

ISIS
International Social Impact Strategies: India

B65.2366, FALL 2009 - Spring 2010

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Office Hours: By appointment

Class Hours: W 6-9 PM. in Fall; R 6-9 PM in Spring.

Fall Sessions 1 to 8: Oct 7, 14, 21, 28; Nov 4, 11, 18; Dec 2.

India Field Work: Jan 4 to 16.

Spring Sessions 9 to 12: Feb 11, 18, 25; March 4.

Course Theme

The International Social Impact Strategies course is designed to help students gain actionable insights into the nexus between economic and social value creation in international contexts.

Course Objectives & Methods

Academic Component

The course is intended to provide a socially relevant academic experience that combines classroom curriculum with hands-on learning and an international experience.

We will leverage case studies, lectures and class discussion to help participants learn to think strategically and act opportunistically, with an economic mindset and a social conscience. Participants, grouped into teams, will take turns leading the discussion on various cases as well as synthesizing and critiquing the many assigned readings to better internalize the learning process.

Practical Component

In partnership with one or more venture philanthropy organizations/ nonprofit foundations such as Acumen and ANDE (Aspen Network for Development Entrepreneurs), students will have the opportunity to apply their classroom learning to real-world issues by conducting field work projects abroad. Team based projects will focus on areas such as poverty alleviation, energy, health and sustainability. Students will gain exposure to innovative models for addressing issues of global poverty, as well as to thoroughly-vetted international social enterprises that are making tangible and potentially scalable progress in serving the world's poorest populations. Student teams will work in close collaboration with partner organizations to deliver on discrete projects designed to meet existing needs. In addition, project deliverables will include a findings component designed to facilitate the sharing of knowledge and best practices within the sector.

In 2009-2010 the practical component will focus on field work in India. In advance of travel, students will leverage information technology to establish relationships with partner organizations. This will ensure that teams are well informed of focal issues, have the opportunity to gather enough data to quantify the central issues, and can begin generating preliminary solutions. The goal is for student teams to be intimately familiar with the organizations and ready to present preliminary recommendations when they arrive in India. Host organizations will be asked to consider these recommendations and provide critiques which will then form the basis for additional data gathering, field work and further development of the project. Each team is expected to spend two weeks on the ground in India in order to fulfill the required field work component.

Project Goals

- Provide learning experience for students
- Deliver value for local partner foundation/s through student project work
- Expose partner foundations to future leaders from NYU
- Foster community of learning among students, faculty, local and international partner foundations and host country

Student Selection into the Course

Students must apply for placement in the course by submitting a statement of interest as well as a resume to the course instructor. If needed, qualifying applicants will be interviewed by the course instructor. Once selected, students will be required to complete pre-course reading assignments and provide synopses of the materials before the first class in the fall.

Course Credit

This is a 3 credit elective course credited to the fall semester and running from fall through spring semesters with a mandatory two-week field work abroad component during winter break.

Course Grading

The evaluation components and their approximate weights are:

Individual Class participation: 20%

Team Leadership of Cases: 10%

Team Project: 50%

Individual Final Exam: 20%

Course Materials

Advance Course Readings: A compilation of basic readings in the social impact sector will be provided several weeks in advance of the first class for admitted students to read and prepare.

Course Text:

How to Change the World: Social Entrepreneurs and the Power of New Ideas, Updated Edition (Paperback) by David Bornstein. Oxford University Press. 2004.

The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World by John Elkington, Pamela Hartigan, and Klaus Schwab. Schwab Foundation for Social Entrepreneurship 2008

Course Cases/Readings: HBS Case Packet. Available at the NYU Professional Bookstore.

Schedule of Assignments

BB refers to postings on Black Board. All other readings and cases are from the Case Packet.

