Course Objectives and Scope

Mission-driven businesses harness the power of the marketplace to solve social, environmental, or economic problems and/or create social value. They are proliferating rapidly, playing a catalytic role in fostering multi-stakeholder collaboration and investment. “Impact Entrepreneurship” is for MBAs who recognize that every company, every organization has a responsibility to people, planet, and profit.

Is your passion directed toward learning more about systems-change enterprises in the U.S. and abroad, creating your own mission-driven business, or working in a large corporation, where you can invest in social impact through corporate sustainability initiatives, supply chain, operations, or human resources? Are you interested in impact investing and how to successfully evaluate opportunities for financial gain AND social change? Then take this course!

Through case studies, guest speakers, and entrepreneurship/ intrapreneurship concept development, presentation and feedback, this class will give students a broad understanding of the many ways in which they can pursue positive and sustainable social change through creating, scaling, investing in or collaborating with mission-driven businesses. The course will cover case studies in mission-driven business development and scaling, corporate social responsibility initiatives, B-Corps and impact investment organizations such as the Skoll Foundation and Omidyar Network. It will analyze ESG ratings for publicly traded corporations, social impact bonds, cause-marketing and buy-one/give-one ventures to assess their value for sustainable change.

Students will learn how to develop an impact framework—defining intended outputs, outcomes, and impact—for measurement and evaluation (M&E) of social ROI. The course will also cover how multi-stakeholder collaboration is fundamental for sustainable social change initiatives and will examine how they can be successfully established and maintained.
About the instructor: As CEO of the U.S. Social Enterprise Alliance, Lisa Nitze toured and analyzed leading social enterprises and spoke on social entrepreneurship issues throughout the country, advised the White House Office on Social Innovation on how to create enabling environments for social enterprises to thrive, and represented the U.S. at Social Enterprise World Fora. As VP Global Engagement at Ashoka, Nitze worked with multi-national corporations and impact investors to create shared value by supporting leading social entrepreneurs in 70 countries. As Washington D.C. managing director of Mission Measurement, a social impact investment consulting company, she advised international development organizations, foundations, corporations and nonprofits on how to measure, evaluate and grow the impact of social investments. She has started and built four nonprofits and is a speaker specialist for the U.S. Department of State on Social Entrepreneurship, having done speaking tours in Latin America, Northern Africa, India, and Fulbright Program briefings in Washington D.C. Nitze has a BA from Harvard and an MBA from Stanford.

Course Format

Class sessions will consist of impact entrepreneur speakers, discussions regarding reading assignments, lectures, case studies, team analysis and presentations. Sessions may begin with a cold call. On occasion, I will also cold call students during the discussion, so it is in your best interest to prepare for every class and to pay close attention throughout the discussion. This course will be most valuable (and enjoyable) if all students are engaged and participating in a productive manner. To contribute to the learning environment, you must prepare to do the following:

Specific Expectations

1. Attend all classes. (Notify me, via email, of an absence one day before the absence occurs.)
2. Treat all classmates and their opinions with respect.
3. Carefully consider your position and state it clearly.
4. Display your name card in each class.
5. Stow laptops (and other personal electronic devices) before class begins.
6. Switch cell phones to silent mode during class.

Class Participation

Carefully considered arguments that support your position and site specific research, readings, cases or speaker presentations are welcome. Structured comments that move discussions forward are preferred to repeating previous points. Attendance is a necessary (although not sufficient) condition for earning credit for class participation. No participation credit can be received for classes not attended.

Electronic Devices

Discussions in this class are interactive and often fast-paced. Hence, a consistent comment from students is that they can easily become lost if they momentarily disengage from the discussion. Moreover, students have commented that they are less motivated to speak if they see classmates are “tuning out” to use electronic devices. This is a serious concern in this class because the level of learning hinges critically on active discussion reflecting a diversity of student perspectives. Speaking in front of classmates can be intimidating as it is, and many students are cautious about speaking up. Whether intentionally or not, tuning out to use electronic devices sends negative feedback to speakers and promotes disengagement. I have found that the learning benefits for students of keeping electronic
devices turned off far outweigh the potential benefits of keeping them on. And this only works if it is enforced strictly and consistently. I make exceptions for students with physical conditions that impair their abilities to use a pen. I also recognize that students with full-time jobs or families may need to respond to urgent situations during class. Students are welcome to step out of class to do so, since this would not be perceived as disinterest or disrespect to those who are speaking.

