



University of Notre Dame
Keough School of Global Affairs
Pulte Institute for Global Development

Innovation in the Nonprofit (NFP) Sector

Course: MNA 63026
Schedule: MW 9:00 - 10:45AM
Room: Stayer Center 213CL
Professor: [Melissa Paulsen](#)
Office Hours: By Appointment via Zoom (willing to meet in person as students are comfortable)
Office: 3150C Jenkins-Nanovic (office is technically in Jenkins in the northeast corner)
E-Mail: mpaulse1@nd.edu
Phone: 574-631-7568 (office) and 574-876-4206 (cell)

This syllabus is a game plan subject to moderate change; it is not a contract.

Course Description

Social Innovation and Entrepreneurship has sparked dialogue and debate for multiple decades. Its very definition is much debated, as well as its capacity to create sustainable, scalable, systems-changing impact. This course will explore the innovative concepts, practices, and strategies associated with social innovation, including its growing trend both domestically and internationally toward multiple definitions and widespread applications in both the nonprofit and for-profit settings. The course covers examples of various social innovation/enterprise models (for-profit, non-profit, hybrid), requiring students to analyze and devise strategies to improve the efficacy of these ventures. Students will be challenged to develop their own innovative ideas/opportunities, exploring the idea's feasibility, or explore via an organization in need. Topics covered throughout the course include developing a strategic vision/mission, exploring the competitive market/landscape, operations and funding issues, creating enterprise models, and developing a social impact framework.

Special Attention

I recognize that students in this course are pursuing their Masters of Nonprofit Administration (MNA). That said, this course will review models that incorporate non-profit, for-profit and hybrid structures. Our focus will be on self-sustaining models. Even if it is not possible to create a profit-generating or surplus enterprise, the process of striving to do so can lead to a resource-lean, nonprofit entity.

Prerequisite

Social Innovation and Entrepreneurship is multidisciplinary by nature. That is, problem solvers from different disciplines need to work together, drawing upon their respective disciplines, to create sustainable solutions. Your background and experience are the only prerequisite, as well as your openness to your instructor/peers and classroom discussion.

Required Texts

Due to the continuing evolution of social innovation and entrepreneurship as an academic discipline, it is difficult to draw solely upon one or two texts by way of course materials. We will use excerpts from texts as well as articles and case studies, and these materials will be available via Google Drive and/or through online links, and adhere to copyright guidelines. Note the course calendar for specific dates and the associated readings/assignments.

Also, some articles and case studies will be available via a link to Harvard Business Publishing when copyright guidelines require the purchase of the materials. Harvard allows students to purchase these materials directly through their on-line system at the instructor's rate.

Purchase via this link: <https://hbsp.harvard.edu/import/766121>

For other course text purchases, please consider online retailer Better World Books (www.betterworldbooks.com). BWB is a for-profit social enterprise founded by three ND alums to promote and facilitate literacy efforts around the world. I highly encourage you to patronize this retailer for their social mission alone, but their rates are competitive with other online retailers and shipping is free.

Course Objectives

Following completion of this course, students will be able to:

- explain the nuances of social innovation; identify the opportunities, challenges, and issues facing social innovators; investigate and analyze the root cause of social problems, and how social innovators are engaging in community- and systems-based solutions;
- analyze enterprise models, identify problems, then design alternative, strategic solutions for an enterprise;
- develop a feasibility analysis based on your own idea or that of another organization;
- “gain a better understanding of not only how things go right in the best of situations, but also why entities and people fail,”¹ which will help students identify and implement best practices in their own organizations.

While ethics is not mentioned specifically in the above course guidelines, it is every day implied in the very nature of this work.

Class Delivery

Innovation in the Nonprofit Sector is taught through a combination of classroom lectures, in-class exercises, classroom discussions, Socratic questioning, video illustration, and guest lectures. Reading and homework assignments will follow the general information and course requirements. It should be noted that reading assignments and assigned homework should be completed prior to class and students should be prepared to discuss the material covered in the readings on the date indicated in the syllabus.

Special note that I will accommodate students who are unable to attend in person via dual modality. Students will have access to a recurring Zoom link via a calendar invite. It should be noted, as well, that

¹ Quoted from “Engineers of the Future: Architects of Dreams.” Author: Josef Mittleman, Brown University. Spring 2009.

I will need to move our class to Zoom on Wednesday, October 14 and Monday, October 19 due to my son's wedding.

Electronic Use

This is a graduate course, and therefore, your maturity is requested in terms of the use of electronic devices – laptop or tablet – which is permitted ONLY if the device is used to refer to readings and/or allows the student to take notes. Please note that smartphones are not allowed in class.