Theme: Compassion, Culture & Competition –The Basics

Session 1

Read: Handouts on Culture, Strategy & Organization (BB)
 Read: Excerpts from Culture’s Consequences, Geert Hofstede (BB)
 Read: Note on starting a nonprofit venture
 Read: Sources of financing for new nonprofit ventures
 Read: From spare change to real change: The social sector as beta site for business innovation
 Read: Strategic Innovation at the Base of the Pyramid
 Read: Business Basics at the Base of the Pyramid

Prepare Case: Social Entrepreneurs: Correcting market failures
 Multimedia Case: Pura Vida Coffee

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session.

Theme: Non profit Governance & Control: Who controls when markets don’t

Session 2

Read: How should board directors evaluate themselves?
 Read: Struggling Boards: The case for design
 Read: Aligning the board of directors
 Read: The Balanced Scorecard and Nonprofit Organizations
 Read: Note on Business Model Analysis for the Entrepreneur

Prepare Case: New Profit Inc: Governing the nonprofit enterprise

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Theme: Social Impact Strategies: Competitive & Social Value Creation

Session 3

Read: Strategy & Society: The link between competitive advantage and corporate social responsibility
 Read: Creating successful business models: Lessons from Social Entrepreneurship
 Read: Philanthropy’s New Agenda: Creating value
 Read: The competitive advantage of corporate philanthropy
 Read: The secrets to successful strategy execution

Prepare Case: ITC eChoupal Initiative (India)
 Prepare Case: Roman Catholic Diocese of San Jose

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Project Briefings Gate 1: All teams will brief the class on the status of their project thus far.

Theme: Social Impact Strategies: Measures & Metrics

Session 4

Read: Developing entrepreneurship among the world's poorest
Read: Village Engineering and Reengineering: In search of rural fortunes – Rural Enterprise in China and India
Read: Alleviating poverty and malnutrition: Successful models

Prepare Case: Acumen Fund and Mytry De-Flouridation Filter Technologies and/or Acumen Fund and Water Health International
Prepare Case: Opportunity International: Measurement and mission
Prepare Case: The Harlem Children's Zone: Driving Performance with Measurement and Evaluation

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Theme: The Technology of Compassion: Scale, Scope & Synergy

Session 5

Read: Scaling Solutions: Leading Sustainable and Scalable Change
Read: Socially Responsible Distribution: Strategies for Reaching the Bottom of the Pyramid

Prepare Case: Competing for Development (A): Fuel Efficient Stove for Darfur
Prepare Case: The Nature Conservancy

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Session 6

Prepare Case: Akshaya Patra: Feeding India's Schoolchildren
Prepare Case: The Aravind Eye Hospital, Madurai, India: In Service for Sight

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Session 7

Theme: Values & Value: Cultural Networks and Value Creation

Prepare Case: Dabbawallahs, Mumbai, India

Prepare Case: Women's World Banking: Catalytic Change through Networks

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session

Session 8

Theme: Social Impact & Sustainability

Read: Strategy for Sustainability: A Business Manifesto (BR)

Prepare Case: Mistry Architects: Innovating for Sustainability (A)

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session.

Project Briefings Gate 2: All teams will brief the class with an update on the status of their project thus far.

Winter Break: Field Work in India

Session 9

Theme: Alliances for Social Impact

Read: Collaborate with your competitors and win

Prepare Case: Guide Dogs for the Blind Association

Prepare Case: KaBOOM!

Project Briefings: Teams will brief the class with an informal update on their field work experience and project progress thus far. Each team will receive feedback from the rest of the class and the instructor.

Session 10

Theme: Politics, Leadership & Growth - The human challenges of social value creation

Read: Disruptive Innovation for Social Change

Prepare Case: SchoolSuccess.Net

Prepare Case: Teach for America

Voices from the field: An expert from the social impact sector will share insights gained from the field on the case/readings for this session.

Sessions 11 & 12

Theme: Social Impact: Lessons Learned

Read: Causes and Effects

Read: Social Entrepreneurship: Creating New Business Models to Serve the Poor

Read: Social Enterprise Spectrum: Philanthropy to Commerce

Team Project Presentations. Course Review

ABSTRACTS OF CASES & READINGS (In approx order of discussion)**Note on Starting a Nonprofit Venture**

Provides anyone considering starting a nonprofit organization with a basic understanding of the nature of nonprofit status, tax and regulatory issues for nonprofits, and the distinctive management challenges associated with a nonprofit start-up.