**Critical Success Factors**
The course is designed to hone your ability to measure, benchmark and communicate impact; conceive of and design triple bottom line businesses, motivate and retain a team of innovators and entrepreneurs; know when and how to make trade-offs between social and financial ROI; build shared-value partnerships; and scale your impact. All of these are critical to success in mission-driven businesses. Successful students use the readings, assignments, and discussions in this course to practice the following skills:
1. Ask questions that create clarity
2. Examine and analyze within context
3. Identify relevant decision criteria
4. Evaluate assumptions
5. Think systematically about what we need to know in order to make good decisions
6. Seek to Advance collective understanding
3. Use questions to clarify logic

**Discussion of Readings**
You will be expected to fully prepare all assigned readings before class and to be ready to present your critical opinion of the readings in the context of what we have learned in class. Class comments should refer back to specific readings, cases or examples and to specific authors’ points of view.

**Written Profile of Mission-Driven Business that Builds Community**
Profiles must be emailed to me by the beginning of class on the due date. A hard copy must be submitted at the beginning of class on the due date. Late assignments will be graded and then have 30% deducted from the graded score for every hour it is late. These deductions are implemented without exception. All profiles must include analysis required. Detailed instructions will be provided in class. All work submitted must be solely your own.

**Group Analysis and Presentation of Critical Characteristics of Impact Entrepreneurs and Enabling Environments**
Based upon invited speakers, case studies and readings, the class will be split into groups of three and identify key characteristics, their contributions to success, elements necessary for enabling environments and optimal combinations of both for impact entrepreneurs. Groups will decide how to
present findings to the class in a manner leveraging each team members’ potential to contribute. Classmates will use a scoring rubric for each group.

**Individual Project: Mission-Drive Business Concept Development**

Each student will be asked to envision a new or analyze an existing mission-driven business. Using the learnings in the course, each student will develop a Theory of Change, an Impact Framework and Success Metrics, Impact Messaging and will detail their Sustainable Business Model. Each of these steps in the process of developing a mission-driven business will involve select students making class presentations. The class will give presenters constructive feedback and presenters will be expected to be continuously improving all elements of their mission driven business as the course proceeds. The final concept presentations will be conducted before a panel of impact investors who will give presenters feedback and advice.

**Grades:**

Final course grades are subject to grade distribution guidelines set by the Foster School of Business for MBA courses. This is intended to produce an equitable distribution that ensures academic rigor and offers accurate feedback to students regarding their academic performance relative to their peers in the same cohort. Total points earned will be computed as follows:

20% Class Participation

10% One Page Profile of Mission-Driven Business that builds “community”

10% Group Analysis and Presentation on key Qualities for Impact Entrepreneurship

10% Development and Presentation of your Mission-Driven Business Theory of Change

20% Development and Presentation of your Mission-Driven Business Impact Framework and Success Metrics

10% Development of Impact Messaging and Pitch for your Mission-Driven Business

20% Presentation of the Sustainable Business Model for your Mission Driven Business

**Projected Grade Distribution**

Final grades will be determined by how students rank relative to one another in the class distribution in terms of total points earned. The median grade is expected to be 3.5 for MBA courses in the Foster School of Business.
**Policy on Grade Appeals**

Seeking feedback in earnest during office hours is highly encouraged. Students who do so have experienced consistent improvement. However, genuine mistakes will occasionally be made and meritorious aspects of your work product may be overlooked. Such instances will be addressed as follows:

1. If you would like your grade on a specific assignment to be reconsidered, then you must compose a memo that justifies further consideration of your work.
   a. All memos must be submitted within 1 week (7 days) of the original grade being distributed.
   b. The memo must be emailed to me.
   d. The memo must point to the specific lines and passages where statements addressing the expectations of the assignment were overlooked in the grading process.

