

**APS 1015H: Social Entrepreneurship**  
Faculty of Applied Science and Engineering  
University of Toronto

### Course Overview

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This course is designed for engineering students interested in applying their engineering knowledge and skills to address pressing social or environmental issues of our time. Using the principles of entrepreneurship, this course provides students with an understanding of the systems within which these challenges occur, analyze the range of opportunities and tensions that can be defined within a system, and construct a solution to respond to an important issue.

This course will engage students independently and in groups through a variety of approaches that embed the principles of entrepreneurship and social change. Lectures will blend theory on key issues related to social entrepreneurship, as well as workshop-style sessions with industry experts and social entrepreneurs. These sessions will help students to understand the broader systems within which social or environmental challenges are situated, and how to introduce solutions into these systems that integrate the principles of entrepreneurship to yield benefits to communities and society as a whole. Students will apply these lessons through individual and group assignments that progressively build on each other through the course of the semester.

### Course Objectives

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Social entrepreneurship is attracting growing amounts of talent, money, and attention. Along with its increasing popularity has come wide diversity in understandings of what social entrepreneurship is, and how it can be applied in practice. In this course, you will:

1. **Learn the principles of social entrepreneurship and systems analysis:** You will be introduced to examples and best practices, successes and failures, and opportunities and constraints, in the field of social entrepreneurship.
2. **Apply entrepreneurial principles to address gaps in a social system:** Using tools and conceptual frameworks presented in class, you will learn how to identify gaps in a social system and construct a social entrepreneurship solution to address these gaps.
3. **Apply your engineering knowledge to advance societal outcomes:** You will be provided with new perspectives on the opportunities for leveraging an engineering education to positively impact social and environmental change.

### Pedagogy

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We will use a variety of teaching methods to encourage intellectual understanding and a personal connection to the subject matter. Lecture sessions will be coupled with experiential techniques such as case studies, simulations, exercises, and group discussions. Guest speakers will also be a key component to student learning.

The "live case" method is one way that we make the lecture real. Instead of using a written case study, real social entrepreneurs will be invited to class to present a high level description of their business (mission, motivation, goals, etc). We then pose a series of questions to the students related to the entrepreneur's venture.

**Your active contribution in class is an important aspect of the course and will enhance our learning experience.**

## Course Texts

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### ***Required Course Texts & Supplemental Readings***

David Bornstein and Susan Davis, “Social Entrepreneurship: What Everyone Needs to Know”, Oxford University Press, 2010.

IDEO, “Human Centered Design: Toolkit”. 2<sup>nd</sup> Edition. Download at:  
<http://www.designkit.org/resources/1/> (sign up and login first)

### ***Recommended Course Texts***

Alexander Osterwalder and Yves Pigneur. “Business Model Generation”, Self Published, 2009.

Andrew Wolk and Kelley Kreitz, “Business Planning for Enduring Social Impact”, Root Cause, 2008.

## Course Instructors

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### **Norm Tasevski**

Email: [norm@socialentrepreneurship.ca](mailto:norm@socialentrepreneurship.ca)

Office Hours: By appointment (preferably via Skype, Google Hangout or phone)

### **Alex Kjorven**

Email: [alex@socialentrepreneurship.ca](mailto:alex@socialentrepreneurship.ca)

Office Hours: By appointment (preferably via Skype, Google Hangout or phone)

## Course Grading

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### ***Major Assignment - Building a Business Case for a Wicked Social Problem (60%)***

The best method of learning what it means to be a social entrepreneur is to pretend being one in the face of an existing social problem. In this vein, students will be challenged to identify an enterprising solution to a wicked social problem

In class 3, students will form groups of 4-5 and brainstorm solutions to the challenge statements provided. As a group, they will examine the system within which the problem exists and evaluate models or solutions currently offered. By class 9, students will have designed a compelling, new value proposition (i.e. a new proposed business model) for addressing the problem from the lens of a social entrepreneur.

Students will work in groups to identify and design their business cases and have the opportunity to engage guest lecturers throughout the course who represent subject matter experts or related social entrepreneurs.