Sources of Financing for New Nonprofit Ventures

Designed to help nonprofit entrepreneurs design fund-raising strategies that are appropriate for their specific organizations. Discusses the major fund-raising alternatives, including foundations, corporations, government sources, wealthy individuals, and the public, and provides references for further research.

From Spare Change to Real Change: The Social Sector as Beta Site for Business Innovation

Corporations are continually looking for new sources of innovation. Today several leading companies are beginning to find inspiration in an unexpected place: the social sector. That includes public schools, welfare-to-work programs, and the inner city. Indeed, a new paradigm for innovation is emerging: a partnership between private enterprise and public interest that produces profitable and sustainable change for both sides. In this article, the author shows how some companies are moving beyond corporate social responsibility to corporate social innovation. Traditionally, companies viewed the social sector as a dumping ground for their spare cash, obsolete equipment, and tired executives. But that mind-set hardly created lasting change. Now companies are viewing community needs as opportunities to develop ideas and demonstrate business technologies; find and serve new markets; and solve long-standing business problems. They focus on inventing sophisticated solutions through a hands-on approach. This is not charity; it is R&D, a strategic business investment. The author concedes that it isn't easy to make the new paradigm work. But she has found that successful private-public partnerships share six characteristics: a clear business agenda, strong partners committed to change, investment by both parties, rootedness in the user community, links to other organizations, and a commitment to sustain and replicate the results. Drawing on examples of successful companies such as IBM and Bell Atlantic, the author illustrates how this paradigm has produced innovations that have both business and community payoffs.

Strategic Innovation at the Base of the Pyramid

Brazil's poorest households have an annual total income of around \$73 billion per annum; China's have an annual income of about \$691 billion; and India's have an income of about \$378 billion. However, even though there has been a burst of interest in recent years in how economic growth is unfolding in the developing world, most of the research is still focused on how growth occurs in developed markets. Strategic innovation in developing markets is fundamentally different from what occurs in developed economies, the authors argue. It is not about locating "new whos" (assuming the products and services are affordable, there are plenty of under- and nonconsuming customers to tap), more often it involves adapting existing products to customers with fewer resources or different cultural backgrounds and creating basic market ingredients such as distribution channels and customer demand from the ground up. Using examples from mobile telephony in the Philippines; consumer goods, power equipment, and auto industries in

India; the personal care market in Brazil; and the appliance industry in China, the authors discuss cases from companies including Smart Communications, Hindustan Unilever, Tata Motors, Eveready, and Haier. They present a framework for strategic innovation based on four factors (affordability, acceptability, availability, and awareness) and show how companies can create value.

Business Basics at the Base of the Pyramid

A decade after founding SKS Microfinance, CEO Akula explains how to make money at the bottom tier of the economic pyramid while raising the living standards of the people who occupy it. His company, which provides many small-business loans and other financial services to poor women in India, has a customer base that has been nearly tripling each year and now numbers more than 2 million. Akula attributes his firm's success in part to heeding three principles: Adopt a profit-oriented approach in order to access commercial capital; boost capacity by standardizing products, training, and other processes; and use the latest technology to reduce costs and limit errors. Collectively, these for-profit maxims reflect a rethinking of the conventional microfinance model, which simply aims to break even. Instead, SKS scales up to achieve growth; the margins are razor thin, but the volume is staggering - 160,000 new customers every month. Numbers like that give the company great leverage with partners - insurers, telecom providers, consumer goods manufacturers, and so on - whose products SKS's clients need. Customers are indeed central to Akula's enterprise. Every SKS loan officer is required to do what's best for the client, even if it undermines the firm's short-term interests. That means everything from traveling far and wide to meet with prospective borrowers on their schedules to scratching out repayment plans in the dirt with them. Such commitment scales up customer loyalty, which ultimately improves the fortunes of not only the clients themselves but also the company and its investors.

