

B65.3335.10
FOUNDATIONS OF ENTREPRENEURSHIP
Social Entrepreneurship Section
Fall 2004
Tuesdays – 6:00 pm to 9:00 pm (Section 10)

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Office Hours: Tuesdays 4:30-5:30 PM; Saturdays, 11:45 AM – 12:45 PM
and by appointment

Required Course Materials: Professor Robinson's B65-3335 Course Book
How to Change the World: Social Entrepreneurs and the
Power of New Ideas by David Bornstein
Additional readings will be distributed in the class.

Objective

The purpose of this course is to explore the many dimensions of new venture creation and growth and to foster innovation and new business formations in independent and corporate settings. This course uses and integrates many of the disciplines in the MBA curriculum. This course appeals to individuals who have a strong desire to become an entrepreneur, or work in a startup, early stage or entrepreneurial minded company that may be pursued now or later in their careers. It also is for those individuals who are considering obtaining jobs in consulting, venture capital, or investment banking where they are dealing with new or relatively new ventures.

Social Entrepreneurship Focus

As part of our ongoing efforts to build out social entrepreneurship curriculum at NYU Stern, we have launched a special section of Foundations of Entrepreneurship that will focus on social entrepreneurship. We define social entrepreneurship as the process of using business skills to create innovative approaches to societal problems. These nonprofit and for profit ventures have a social mission and aim to be financially self-sustainable or profitable. This section is designed to teach students about all aspects of the traditional business planning process, with particular attention paid to the challenges of social venture creation. Topics will include opportunity

assessment, business models in the social sector, acquiring the necessary resources to grow a new venture, and the tradeoffs between social and financial returns on investment.

Students are expected to complete a semester long project (a social venture plan or case study) to be evaluated by classmates, faculty and an outside panel of practitioners. Students will also be expected to attend one outside class session during the semester. These field trips provide the opportunity for students to learn from experienced practitioners in the field.

Course Framework

Entrepreneurship is a story of combining different forms of capital with opportunities, innovation and networks. In this course I will be your guide to exploring these aspects of the most interesting part of the business world; the economic engine of the U.S. and many other economies. Together we will seek the answers to the following questions in each of these four areas.

- What influence do the five types of capital (financial, human, social, cultural, and intellectual) have on the establishment and growth of entrepreneurial ventures?
- Where do opportunities come from? How should they be evaluated? How should they be pursued?
- How are innovations cultivated, protected, and commercialized? What are the sources of innovation in a social entrepreneurial venture?
- What are the roles of various levels of networks in entrepreneurship? How do social, community, and organizational networks influence the establishment and growth of the firm?

I will use several methods of instruction in the course: lecture, case discussion, readings, guest speakers and the project. Lectures are an interactive experience in this course. I prepare each one with interaction in mind. I expect participants to ask questions during the lecture and to respond to questions posed by the instructor. During several sessions guest speakers will be invited to speak on a particular subject. When we have case study readings and in some cases I may use case discussion questions to frame the topics of the week. These questions should help participants find the most important information in the case. I may ask students to prepare specific assignments as pre-work for the case discussion. It is my expectation that students will come to class with a working knowledge of the case and be prepared to discuss and defend their opinions about the subject. I will cold call students, so please read the cases thoroughly.

Textbook, article, or case study required readings are to be done before arriving at the class. Required readings are essential for understanding the topic for each week. The project is the centerpiece of the course. This course is preparing you to write and present a complete plan at the end of the semester. An alternative to the business plan is to create a case study that profiles an entrepreneurial firm, venture capital deal or entrepreneur. Writing a case study is another lens into fully appreciating the entrepreneurial process. More details about each of these options is presented later in the syllabus.

By the end of the course, you should be well equipped to 1) assess the strengths and weaknesses of a venture, 2) write an effective and professional business plan, 3) build your confidence and intuition about the entrepreneurial process of converting dreams into reality, and 4) learn what role if any you should take in the entrepreneurial process.

