinking: Where do innovations come from?**

Guest Instructor on design thinking for social innovation Nick Ashburn (formerly with IDEO)

Key Questions:

- How is an innovation different from an “improvement”?
- How do you come up with a true innovation?
- How can you leverage observation and empathy to discover an innovation?

Readings covered today:

1. Brown, Tim & Jocelyn Wyatt, "Design Thinking for Social Innovation," *Stanford Social Innovation Review*. Winter 2010.
2. *Business Model Generation*. "Customer Insights." Pages 126 – 134. "Business Model Environment" Pages 200 – 211.
3. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 8: "Understanding and Attracting Your 'Customers'" pp: 199-247.
4. See also: IDEO Method Cards & HCDConnect.org

Assignment 6: Working in groups, you will go out into the field and apply the tools learned in class. Your group field report will be due at 5 pm on March 22.

Class 9: Traits of Social Entrepreneurs

March 23

Part I: Discussion of midterm, field experiment in design thinking, and performance measurement assignment

Part II: *Guest on what makes someone an entrepreneur*

Key Questions:

- What are the personal traits of successful social entrepreneurs?
- Do you have them?
- If not, how can you develop them?
- If yes, how can you maximize them?

Readings covered today:

1. Bornstein, "Six Qualities of Successful Social Entrepreneurs" Chapter 18 of *How to Change the World*
2. NYT Just Manic Enough: Seeking Perfect Entrepreneurs
<http://www.nytimes.com/2010/09/19/business/19entre.html?src=me&;ref=homepage>

Presentation 1: Prepare a 2 minute pitch for the organization you studied in the first part of the course as practice for pitching your idea/innovation at the end of the course. Your pitch should make the case for investment in the organization in 2 minutes. No slides to be used for this pitch on March 30.

Class 10: Pitches and Mobilizing Resources

March 30

Part I: Practice pitches on the organizations you have studied during the term

Part II: Mobilizing Resources & Managin Money

Key Questions:

- What kinds of start-up funding do you think you will need?
- Where should you look for it?
- Should you seek investors or donors?
- What are the pros/cons of each?
- How do different types of income affect the way you can lead/grow the organization?

Readings:

1. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 4: "Mobilizing Resources", pp: 62-100
2. Dees, J. Gregory, *Strategic Tools for Social Entrepreneurs: Enhancing the Performance of Your Enterprising Nonprofit*, Chapter 6: "Treating Your Donors as Investors", pp: 117-138
3. Foster, William. "Money to Grow On," *Stanford Social Innovation Review*, Fall 2008, pp: 50 – 55.
4. Brest, Paul. "Smart Money" *Stanford Social Innovation Review*, Winter 2003. Please read online at: http://www.ssireview.org/site/printer/smart_money/
5. Pratt on Funding Models

Assignment 7a:

Identify five potential partnerships or board members that would be key for your organization's success. List the partner and explain in 50 – 100 words why that partnership is critical for your organization to achieve its impact. Be specific and give names as to who you would want/need on your board.

Assignment 7b:

Research and document approximately five potential funding sources (client groups, foundations, government, investors, etc) for your idea. If your idea is keyed to earned income from customers, you can earn extra credit if you demonstrate real demand.

Both assignments are due at 5pm on April 5.

Part I: Roundtable discussion of student innovation ideas and of Assignment 6a and 6b

Part II: Scaling a social enterprise

Key Questions:

- How should you develop your idea so that it can be replicated for scale?
- How can you distill your idea into its essential versus non-essential parts?
- How can you abstract your idea from any singular context?

Readings covered today:

1. Frumkin, Peter. *Strategic Giving*. Chapter 6, p 203-216 (Theories of Scale)
2. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 5: “The Accountable Social Entrepreneur,” pp: 103 – 124 & Chapter 10: “Planning for the Social Enterprise”, pp.273-297.

Presentation 2: Alone or in a team of 2, prepare a 6-8 minute pitch and proposal for a new social enterprise (for-profit or non-profit) of your own design to solve one of the three problems defined by the instructor or one of your own choice. The proposal should (at a minimum) detail: 1) the social problem you wish to address; 2) your intended solution, including the product or services you intend to provide; 3) a description of your “innovation,” 4) your proposed approach to sustainable funding, and 5) potential options for scale. Be ready to present on April 20. (Proposal and slide deck due on April 29).

Part I – Finalizing Your Idea

Key Questions:

- How do you put all the ideas together in a persuasive way?
- Is your idea innovative, financially sustainable and scalable?
- What does a compelling venture plan look like?
- How do you start?

Readings covered today:

1. Review sample DSIC Venture Plans
- MaloTraders_Plan.pdf AND MaloTraders.pptx
 - Beleaf_Pitch.pdf AND Beleaf_Plan.pdf
 - TakaTakaSolutions_Plan.pdf AND TakaTaka_Solutions.ppt

2. Dees, J. Gregory, *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs*, Chapter 5: “The Accountable Social Entrepreneur,” pp: 103 – 124 & Chapter 10: “Planning for the Social Enterprise”, pp.273-297.

Part II – Preparing for the Pitch

Key Questions:

- How do you effectively present an idea?
- How do you identify your key messages?
- What is relevant to your audience?
- How can you incite passion and participation from others?

Readings covered today:

1. Reynolds, Garr. *Presentation Zen: Design. “14 Ways to Think Like a Designer”* Pages 16 – 23 and Chapter 8 “Achieving Harmony” Pages 197- 215.
2. Duarte, Nancy. *Resonate*. Chapter 1 “Why Resonate” Pages 1 – 24 & Chapter 2 “Lessons from Myths and Movies” Pages 25 – 54 (& consider browsing rest of the book for additional guidance on how to create a powerful pitch; book available upon request)
3. Duarte, Nancy. *Slide:ology*. Chapters 7 and 8 (Use chapters as needed for guidance on presentations; book available upon request)

Class 13: Student Pitches

April 20

Class 14 (Last Class): Student Pitches

April 27

Due today: written proposal and slide deck

Course Wrap Up