

Business Fundamentals for Social Entrepreneurs

**MGT 4803
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Instructor:

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Introduction

There is an increased interest amongst our students to devote themselves to addressing some of society's challenges. The traditional avenue for this goal was through the non-profit community, which employs 10-12% of the population. The development of the social entrepreneurship sector has expanded the scale and scope of opportunities for creating social value (with 8% of MBAs from Harvard entering the sector to develop, manage and lead organizations). These changes have led to the creation of innovative for-profit, non-profit and hybrid organizations and have dramatically altered the field. Understanding and applying business skills to these organizations can expand the probability of mission success and sustainability.

Some students may elect to pursue a career with an organization that creates social value. Others will find opportunities to engage as volunteers, board members, donors/investors and consumers. Application of business knowledge to these roles will contribute to the success of the social enterprise community. This awareness and understanding will also have value in many for-profit organizations as they strive to expand their social purpose credentials.

Goals of Course

This course is designed to teach students how to apply fundamental business skills in organizations that seek to create social value. Most business courses are focused on creating economic value through for-profit organizations. Business skills are also critical in organizations that are tasked with creating social as well as economic value. The ability of students to apply this knowledge and skills will help them attract and manage the human and financial capital needed for success. These skills are instrumental in developing the organizational systems and structures that will ensure employees, funders, suppliers, volunteers and other constituents engaged with the mission of the organization. The course will also expose the student to some of the innovations and thinking that are emerging in the field of social entrepreneurship. In addition, students will be taught how to use business tools and techniques to understand past performance, plan for the future, develop effective strategies to attract and manage the financial and human resources needed to sustain and grow social enterprises.

Learning Objectives

- The advantages of applying business tools and models to those organizations that create social value
- How to adapt business skills to engage employees, volunteers, donors, investors and other constituents in the mission of the organization
- Financial management of social organizations
 - Measuring past performance and organizational health
 - Planning for the future
 - Understanding of the financial statements
 - Understanding the costs of programs and operations
- Investing
 - Endowments
 - Investment Strategy
- Attracting Financial Resources to further mission and impact
 - The goals and objectives of providers of financial resources
 - Donors
 - Foundations
 - Venture Philanthropist
 - Impact Investors
 - Governmental Organizations
- Public Policy and Regulations
 - US Laws affecting nonprofits
 - IRS Form 990
 - International Policies impacting US based nonprofits
 - Legal environment in other countries
- Social Return on Investment
- Marketing
- Using Technology to Further Mission and Performance
- Governance
- Sustaining and scaling the social enterprise

Method of Instruction

The class will utilize lecture, case studies, guest speakers, class discussion and teamwork to achieve the learning goals of this course. This program is intended for students participating in a summer study abroad program in Budapest Hungary. Students will attend classes on the Georgia Tech campus for one week in the summer prior to their international departure. The foundation for the course will be taught during this period. An exam will be given prior to departure from Atlanta. Additional learning activities will be delivered during their international experience. Students will be engaged with social enterprises as part of their international experience and this will create opportunities for them to apply their learning and expand their knowledge and skills. A final exam will be given.

Class Materials

- *Management for Social Enterprise*, Doherty, Foster, Mason, Meehan, Rotheroe & Royce, Sage, 2009.
- *Enterprising NonProfits: A Toolkit for Social Entrepreneurs*, Dees, Emerson & Economy, John Wiley & Sons, 2001.
- Case studies from Globalens.com – University of Michigan, Harvard Business School.
- Additional materials will be posted on T-Square or handed out in class

Grading

Attendance and engagement	30%
Pre-departure exam	10%
Case analysis	40%
Final Exam	20%

Case Analysis/Organizational Analysis

Each student may be required to analyze and discuss up to five (5) cases. Guidelines for case discussion will be provided. The cases will be discussed in class and each student will be expected to contribute to the discussion. The instructor may require individual write-ups on each case and/or group presentations.

Mid-term (Prior to Departure)

An exam will cover readings, lectures, site visits, guest speakers and class discussion. The pre-departure exam is intended to assess the current level of understanding of the students and will guide future learning activities.

Final Exam

The final exam will consist of either a write-up of a case or an in-class exam covering materials discussed during the semester.

Attendance and class participation

Each student is expected to participate in the class discussion of readings, cases, and other learning activities. The professor may 'cold call' on students in the event that the class is not engaged in discussion. Attendance is a critical element in the grading. Points will be deducted from the attendance and class participation portion of the grading criteria based on the following:

1 st absence	2 POINT DEDUCTION
2 nd absence	3 POINTS DEDUCTION (TOTAL = 5 POINTS)
3 rd absence	4 POINTS DEDUCTION (TOTAL = 9 POINTS)
4 th absence	5 POINTS DEDUCTION (TOTAL = 14 POINTS)
5 th absence (and above)	6 POINTS DEDUCTION PER ABSENCE

LACK OF ENGAGEMENT IN CLASS DISCUSSION
MINUS ONE (1) POINT EACH CLASS

Honor Code

Students are expected to adhere to the Georgia Tech Honor Code. The Honor Code can be accessed at www.honor.gatech.edu. Students should feel free to discuss any issue with the Honor Code with the professor.

Students with Disabilities

To request classroom accommodations, students with disabilities should contact the ADAPTS office: Assistant Dean/Coordinator for Students with Disabilities, Smithgall Student Services Building, Suite 221 (404-894-2564).