Class Guidelines

You are responsible for your own learning. You can expect me to be prepared and ready to work each class. I will expect you to be prepared and ready to work each class including being prepared to be called upon to discuss assignments and comment on assigned readings. You are responsible for all assignments and class discussions even if you are absent. Quality class participation is a significant part of the class's learning process. Asking good and thought provoking questions is one way of quality participation. You should never hesitate to comment because you are concerned that you are wrong or unsure of your opinion. We all are wrong sometimes. Many of the questions that will be posed in class will be based upon the readings, the cases and the pre-work. Be prepared to comment upon your writings. Please agree to listen to each other, not necessarily agree, but listen. Try not to interrupt. My role is somewhat different than yours. I will listen, but I also take responsibility for moving the process and the class along. Therefore, I might interrupt a discussion in order to move the class on. Your attendance affects my evaluation of your class participation. Name cards for each class are mandatory. They will assist communication both with me and among your classmates. Any student may, subsequent to Week 7, request an informal review of my evaluation of their class participation.

Attendance Policy

Each student is expected to attend every class. Many of the benefits of the class will be obtained in the classroom discussions that take place. A student's absence not only deprives them of the benefits of class discussion, but it also deprives the rest of the class of their participation. Failure to attend class will significantly impact your grade. Attendance will be taken at each class by passing an attendance sheet which attendees will be requested to sign. If you cannot attend a class, please email me in advance of the class. This is not a substitute for attendance.

Etiquette

We expect all students to behave with professionalism toward all constituents of the NYU STERN community:

- Treat professors and fellow students with civility and respect
- By arriving on time and notifying the professor in advance of anticipated absences, late arrivals or early departures
- By using laptops or other technology in the classroom only as relevant to the material being discussed, careful to take notes silently
- By not distracting others
- By not eating or using cell phones in class (beverages are permitted)
- By displaying your name tag during each class
- By submitting assignments in a legible and professional manner--using 10 or 12 point font, with 1 inch margins

Blackboard will be used for class announcements, written assignments and group discussions. Please follow instructions for using Blackboard on page 10 of this syllabus.

Assignments & Grades

Grades will be based upon:

WRITTEN ASSIGNMENTS

Venture Idea (10 Points)
Venture Evaluation (10 Points)
Special Topics Paper (10 Points)
Double Bottom Line Critique (10 Points)
CLASS PARTICIPATION (10 Points)
FINAL PROJECT
Quality of Final Draft (40 Points)
Final Presentation (10 Points)
TOTAL 100 POINTS

Venture Idea

Each student will develop a one to two page description of a venture idea that answers the following questions. What is the name of your venture? What is the product or service you are providing? Who are the potential customers? Why are you writing this business plan? What is the vision for this venture?

Venture Evaluation

Each student will read and evaluate two of their classmate's venture idea. This "independent" evaluation of the opportunity should be constructive and list a set of questions or areas that the entrepreneur should consider.

Special Topics Paper

Each student is responsible for completing one (1) special topics paper. This paper is a 5 to 8 page document about a topic, issue, social venture, or case study related to this course. You are given the maximum flexibility in this assignment to pursue a topic of interest related to social entrepreneurship. We will discuss the content of this paper in more detail during class.

Double Bottom Line Critique

Each student will develop a 1-2 page critique of the social double bottom line of a social venture business plan provided by Professor Robinson. Your critique will cover these questions: Were there other methods that could have been used to establish the double bottom line? What are the implications of using one approach over another?

Final Project & Presentation

Each student will work on a semester long project with a team of colleagues. The project will be presented at the end of the term.

Option #1 – A Business Plan – Each team of students will take a business idea and develop it into a formal business plan, which will be presented to the class. Because of the size of the class each person can not work independently on their own business idea. I will provide each person with an opportunity to "pitch" their business idea to the class and garner support from 3 other team members. If you are unable to get support from 3 colleagues you must join another team.