Social Entrepreneurs: Correcting Market Failures (A)

In the most basic sense, a market failure occurs whenever the production or allocation of goods or services by a market is suboptimal. On one hand, this can mean that the output, price, or distribution of products is either inefficient in the sense that the overall level of economic value or social welfare could be increased. On the other hand, it can mean that the resulting allocation is inequitable or inconsistent with values of justice or fairness. From a public policy perspective, such failures are of concern because the public interest or overall social welfare is lower than it could be if the market were functioning more efficiently. Traditionally, societies have looked to government intervention to correct these market failures. Sometimes, charitable organizations got involved. However, private businesses were rarely called upon (or expected) to respond to breakdowns in efficient market operations by modifying their behaviors in a free-market system. However, a new class of actors has recently gained recognition. These individuals often found and manage organizations drawing on innovative ideas, using entrepreneurial skills, and leveraging market principles, but with one important difference from traditional entrepreneurs: they prioritize social impact over the creation of wealth. These "social entrepreneurs" have discovered and implemented new ways of creating social and environmental value by serving the needs of poor, disadvantaged, and neglected communities. Examines the insights, aspirations, and impact of three leading social entrepreneurs, their organizations, and their efforts to correct a diverse array of classical market failures.

This reading seeks to explore three leading social enterprises, the market failures they seek to address, and their impact on the target populations; to evaluate the similarities and differences among the three solutions and compare mechanisms of action that contribute to their success; and to discuss the benefits and opportunities associated with addressing traditional problems via innovative, nontraditional solutions.

Pura Vida Coffee (Multimedia Case)

Tells the story of two MBAs who sell gourmet coffee over the Internet to support an outreach ministry in Costa Rica.

How Should Board Directors Evaluate Themselves?

In a recent survey, 72% of board directors indicated that their performance ought to be evaluated. Yet only 21% of the boards of public companies actually conduct such assessments. Part of the problem is that organizations often don't know how best to implement a board self-evaluation procedure, so many simply avoid the practice. Others have implemented the process only to become frustrated because it took so much time and produced so few results. To investigate the different self-evaluation practices used, the authors studied eight boards that have engaged in the process for at least two annual cycles. They found two high-level variables in the protocol for self-evaluations: the structure of the data collection methodology (low vs. high) and the confidentiality of data (unimportant vs. important). These dimensions define quadrants of four different approaches to self-evaluation: informal, legalistic, trusting, and systematic. Each approach has important implications for a company's board rating, directors, and officers insurance and various other issues.

Struggling Boards: The Case for Design

(Chapter from *Back to the Drawing Board: Designing Corporate Boards for a Complex World*)

Even the boards that have adopted new ideas and best practices for board improvement are struggling to accomplish their mission. This chapter examines some of the reasons best practices fall short of expectations, illustrating the need for better board design, particularly in the face of 21st -century business challenges.

Aligning the Board of Directors

In the post-Enron era, few tools have come to the fore that remedy the gaping information holes, process flaws, and time constraints that hamstring boards of directors in executing their corporate governance responsibilities. And new regulations have created even more requirements for corporate governors. A Balanced Scorecard program for the board of directors provides the checks and balances the board needs to do its job efficiently and effectively while fulfilling its ultimate responsibility to shareholders, the capital markets, and the public.

The Balanced Scorecard and Nonprofit Organizations

By adopting strategic performance measures, nonprofits can bring focus and discipline to their mission and much-needed information to donors and supporting organizations. The result: a more efficient marketplace that rewards effectiveness, thereby bringing bigger benefits to society. And in the post-Enron era, the stewardship and accountability that the Balanced

Scorecard can help nonprofits achieve is just as relevant to the private sector as it is to the public sector.

Note on Business Model Analysis for the Entrepreneur

Describes the primary elements and defining characteristics of a company's business model from the perspective of an entrepreneur. Introduces several analytic techniques and provides illustrative examples of business models to support the analytic framework presented.