2. Final decisions will be made within 1 week of submission.

3. The assignment will be re-considered in its entirety; grades may be adjusted upward or downward, or remain unaltered.

4. All grade appeals must be written; none will be considered during office hours or class time.

**University Honor Code**

Members of the University of Washington community are committed to values of honor, integrity, and accountability. We will not use dishonest means to gain unfair advantage in the academic arena, nor will we tolerate anyone who does so. Academic dishonesty is a corrosive force at any university. Apathy or acquiescence in the presence of academic dishonesty is not a neutral act. It undermines the bonds of trust and honesty between members of the community and defrauds those who may eventually depend on our knowledge and integrity.

All members of the University community, students, faculty, and staff share the responsibility and authority to challenge and report acts of apparent academic dishonesty. Any member of the University community who has witnessed an apparent act of academic dishonesty, or has information that reasonably leads to the conclusion that such an act has occurred or has been attempted, has the responsibility to inform the faculty member in the class involved or the Honor Council promptly in writing.

More info:
http://www.foster.washington.edu/academic/mba/currentstudents/Pages/honorcode.aspx

**Specific Application of the Honor Code to ENTRE 579:**

1. Using external sources without properly citing them is an act of academic dishonesty.
2. Providing course materials to other students who have not yet taken ENTRE 579 is an act of dishonesty.
3. Submitting written work or using presentation materials that reflect the work of individuals other than you is an act of dishonesty.
Course Materials

Texts:


Choose one of the two following texts:


Overview of Session Dates and Topics

4/2  Harnessing the Power of Business for a Sustainable Future

4/9  Mission-Driven Businesses – What are They?

4/16 Mission-Driven Businesses Can Play a Fundamental Role in Building Community and Sustainable Communities

4/23 The B-Corp Phenomenon – Changing the Way Business Gets Done


5/7 What is a Theory of Change and How Does it Influence Mission Driven Businesses

5/14 Every Mission-Driven Business Needs a “North Star”

5/21 Using Your Theory of Change, Impact Framework and Success Metrics to Sell Your Impact

5/28 How do Impact Investors Make Their Investment Choices?

6/4 Mission Driven Business Concepts and Pitches
Individual Session  Topics and Preparation

4/2

Harnessing the Power of Business for a Sustainable Future

- Introductions/ Course Goal-Setting
- Discussion of Readings and Videos
- Impact Entrepreneurship Definition and Examples
- Mission Driven Business definition and structures
- Overview of the changing role of corporations in the evolving socio-economic environment – doing well by doing good and pursuing shared value collaborations
- YouTube Video: Porter, Michael, Understanding “Shared Value”
  http://www.youtube.com/watch?v=34pYHEofaSE

Class Preparation


Video: “Class Day 2014 HBS: Casey Gerald” YouTube Video (May 2014)
https://www.youtube.com/watch?v=w9Flv4X38Hc


Bamburg, Jill “Purpose in Business: Measuring What Matters” (TedX February 2013) http://www.youtube.com/watch?v=7stGmEkTE78

Come prepared to discuss: your definition of impact entrepreneurship, an example of impact entrepreneurship you find compelling and how impact entrepreneurship fits within your personal and professional goals

4/9

Mission-Driven Businesses – What are They?

- Discussion of readings
- Discussion of why mission driven businesses launch in different structures
- Presentation of mission driven business case studies and their business models
- **Invited Speaker:** Year Up Executive Director Puget Sound, Lisa Chin www.yearup.org
• Discussion/ Q&A of Year Up business model its evolution and scaling

Class Preparation


Kevin Lynch and Julius Walls, Jr., *Mission, Inc.: The Practitioners Guide to Social Enterprise* (Berrett-Koehler, 2009) Chapters 1,3,7,9,10

Battilona, Julie; Lee, Matthew; Walker, John; Dorsey, Cheryl “In Search of the Hybrid Ideal” Stanford Social Innovation Review (Summer 2012) (http://www.ssireview.org/articles/entry/in_search_of_the_hybrid_ideal)

4/16

Mission Driven Businesses can Play a Fundamental Role in Building Community and Sustainable Communities

• Discussion of homework assignment case studies
• *Invited speaker*: Fare Start CEO, Megan Karch www.farestart.org
• *Invited speaker*: Community Sourced Capital CEO, Rachel Maxwell www.communitysourcedcapital.com
• Discussion of the direct and indirect benefits created by both Fare Start and Community Sourced Capital as they build community

Class Preparation

Research and write a one-page paper on a mission-driven business of your choice that creates or builds “community” and detail what social and economic value is thereby produced.