Course Components

All papers will be graded primarily on content, organization (sequence of ideas), balance (evidence of comparable degree of analysis in sections of comparable importance), and style (English usage, grammar and punctuation). All papers must be typed in 12-point font (Times New Roman or equivalent preferred), single-spaced with double-spacing between paragraphs and one-inch margins. Students should upload papers electronically to the assignment folder on Google Drive. Papers will be considered late if not submitted by the assigned time on the due date, and automatically will be graded down as a result for every day it is late.

1. Case Studies: Analyzing a case is integral to problem-solving. "...many business educators use case studies because their narratives are so valuable in developing analytics and critical thinking abilities, as well as organizational and communication skills. You can memorize lists, procedures, and attributes. You can occasionally guess successfully at the answer to a multiple choice question. But you cannot memorize the answer to a problem you have never encountered, nor can you guess at the options available to the manager who must resolve a complex, difficult, often ambiguous situation."²

We will use the case study method to analyze various social venturing models, including the opportunities, challenges, and issues faced by social innovators, as well as devise strategies and tactics to improve the efficacy of these ventures. We will discuss cases in class, then "reveal" an issue that was not brought up or discussed.

Students will be required to submit a response paper (five pages max) for one of the cases as part of their midterm exam. Responses should briefly summarize the case and issues, then focus on analysis of the issue(s) raised in the "reveal" and proposed strategy by way of resolution to the issue.³ Students will have the opportunity to select from several cases available. All case submissions should be uploaded to the assignment folder on Google Drive.

Helpful guidelines in preparing case study response(s) will be discussed and uploaded to the Google Drive in advance.

² "Analyzing a Case Study", James S. O'Rourke, Case 00-06, Eugene D. Fanning Center for Business Communication, Mendoza College of Business, University of Notre Dame, 2000.

³ Students tend to spend too much time summarizing the case and issue. There is only so much real estate. Move to your analysis and strategy discussion as soon as possible. Students will receive a "helpful hints" sheet with the first case assignment.

2. Final Project and Presentation: Students should work in two- to three-person teams for the final project (a student may decide to go solo, if preferred, as well). Students may choose from one of the following options:
 - a. Students may write their own feasibility plan based on their own solution to a social problem (or an outside organization may be looking for assistance in writing a social venture plan). An outline will be provided – as well as assistance – to any team that wants to pursue this as a final project.
 - b. In addition to analyzing the case studies provided in class, students can write their own case study as a culminating final project. Those who choose this option will fully research an organization and the challenges faced, then organize and write a case study along with teaching notes. Case studies will be presented at the end of the semester.
 - c. Finally, I routinely work on and/or come across projects with external organizations, such as USAID, and will share any opportunities with students who wish to work on these experiential, applied-learning projects.

Final notes about the projects/presentations: Teams will submit a concept proposal (see course calendar for associated due date) so that I can review the topic, provide feedback, and discuss the viability of the idea. Students are also encouraged to follow-up at any time with a meeting.

I am available at any time to discuss the project topics and proposals, challenges you may be facing, as well as any other issues/concerns. It is not my intention to create roadblocks in terms of assignments. I am willing to meet in person, via telephone, over coffee – whatever you need. This is not an idle offer, but a serious invitation to be of assistance and support to you individually, and to your team.

Class Attendance, Participation, Homework and Extra Credit

Throughout the module participation will be assessed through your attendance and contributions to class discussion. Positive points are given to those who are consistently and fully engaged, to those that contribute statements that lend significant insight to the situation, and to those who show passion for learning and the subject matter. I understand that some students may be fully intent on the subject matter, listening to the discussion, but quiet when it comes to participation – I encourage these students to add their voices to the conversation so that we have a full range of insights and opinions.

No points will be assigned if a student appears disinterested or bored, or gives statements that do not reflect attention to what is taking place in class – that is, the student is physically present in class, but his/her mind is engaged (or not) elsewhere. Since attendance is so critical to learning in a discussion class such as this, negative participation points will be assigned for absences, unless a student is ill. If you have any questions at all about any of these policies, please feel free to speak to me.

Note that these policies apply to any online class modalities, as well.

Team Guidelines

Teams will be composed of two to three students. Teams should represent the make-up of the class - that is, a balance according to gender and academic discipline/background. With those guidelines in mind, students may select their own team members. In choosing teammates, students are accountable to each other for the various timelines, final project and grade.