New Profit, Inc.: Governing the Nonprofit Enterprise

New Profit, Inc. (NPI) is an innovative venture philanthropy fund. Founded by social entrepreneur Venessa Kirsch, NPI intends to raise large donations from individuals who wish to invest in nonprofit enterprises that could have a significant social impact and the capability to grow to scale. NPI searches and identifies such organizations, provides initial funding, monitors their performance, and then provides additional funding to enable them to become high-impact, nationwide organizations. NPI uses the Balanced Scorecard approach for measuring both its own performance and that of its portfolio companies. The Balanced Scorecard provides the language for the performance contract between NPI and its funders and board, and between NPI and its portfolio organizations.

Strategy and Society: The Link between Competitive Advantage and Corporate Social Responsibility

Governments, activists, and the media have become adept at holding companies to account for the social consequences of their actions. In response, corporate social responsibility (CSR) has emerged as an inescapable priority for business leaders in every country. Frequently, though, CSR efforts are counterproductive, for two reasons. First, they pit business against society, when in reality the two are interdependent. Second, they pressure companies to think of corporate social responsibility in generic ways instead of in the way most appropriate to their individual strategies. The fact is, the prevailing approaches to CSR are so disconnected from strategy as to obscure many great opportunities for companies to benefit society. What a terrible waste. If corporations were to analyze their opportunities for social responsibility using the same frameworks that guide their core business choices, they would discover, as Whole Foods Market, Toyota, and Volvo have done, that CSR can be much more than a cost, a constraint, or a charitable deed--it can be a potent source of innovation and competitive advantage. In this article, Michael Porter and Mark Kramer propose a fundamentally new way to look at the relationship between business and society that does not treat corporate growth and social welfare as a zero-sum game. They introduce a framework that individual companies can use to identify the social consequences of their actions; to discover opportunities to benefit society and themselves by strengthening the competitive context in which they operate; to determine which CSR initiatives they should address; and to find the most effective ways of doing so. Perceiving social responsibility as an opportunity rather than as damage control or a PR campaign requires dramatically different thinking--a mind-set, the authors warn, that will become increasingly important to competitive success.

We confront two vexing questions: How should executives think about corporate social responsibility? Why is it that the billions of dollars invested in social sector institutions haven't begun to solve our basic problems? Both articles have smart, original things to say about how

business leaders can make a real difference. A company that aligns its strategy with its CSR to invest in disruptive social sector innovations might change the world.

Creating Successful Business Models: Lessons from Social Entrepreneurship

(From "The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World")

Social and environmental entrepreneurs are learning to channel their convictions, boundless creativity, and ability to amass the necessary resources into building sustainable systems and structures that address the most pressing market failures of our time. In this chapter, the authors examine the three categories of business models that leading social enterprises seem to fall into, discussing the challenges and opportunities of each for mainstream organizations. The goal here is to explore several compelling examples of successful business models from the world of social and environmental enterprise

Philanthropy's New Agenda: Creating Value

During the past two decades, the number of charitable foundations in the United States has doubled while the value of their assets has increased more than 1,100%. As new wealth continues to pour into foundations, the authors take a timely look at the field and conclude that radical change is needed. First, they explain why. Compared with direct giving, foundations are strongly favored through tax preferences whose value increases in rising stock markets. As a nation, then, we make a substantial investment in foundation philanthropy that goes well beyond the original gifts of private donors. We should therefore expect foundations to achieve a social impact disproportionate to their spending. If foundations serve merely as passive conduits for giving, then they not only fall far short of their potential but also fail to meet an important societal obligation. Drawing on Porter's work on competition and strategy, the authors then present a framework for thinking systematically about how foundations create value and how the various approaches to value creation can be deployed within the context of an overarching strategy. Although many foundations talk about "strategic" giving, much current practice is at odds with strategy. Among the common problems, foundations scatter their funding too broadly, they overlook the value-creating potential of longer and closer working relationships with grantees, and they pay insufficient attention to the ultimate results of the work they fund. This article lays out a blueprint for change, challenging foundation leaders to spearhead the evolution of philanthropy from private acts of conscience into a professional field.