4/23

The B-Corp Phenomenon – Changing the way Business Gets Done

• Discussion of readings
• Benefit Corporations and B-Corp Certifications – what are they and how are they changing the corporate landscape
• How are B-Corps different than Mission Driven Businesses in a for profit structure?
• *Invited Speaker*: Green Canopy Homes CEO, Aaron Fairchild
• Discussion of why Green Canopy chose to seek B-Corps certification, the value of the certification to the business, and whether it has changed corporate strategies and operations or not.
Class Preparation

A. Weinstein, “Andrew talks B Corps and Shared Value, www.bcorporation.net/perspectives
https://www.bcorporation.net/blog/andrew-talks-b-corps-and-shared-value

“Patagonia,” www.bcorporation.net/community
https://www.bcorporation.net/community/patagonia-inc

“Guayaki Sustainable Rainforest Products,” www.bcorporation.net/rockstars
https://www.bcorporation.net/blog/guayaki-sustainable-rainforest-products

“King Arthur Flour: A Company Built to Last,” www.bcorporation.net/rockstars
https://www.bcorporation.net/blog/king-arthur-flour-a-company-built-to-last

“Revolution Foods,” www.bcorporation.net/rockstars
https://www.bcorporation.net/blog/revolution-foods

“Seventh Generation: Committed to Impact” www.bcorporation.net/rockstars
https://www.bcorporation.net/blog/seventh-generation-committed-to-impact

Davidoff, Steven “In a Lemonade Stand the Transformation of the Corporation”

4/30

Impact Entrepreneurs – What makes them Tick?

- In class readings: “Africa Calling: A conversation with Mo Ibrahim” and “The Nordic Model: A conversation with Niklas Zennstrom”, Foreign Affairs Magazine Special Entrepreneurship Issue, January/February 2015
- **Invited Speaker** Lacey All, Director of Strategic Talent Initiatives, Starbucks Corporation
- Break into groups to analyze and discuss what it takes to become a successful impact entrepreneur from the homework readings, previous class speakers and in-class readings
- Class presentations by groups

Class Preparation:

Read one of the following books:

What is a Theory of Change and How Does it Influence Mission-Driven Businesses

- Discussion of Theories of Change
- **Invited Speaker**: Greg Ratliff, Senior Program Officer, Bill and Melinda Gates Foundation
- Students present Theories of Change and receive feedback from class
- Discuss how to develop Impact Frameworks and Success Metrics
- Case studies of Impact Frameworks and how they relate to Theories of Change and Success Metrics

Preparation for Class


Develop a Theory of Change for a mission driven business you would like to start or that currently exists. Detailed instructions will be provided in class.

Every Mission-Driven Business needs a “North Star”

- Class presentations of Impact Frameworks and Draft Impact Metrics
- Discussion and feedback
- Strategically Balancing Financial Return on Investment and Social Return on Investment for impact
- How to conduct Gap Analysis with Impact Frameworks

Class Preparation

Develop Impact Framework and draft Impact Metrics for your Mission Driven Business

Detailed instructions will be provided in class
Using your Theory of Change, Impact Framework and Success Metrics to Sell your Impact

- Discussion of what it means to “sell an organization’s impact”; how to define its audiences (impact investors); how to assess their priorities; and how to target measurement, evaluation and message accordingly
- Class breaks into groups to develop and practice pitches on impact messaging with each other and give/get feedback on “selling impact” to impact investors
- Class presentations and feedback on select student impact messaging

Class Preparation


Continue to revise Impact Framework and Impact Metrics for your Mission-Driven Business

5/28

How do Impact Investors make their Investment Choices

- Review and discussion of the readings
- Students update Impact Frameworks, Metrics and Messaging for their Mission Driven Business to reflect readings
- *Invited Speaker*: Social Venture Partner Founding President, Paul Shoemaker
- Discussion of SVP Impact Investment philosophy, execution and results

Class Preparation

David Wolman, “How Wall Street Can Save the Earth,” Outside Magazine


**Mission Driven Business Concepts and Pitches**

- Students will pitch their mission-driven business concepts to a panel of Impact Investors for feedback and advice. Detailed instructions will be distributed in class.
- *Invited Panel* of Impact Investors
- Course Evaluation

**Preparation for Class**