The grading scheme for this assignment:

- Part 0: Group members identified (no grade)
- Part 1: Diagnose the problem and brainstorm concept solutions (in-class, class 3) - 10%
- Part 2: Social Enterprise/Solution Storyboard (proposed model) (due class 6) - 10%
- Part 3: Recommended business model, financial assumptions and business targets (due class 10) - 20%
- Part 4: In-Class Presentation: The business case (due class 12) - 20%

Specific details for the assignment (key deliverables, expectations and timelines for submission) will be provided in class 2.

### ***Individual Assignment - Systems Map for an Established Social Venture (30%)***

The focus of this assignment is for students to describe an established social enterprise using the lens of systems mapping. Students will describe the organization, draw the systems map that this organization operates in, and identify the gap in the system and describe the organization's solution using a storyboard.

Students will prepare the following:

- A one-page systems map - 15%
- A one-page storyboard - 15%

Specific details for the assignment (key deliverables, expectations and timelines for submission) will be provided in class 2. Examples of social enterprises you may choose to study will be provided; any other examples must be approved by instructors before Class 9.

Due Date: One week after the final class (can be handed in any time earlier in the semester).

### ***Class Participation (10%)***

Participation grades will be based on the quality of participation during in-class discussions, in-class group exercises, and questions for guest speakers. Obviously, attendance in class is a prerequisite! Evidence of participation outside of the classroom (e.g. posting on social entrepreneurship blogs, emailing the professors) may also be factored in.

### **Submitting Assignments**

All assignments are due, in soft copy, at the start of the class (9:00am) in which they are due. After 9:01am, a late penalty will be assigned (10%/day). No hard copies will be accepted.

All assignments are to be submitted via email to [alex@socialentrepreneurship.ca](mailto:alex@socialentrepreneurship.ca)

Group members and numbers will be assigned by the end of class 2. *Please cc all group members when submitting an assignment.*

For simplicity, please use the following format for the Subject line of the email:

**“APS1015 - Group (#) - Part (#)”**

## Session Schedule

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### **Class 1: Introduction to Social Entrepreneurship and Social Systems**

*This introductory class provides an overview and brief history of social entrepreneurship, and the motivations for wanting to be a social entrepreneur. Students will also be exposed to the basics of social systems in preparation for the class 2 systems mapping exercise.*

Readings:

- “Investing for Impact: How social entrepreneurship is redefining the meaning of return”, Credit Suisse and Schwab Foundation for Social Entrepreneurship. Research Institute, January 2012. [http://www.weforum.org/pdf/schwabfound/Investing\\_for\\_Impact.pdf](http://www.weforum.org/pdf/schwabfound/Investing_for_Impact.pdf)

Useful Resources:

- “Primer on Social Innovation: A Compendium of Definitions Developed by Organizations Around the World”, by Geraldine Cahill. The Philanthropist, Vol. 23, No.3, 2010. <http://thephilanthropist.ca/index.php/phil/article/view/846>

### **Class 2: Deep Dive into Social Systems**

*This lecture focuses on the dynamics within systems, how to identify and analyze gaps as well as evaluate how change takes place within more complex systems. Students will be introduced to the process of systems mapping and will participate in a class exercise to create and analyze a systems map for a specific social system. Students may apply the lessons from this lecture to the preparation of their major assignment, which will be introduced in this class (due Class 9).*

Readings:

- Article: “California almonds drink up 3 years worth of LA’s water use.” Grist.org, January 15, 2015. <http://grist.org/food/california-almonds-los-angeles-drought/>
- The Language of Systems Thinking: “Links” and “Loops”  
[http://www.solonline.org/?page=Tool\\_LinksLoops](http://www.solonline.org/?page=Tool_LinksLoops)

### **Class 3: Social Enterprise Idea Jam**

**In -Class Assignment:** Problem Diagnosis and Solution Search

*This lecture will be structured workshop-style, beginning with a short presentation on the social challenge/opportunities framing the major assignment. Students will be introduced to the Ideation Stage of Human-Centered Design, and will participate in an “Idea Jam” session where they openly brainstorm and present early-stage ideas for business model concepts.*

Required Prep:

- <http://www.businessinsider.com/k-cup-inventor-john-sylvans-regret-2015-3>
- <http://www.cctv-america.com/2015/01/29/mcdonalds-losing-battle-for-more-health-conscious-consumers>