Grading

ACTIVE Participation and Attendance	15
Concept Note for Final Project	15
Midterm: Case Study Response	30
Final Written Project (30) and Presentation (10)	<u>40</u>
	100 overall points

Grading Scale

A	95% - 100%	Work meets or exceeds the highest expectations of the assignment/course.
A-	90% - 94%	Superior work in all areas of the assignment/course.
B+	87% - 89%	Superior work in most areas of the assignment/course.
B	84% - 86%	Demonstrates solid work across the board.
B-	80% - 83%	More than acceptable, but falls short of solid work.
C+	77% - 79%	Work meets all of the basic requirements and standards.
C	74% - 76%	Work meets most of the basic requirements and standards.
C-	70% - 73%	While acceptable, work falls short of meeting basic standards.
F	69% or lower	Unacceptable performance.

Honor Code

All students in this course are expected to adhere to university standards of academic integrity. Please remember that you have pledged to uphold the Academic Code of Honor. This Code of Honor contains the following pledge: “As a member of the Notre Dame community, I will not participate in or tolerate academic dishonesty”.

Cheating, plagiarism, and other forms of academic dishonesty will not be tolerated in this course. This includes, but is not limited to, consulting with another person during an exam/quiz, turning in written work that was prepared by someone other than you, and making minor modifications to the work of someone else and turning it in as your own. Ignorance will not be permitted as an excuse. If you are not sure whether something you plan to submit would be considered either cheating or plagiarism, please note that it is your responsibility to get clarification. Please ask me about it or consult credible sources of information on the subject, including ND’s Writing Center. One useful Internet site is <http://www.indiana.edu/~wts/pamphlets/plagiarism.shtml>.

Professor Contact

If not already clear, I encourage students to contact me in person, via telephone or email with any questions or concerns throughout the module. I am also available to meet in person, subject to our mutual health and comfort level, and certainly via Zoom.

Innovation in the Nonprofit Sector Course Calendar

October 12 Course Introduction and Syllabus Review
Social Innovation and Entrepreneurship: Definitions and Critiques

Readings:

- J. Gregory Dees, “A Tale of Two Cultures: Charity, Problem Solving and the Future of Social Entrepreneurship,” *Journal of Business Ethics*, 17 August 2012. (Google Drive)
- James A. Phills Jr. et al, “Rediscovering Social Innovation,” *Stanford Social Innovation Review*, Fall 2008. (Google Drive)
- Marshall Glanz et al, “Social Enterprise Is Not Social Change,” *Stanford Social Innovation Review*, Spring 2018. (Google Drive)

Consider the following for class:

- What is social entrepreneurship/innovation and how would you define it?
- What are the similarities/dissimilarities between the various authors’ definition(s) (as presented), points of clarification, and even critiques vs. your own?

October 14 Love the Problem, Not Your Solution

Readings:

- Papi-Thornton, Daniela, “Tackling Heropreneurship,” *Stanford Social Innovation Review*: February 23, 2016. (Google Drive)
- Jill Kickul and Thomas Lyons, *Understanding Social Entrepreneurship*, Chapter 3, pages 41-63. (Google Drive)
- Leigh Kamping-Carder, “The Indoor Farmer Who Wants to Remake Appalachia’s Agriculture,” *The Wall Street Journal*, August 15, 2019. (Google Drive)

Come to “class” with an articulation of the following questions⁴:

- What is the social problem you wish to address?
 - Who is suffering?
 - What are they suffering from and when?
 - What’s causing this suffering?
 - How many people are affected?
 - Where are they located, and how are they geographically distributed?
- Why are you interested in this problem/population?
- What is your relevant experience as it relates to understanding this problem?
- What do you need to do to further study these problems?

October 19 Guest: [John Gibbons](#), COO/Co-Founder, Hurry Home, Former Invanti Fellow
Case Illustration: Newman’s Own

⁴ Questions from *The Social Entrepreneur’s Playbook: Pressure Test, Plan, Launch and Scale Your Enterprise*, Expanded Edition, by Ian C. MacMillan and James D. Thompson, 2013, Wharton Digital Press.

Readings:

- Case Study: “Newman’s Own, Inc.” (Harvard)

Prepare the following for class:

- Where does Newman’s Own fall on the social entrepreneurial continuum? One could argue that Paul Newman did not set out to solve a social problem? Does that negate his impact?
- Why has Newman’s Own been so successful?
- How does being a social purpose enterprise enhance or hinder the company’s business performance?
- How does being a for-profit entity enhance or hinder the creation of social value?
- What would you recommend to the management of NO to strengthen its future success?
- Can you envision a different structure for NO? One that blends the for-profit with the philanthropic? Is the current structure the most expedient? Or a product of circumstance at start-up?