Option #2 – A Social Venture Case Study –Each team of students will create a case study about a social entrepreneurial firm, social venture capital deal, or social entrepreneur. This case study is to be a quality document that will potentially be used in future graduate and undergraduate classes as the basis of class discussion. See Professor Robinson for more information on this option.

Team Guidelines

- Teams will be composed of four students which may be modified depending on the number enrolled in the course.
- Teams will be stronger if they have diversity as to experience and interest. Teams will form on or before October 26.
- Teams submit entrepreneurial opportunities for approval.
- Teams can submit a draft of their plan for review up to November 30.

Team Meeting with Professor Robinson

Somewhere near the middle of this course I will meet with each team of students working on project. During this meeting I will serve as your external consultant and answer specific questions and give advice. There is no grade for this meeting but it is chance to clarify expectations and receive feedback from me. Scheduling this meeting with me is an important milestone for your final project.

Session Guide – Social Entrepreneurship Section

Week Topic(s) Case Readings

1

Sep. 28

Introduction & Overviews

Entrepreneurs and Social Entrepreneurship

Zipcar “The Meaning of Social Entrepreneurship” (link on Bb)

“Questions that Every Entrepreneur Must Answer”

Bornstein Chapter 1 and 8

2

Oct. 5

Opportunities, Assessment, & Context Tostadas, Tortilla

Chips and Bank Loans

Chapter 3: “The Opportunity: Creating, Shaping,

Recognizing, Seizing”

“The Competitive Advantage of Inner Cities”

“Social and Institutional Barriers to Markets”

“Going for Brokers” (Link on Bb)

3

Oct. 12

Business Plan & Business Models Rick Surpin “How to Write a Great Business Plan”

“Chapter 10: Planning for the Social Entrepreneur”
Business Plan Workbook (link on Bb)

4

Oct. 19

FIELD TRIP

Blue Ridge Foundation Incubator

5

Oct. 26

Products/ Services/ Innovation/ Marketing Marketing Chapter by Dollinger (link on Blackboard)

Bornstein Chapters 14 and 16

Cause Marketing reading (to be provided)

6

Nov. 2

Organizing the Venture La Table de Cana
(handout)

“Chapter 9: New Venture Teams”

Bornstein Chapter 18

7

Nov. 9

Financing the Venture New Profit Inc. “Bootstrap Capital”

8

Nov. 16

Social Venture Capital/ Venture Philanthropy Double Bottom Line Project Report (link on Bb)

Morino Venture Philanthropy Document (Link on Bb)

Bornstein Chapter 18

9

Nov. 23

Networks & Entrepreneurship 10- 9- 8 Childline

(Bornstein chapt. 7)

“Six Degrees of Lois Weisberg”

10

Nov. 30

Managing Growth: The Challenge of Scaling
the Social Venture (PANEL DISCUSSION)

Bornstein Chapter 20

11

Dec. 7

Presentations & Final Projects

12

Dec. 14

Presentations & Final Projects

Post Scripts & Final Comments

Readings and Assignments

Week # 1 – Introduction to Entrepreneurship and Social Entrepreneurship

September 28

“ZipCar” – HBS Case #9-802-085

“The Meaning of Social Entrepreneurship” by J. Greg Dees (link on Bb)

“Questions that Every Entrepreneur Must Answer” (Bhide) – HBR Reprint #96603

Chapter 1 from How to Change the World - “Restless People”

Chapter 8 from How to Change the World - “The Role of the Social Entrepreneur” (optional)

Week #2 – Opportunities – Evaluation and Assessment

October 5

“Tostadas, Tortilla Chips and Bank Loans” – Darden Case #UVA-S-0104

Chapter 3: “The Opportunity: Creating, Shaping, Recognizing, Seizing” Creation
(Timmons and Spinelli)

The Competitive Advantage of Inner Cities – HBR Reprint #95310

Social and Institutional Barriers to Markets (Robinson/Fairchild)