The Competitive Advantage of Corporate Philanthropy

When it comes to philanthropy, executives increasingly see themselves as caught between critics demanding ever higher levels of "corporate social responsibility" and investors applying pressure to maximize short-term profits. Increasingly, philanthropy is used as a form of public relations or advertising, promoting a company's image through high-profile sponsorships. But there is a more truly strategic way to think about philanthropy. Corporations can use their charitable efforts to improve their competitive context--the quality of the business environment in the locations where they operate. Using philanthropy to enhance competitive context aligns social and economic goals and improves a company's long-term business prospects. Addressing context enables a company not only to give money but also leverage its capabilities and relationships in support of charitable causes. Taking this new direction requires fundamental changes in the way companies approach their contribution programs. Adopting a context-focused approach requires

a far more disciplined approach than is prevalent today. But it can make a company's philanthropic activities far more effective.

The Secrets to Successful Strategy Execution

When a company finds itself unable to execute strategy, all too often the first reaction is to redraw the organization chart or tinker with incentives. Far more effective would be to clarify decision rights and improve the flow of information both up the line of command and across the organization. Then, the right structures and motivators tend to fall into place. That conclusion is borne out by the authors' decades of experience as Booz & Company consultants and by the survey data that they have been collecting for almost five years from more than 125,000 employees of some 1,000 organizations in over 50 countries. From this data they have distilled - and ranked in order of importance - the top 17 traits exhibited by the organizations that are most effective at executing strategy. The single most common attribute of such companies is that their employees are clear about which decisions and actions they are responsible for. As a result, decisions are rarely second-guessed, and accurate competitive information quickly finds its way up the hierarchy and across organizational boundaries. Managers communicate the key drivers of success, so frontline employees have the information they need to understand the impact of their day-to-day actions. Motivators - like performance appraisals that distinguish high, adequate, and low performers and rewards for fulfilling particular commitments - are also important but are most effective when applied after decision rights and information flows have been addressed. That holds true for structural moves as well. Surprisingly, the most effective structural moves turn out to be promoting people laterally - and more slowly. How can you make the most educated and cost-efficient decisions about which change initiatives to implement? The authors have developed a powerful online diagnostic and simulation tool that can help you test the effectiveness of various approaches virtually, without risking significant amounts of time and money.

ITC eChoupal Initiative

Soybean farmers in India have traditionally sold their product through ineffective and frequently dishonest physical marketplaces (mandi). Farmers are generally poor and often illiterate and are forced to be "price-takers" after an arduous journey to the mandi. They also have very limited access to information and education on farming techniques. Describes the use of Internet technologies to reach these farmers and, in particular, examines a new system called the eChoupal, developed by the Indian conglomerate ITC. The eChoupal has reengineered the antiquated soybean export supply chain using digital technology in rural farm villages. Based on a clever understanding of technology, sociology, and the incentives of the various players involved, the eChoupal provides farmers with effective methods of price discovery, honest trading, and information sharing to the benefit of all in the channel. Discusses the achievement, opportunities, and challenges of the managers of the new supply chain.

The Roman Catholic Diocese of San Jose

Patrick J. McGrath, the bishop of the healthy and growing San Jose diocese, is pioneering the use of long-term, business-like strategic planning to better deliver on his churches' core mission. The adopted plan addresses issues at the heart of how the diocese is organized and services are delivered. In addition, lay leaders and priests, for the first time, will be held accountable for their

performance. Only dioceses facing critical financial crises have used strategic planning in the past. The planning process was arduous, and implementation across 52 churches will challenge all the leadership skills of the bishop and his management team. Can the culture of a 2000-year-old organization successfully merge with approaches to management developed by McKinsey?