## Useful Resources

- “Design Thinking for Social Innovation” by Tim Brown and Jocelyn Wyatt, Stanford Social Innovation Review, Winter 2010,  
[http://www.ssireview.org/articles/entry/design\\_thinking\\_for\\_social\\_innovation/](http://www.ssireview.org/articles/entry/design_thinking_for_social_innovation/)

## Useful Resources:

- “Patterns, Principles, and Practices”, by Stephen Huddart. The Philanthropist, Vol. 23, No. 3, 2010:  
<http://thephilanthropist.ca/index.php/phil/article/view/852>

### ***Class 4: Intervening in Social Systems (Part 1)***

*This class will focus on understanding how to design solutions to a gap in a social system and looks at the first two steps in the system intervention process. Students will be led through an interactive Empathy Mapping exercise followed by an introduction to Business Modeling and the components of a business model canvas.*

#### Readings:

- Human Centered Design: Toolkit, pages 29 - 68.
- TedxSMU Kate Canales on Empathy in Design  
<https://www.youtube.com/watch?v=9aYD6fBPC3c>

## Useful Resources:

- OpenIDEO Challenges: <http://www.openideo.com/open>
- Ashoka Changemakers: <http://www.changemakers.com/>
- TED Talks Series on “Not Business as Usual”:  
[http://www.ted.com/themes/not\\_business\\_as\\_usual.html](http://www.ted.com/themes/not_business_as_usual.html)
- TED Talks Series on “Design That Matters”:  
[http://www.ted.com/themes/design\\_like\\_you\\_give\\_a\\_damn.html](http://www.ted.com/themes/design_like_you_give_a_damn.html)
- “Design for the Other 90%” at <http://other90.cooperhewitt.org/>
- Projects listed at the “Entrepreneurial Design for Extreme Affordability” course at the Stanford Institute of Design: <http://extreme.stanford.edu/index.html>

### ***Class 5: Intervening in a Social System (Part 2)***

*This class will focus on the remaining 2 elements of the system intervention process: financial modeling and target setting. Students will be led through the process of understanding how to build and plan around assumptions, determine a viable business margin for their venture, and how to set reasonable yet motivating business targets that guide business model execution.*

Readings:

- Human Centered Design: Toolkit, pages 146 - 149

Useful Resources:

- Engineers Without Borders Canada, “Failure Report 2010”,  
<http://www.ewb.ca/mainsite/pages/whoweare/accountable/FailureReport2011.pdf>
- “Framing the Issue”, by Jane Wales, Stanford Social Innovation Review, Summer 2012:  
[http://www.ssireview.org/articles/entry/framing\\_the\\_issue\\_2](http://www.ssireview.org/articles/entry/framing_the_issue_2)
- “Social Enterprise in Context” and “Social Enterprise Classification”, by Sutia Kim Alter:  
[http://www.4lenses.org/Setypology/se\\_in\\_context](http://www.4lenses.org/Setypology/se_in_context) (follow all sub-links to [Hybrid Spectrum](#), [Dual Value Creation](#), [Financial Strategy](#), and [Program Strategy](#)) and  
<http://www.4lenses.org/setypology/classification> (follow all sub-links to [Mission Orientation](#), [Business/Program Integration](#), and [Target Market](#))

**Class 6: Validation of Market-Based Solutions**

**Assignment Due** - Social Enterprise/Solution Storyboard

*Students will be introduced to LEAN start-up methodology and how to pivot business ideas as part of rapid prototyping. Specifically, the lecture will cover data collection methodologies and evaluate some of the challenges associated with synthesizing market data and applying this data to business decisions.*

Readings:

- Human Centered Design: Toolkit, pages 121 - 145.

Useful Resources:

- “Models” and “Social Enterprise Structures”, by Sutia Kim Alter:  
<http://www.4lenses.org/setypology/models> (follow all sub-links to [Fundamental](#), [Combining Models](#), and [Enhancing Models](#)) and <http://www.4lenses.org/setypology/structures> (follow all sub-links to [Organizational](#), [Legal](#), and [Ownership](#))
- “Market Strategy Workbook 2: Assessing Critical Value Factors”, published by MaRS Discovery District:  
[http://www.marsdd.com/dms/entrepreneurtoolkit/workbooks/Workbook\\_Marketing2\\_LR.pdf](http://www.marsdd.com/dms/entrepreneurtoolkit/workbooks/Workbook_Marketing2_LR.pdf)
- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 4 (Idea Identification and Feasibility Analysis):  
[http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE\\_Web\\_Chapter\\_Four\\_0.pdf](http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE_Web_Chapter_Four_0.pdf)