October 21 Design Thinking for Social Innovation: Workshop

Readings:

- Tim Brown and Jocelyn Wyatt, “Design Thinking for Social Innovation,” *Stanford Social Innovation Review*, Winter 2010 (Google Drive)
- Katja Battarbee, Jane Fulton Suri, and Suzanne Gibbs Howard, “Empathy on the Edge,” IDEO, 2012. (Harvard)
- Yasser Bhatti et al, “Putting Humans at the Center of Health Care Innovation,” *Harvard Business Review*, March 2018. (Harvard)

October 26 Guest: [Greg Van Kirk](#), Founder, [Social Entrepreneur U](#)
Case Illustration: SELCO

Readings:

- Case Study - “SELCO: Harnessing Light to Create Livelihood” (Harvard)

Prepare the following for class:

- How is SELCO fulfilling a need rather than creating a want or desire? What’s the difference?
- Does SELCO understand the true needs at the BoP?
- What products and services are being created to fulfill this need?
- How does SELCO fit the human-centered design model?

October 28 Lean Impact and the Business Model Canvas: Workshop

Readings:

- Ann Mei Chang, *Lean Impact: How to Innovate for Radically Greater Social Good*, 2019, John Wiley & Sons, Inc. Pgs. 61-82 (Google Drive)
- Steve Blank, “Why the Lean Start-Up Changes Everything,” *Harvard Business Review*, May 2013 (Harvard)
- “Business Model Canvas Explained,” from Alex Osterwalder & Yves Pigneur’s *Business Model*

Generation, Wiley & Sons, 2010 (Google Drive)

Prepare the following for class:

- What is the difference between the traditional business plan and the “lean start-up model”?
- Why favor lean start-up methodology over the traditional business plan?
- What, if any, are some drawbacks in lean start-up, especially in social impact settings?
- What is the business model canvas and how should it be applied to social impact models?

November 2 Business Model/Brand Case Illustration: Aarong
Final Project Concept Note Due

Readings:

- Case Study – “Aarong: Social Enterprise for Bangladesh’s Rural Poor” (Harvard)

Prepare the following for class:

- Analyze the Aarong business model and prepare to discuss its critical success factors.
- What does the Aarong brand stand for? In other words, what is Aarong’s brand identity?
- How can Aarong maintain demand in such a competitive landscape given that costs are rising? What’s the best option?

November 4 Guest: Sean Paulsen, Public Defender, Former Legal Intern, [Equal Justice Initiative](#)
Theory of Change and Measuring Social Impact
TAKE-HOME MIDTERM Distributed

Readings:

- Moaz Brown, “Unpacking the Theory of Change,” *Stanford Social Innovation Review*, Fall 2020. (Google Drive)

Consider the following for class:

- What is a “theory of change”?
- Why is it so difficult for organizations to demonstrate impact?
- By way of example, how would you diagram Selco’s or Aarong’s impact?

November 9 Organizational Structures and Funding Social Enterprises

Readings:

- Bethany Coates & Garth Saloner, “The Profit in Nonprofit”, *SSIR*, Summer 2009. (Google Drive)
- Battilana, Lee, Walker, & Dorsey, “In Search of the Hybrid Ideal”, *SSIR*, Summer 2012. (Google Drive)
- Alan Grossman et al, “Venture Philanthropy: Its Evolution and Its Future,” *Harvard Business School*, June 2013. (Harvard)

Prepare the following for class:

- What are the various entity structures that social enterprises can consider, as well as the advantages/disadvantages?

- What are some of the barriers social enterprises face when raising capital which traditional entrepreneurs do not have?
- What is venture philanthropy, and more specifically, the newer forms of venture philanthropy?

November 11 Case Illustration: Social Impact Bonds / Pay for Success

Reading:

- Case Study: “Pay for Success and Social Innovation Financing: Serving Santa Clara County’s Mentally Ill Residents” (Harvard)

Prepare the following:

- What is the “Pay for Success” model and how does it work?
- Can you think of several problems/examples where the “Pay for Success” model would work?

Nov 16 Funding Social Enterprises / The Funding Gap

Readings:

- Dichter et al, “Closing the Pioneer Gap”, *SSIR*, Winter 2013. (Google Drive)
- Ben Powell, “Social Entrepreneurship Needs a New Funding Model, *SSIR*, Fall 2020. (Google Drive)
- Other reading(s) TBD

Nov 18 Case Illustration: Acumen Fund

Readings:

- Case Study – “Acumen Fund and Embrace: From the Leading Edge of Social Venture Investing” (Harvard)

Prepare the following:

- What is patient capital, per Novogratz and Acumen? How does AF invest in social enterprises?
- Should Embrace convert to a for-profit or hybrid organization? What are the pros and cons?
- Is AF an attractive investor? If so, in what range should Embrace negotiate the equity percentage and value?
- Should Embrace consider other investors?

Nov 23 & 24 Individual Team Presentations

Final Papers due on _____ by 5:00pm (Upload to Google Drive)