“Going for Brokers” – Fairchild and Robinson (link on Bb)

Assignment Due: Venture Concept

Week #3 – Business Plans and Business Models

October 12

“Rick Surpin” – HBS Case #9-992-019

“How to Write a Great Business Plan” – HBR Reprint #97409

“Chapter 10: Planning for the Social Entrepreneur” of Enterprising Non-Profits (Dees,
Emerson, Economy)

“Business Planning for Social Ventures” – Robinson (link on Blackboard)

Week #4 – Field Trip to Blue Ridge Foundation Incubator

October 19

Assignment Due: Venture Evaluation (post one on-line and bring one copy of each to class)

Week #5 – Products/Services/Marketing/Innovation

October 26

Marketing Chapter from Dollinger, 3 rd edition – (link on Bb)

(<http://wps.prenhall.com/wps/media/objects/164/168179/Marketing.pdf>)

Chapter 12 from How to Change the World “In Search of Social Excellence”

Chapter 14 from How to Change the World “New Opportunities, New Challenges”

Chapter 16 from How to Change the World “Four Practices of Innovative Organizations”

Venture teams should be formed by this class.

Week #6 – Organizing the Venture

November 2

La Table de Cana (handout in class)

“Chapter 9: New Venture Teams” from New Venture Creation (Timmons and Spinelli)

Chapter 18 from How to Change the World “Six qualities of successful social entrepreneurs”

Week #7 – Financing the Social Venture

November 9

“New Profit Inc.” – HBS Case #MCG006

“Bootstrap Capital” (Bhide) – HBR Reprint #92601

Week #8 – Social ROI and Social Venture Capital

November 16

Double Bottom Line Project Report (link on Bb)

Morino Venture Philanthropy Document (Link on Bb)

Chapter 21 from How to Change the World “Conclusion”

Week #9 – Networks and Entrepreneurship

November 23

Chapter 7 from How to Change the World “10,9,8, Childline”

“Six Degrees of Lois Weisberg” – Malcom Gladwell – New Yorker Magazine

Assignment Due: Special topics paper is due before Thanksgiving.

Week #10 – Panel Discussion

November 30

Chapter 20 from How to Change the World “Blueprint Copying”

Week #11 – Presentations

December 7

Week #12 – Presentations

December 14

USING BLACKBOARD IN FOUNDATIONS OF ENTREPRENEURSHIP

Submitting Assignments via Blackboard

1. Click on Assignments
2. Find the assignment you are trying to submit. Click on it and follow the directions.

Forming Groups

When you have formed your group, have one person from that group fill out the team member sheet with the following information:

- Names
- Stern e-mails
- Majors
- Name of the Venture

Group Collaboration

Each group has a private group space that provides a discussion board, file exchange area, and chat room. Only the members of the group and the professor will be able to enter the group space and view your files and discussions.

E-Mail Issues

Clean Out Your Stern Inbox.

If you have your Stern e-mail forwarded to another e-mail address, make sure to periodically clean out your Stern e-mail inbox. After a short while, e-mail messages will continue to pile up in your inbox, and anyone sending you an e-mail will receive a "User Quota Exceeded" message in return.

Check Your Forwarding Address.

Log in at <http://simon.stern.nyu.edu> to forward your Stern e-mail to another e-mail address. If you have ever forwarded your Stern e-mail in the past, log in to SIMON to verify that your forwarding e-mail address is still valid. If it is no longer valid, remove it. Otherwise, anyone sending you an e-mail will receive an "Undeliverable" message in return.

Obtaining Help with Blackboard

Student help guides and FAQs:

<http://www.stern.nyu.edu/Faculty/citl/edtech/blackboard/students>.

Contact the CITL for assistance with Blackboard at: citl@stern.nyu.edu.

For other technical assistance, contact the Stern IT helpdesk at (212) 998-0180 or remarks@stern.nyu.edu.