**Class 7: Business Considerations For Social Enterprises**

*This class will cover some of the key considerations social entrepreneurs face when launching and growing their social enterprise. Emphasis will be placed on marketing social enterprises where students will be provided an overview of theories around cause marketing and sustainable marketing. Operational, human and legal considerations are also reviewed which include understanding various legal forms applicable to social businesses. Students will also engage in basic financial analysis for their enterprise to determine the financial feasibility of their proposed solution.*

#### Readings:

- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 5 (Planning for Your Social Enterprise):
- “The Canadian Social Enterprise Guide, 2nd Edition”, published by the Enterprising Nonprofits Program. Chapter 7 (The Legal Context):  
[http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE\\_Web\\_Chapter\\_Seven.pdf](http://www.enterprisingnonprofits.ca/sites/www.enterprisingnonprofits.ca/files/uploads/SEGUIDE_Web_Chapter_Seven.pdf)

#### Useful Resources:

- “Market Strategy Workbook 3: Strategic Marketing Approach”, by MaRS Discovery District.  
[http://www.marsdd.com/dms/entrepreneurtoolkit/workbooks/Workbook\\_Marketing3\\_LR.pdf](http://www.marsdd.com/dms/entrepreneurtoolkit/workbooks/Workbook_Marketing3_LR.pdf)
- “Social Investment Manual: An Introduction for Social Entrepreneurs”, by Ann Kristin Achleitner et al. September 2011.  
<http://www.schwabfound.org/pdf/schwabfound/SocialInvestmentManual.pdf>

#### ***Class 8: Business Case Development Check-in***

##### ***Guest Speakers - TBC***

*This class will give students the opportunity to focus on building their social venture business cases. Run workshop-style, the class will feature two to three key experts in social entrepreneurship who will work one-on-one with each student group to further refine their cases.*

No readings for class 8.

#### ***Class 9: Considerations for Capitalizing Social Enterprises***

*This class will provide an overview of social finance and impact investment, the challenges in financing social enterprises, and innovative new investment vehicles designed specifically for the sector*

#### Required Readings:

- “State of the Nation: Impact Investing in Canada”, by Purpose Capital and the MaRS Discovery District.  
<http://www.marsdd.com/wp-content/uploads/2014/09/Impact-Investing-in-Canada-State-of-the-Nation-2014-EN.pdf>
- “Business Planning and Financial Forecasting: A Start-Up Guide”, published by Western Economic Diversification Canada and Small Business BC, Pages 13 – 32: <http://public-files.prbb.org/intervals/docs/16760815-Business-Planning.pdf>
- “What do Funders and Investors Want From Social Enterprises?”, by MaRS Discovery District.  
<http://www.marsdd.com/mars-library/what-do-funders-and-investors-want-from-social-enterprises/>

#### ***Class 10: Scaling a Social Enterprise and Managing for Sustainable Impact***

##### ***Assignment Due*** - Business Model, Financial Assumptions and Business Targets

*Growing a social enterprise that maximizes both business and social impact potential is not always straightforward, and includes a different set of considerations than starting a traditional enterprise. In this class, students will learn about some of the key management challenges involved in running a social enterprise, some potential pitfalls down the road as well as how to measure social impact.*

Readings:

- Measuring Social Impact: Theory of Change: <https://www.youtube.com/watch?v=dpb4AGT684U>

Useful Resources:

- Ontario's Social Enterprise Progress Report 2015  
<https://dr6j45jk9xcmk.cloudfront.net/documents/4468/making-an-impact-ontarios-social-enterprise.pdf>

***Class 11: Emerging Issues in the Field of Social Entrepreneurship***

*This class focuses on understanding some of the emerging issues and opportunities currently facing the field of social entrepreneurship. The lecture will also provide students with a sense of the career opportunities available to them. This lecture will feature a guest speaker.*

Readings to be emailed in advance of the lecture (based on guest speaker topic).

***Class 12: Final Presentations***

**Assignment Due** - In-Class Presentations

*Student teams will present their proposed business model concepts.*

No readings for class 10.