Developing entrepreneurship among the world's poorest

Acumen Fund founder and CEO Jacqueline Novogratz shares stories of social-sector entrepreneurship in an excerpt from her new book, *The Blue Sweater: Bridging the Gap between Rich and Poor in an Interconnected World*, which tells the story of her work as an entrepreneur in the social sector.

Village Engineering and Reengineering: In Search of Rural Fortunes--Rural Enterprise in China and India

China and India are home to one-third of the world's population. And they're undergoing social and economic revolutions that are capturing the best minds--and money--of Western business. In "Billions of Entrepreneurs," Tarun Khanna examines the entrepreneurial forces driving China's and India's trajectories of development. He shows where these trajectories overlap and complement one another--and where they diverge and compete. He also reveals how Western companies can participate in this development. Through intriguing comparisons, the author probes important differences between China and India in areas such as information and transparency, the roles of capital markets and talent, public and private property rights, social constraints on market forces, attitudes toward expatriates abroad and foreigners at home, entrepreneurial and corporate opportunities, and the importance of urban and rural communities. He explains how these differences will influence China's and India's future development, what the two countries can learn from each other, and how they will ultimately reshape business, politics, and society in the world around them. Engaging and incisive, this book is a critical resource for anyone working in China or India or planning to do business in these two countries.

Alleviating Poverty and Malnutrition: Successful Models

This note provides successful models of private-public sector cooperatives in alleviating poverty and malnutrition.

Acumen Fund and Mytry De-Fluoridation Filter Technologies

Acumen Fund is an international venture philanthropy fund that has recently refined its strategy for providing management support to its investments. The chief investment officer is reviewing the performance of a portfolio organization and, against the backdrop of Acumen Fund's evolution and renewed focus on management support, is trying to determine how much additional support to provide to an organization that has faced significant challenges. Describes the organization--a small start-up water filter manufacturer and distributor in rural India--and its goals, performance, and management challenges. Describes Acumen Fund's approach to investment and management of philanthropic investments in developing countries.

Acumen Fund and WaterHealth International: The Role of Venture Philanthropy

Acumen Fund was founded in 2001 to provide modest amounts of capital, together with business expertise, to help build thriving enterprises that would serve large numbers of poor people. In 2004, Acumen Fund invested in the Series B round of WaterHealth International (WHI), a

company that was developing approaches for providing clean water to the poor worldwide. In 2006, WHI planned to launch a major initiative in India. It also planned a new round of fundraising to support the company's continued growth. Provides background information on venture philanthropy, and on Acumen Fund. Also describes the problems associated with safe drinking water in developing countries, and WHI's approach to addressing those problems.

The case helps us discuss the role of venture philanthropy--when and how venture philanthropy can have a significant impact in addressing important social problems, and when they should allow traditional capital markets to fund enterprises that are engaged in commercial ventures that provide social benefits.

Opportunity International: Measurement and Mission

After a "first career" in business, Christopher Crane becomes CEO of a worldwide microfinance network. The organization's twin challenges are: 1) developing metrics to give it an accurate picture of its situation and impacts, and 2) generating rapid growth. Students learn how non-financial metrics are integral to Opportunity International's mission but are difficult to define and measure; tailored metrics are necessary for demonstrating success to donors and for strategic planning. Also, the organization is committed to helping as many people out of poverty as quickly as possible, but donations and repayments are not enough to fuel rapid growth; other financial tools are needed. Explores the challenges of measuring non-financial success and considers the trade-offs of continuing as a non-profit versus converting to a for-profit entity. Students will gain skills relevant to growing an organization that is mission-driven but financially constrained, and that has a complex array of international stakeholders. Helps us explore metrics of non-financial success and to identify business models for mission-driven organizations.

The Harlem Children's Zone: Driving Performance with Measurement and Evaluation

Geoffrey Canada, CEO of the Harlem Children's Zone, wanted his organization to grow dramatically to reach thousands of poor and underserved children in Harlem. The agency ran a variety of successful social service programs throughout New York City that were separately funded and ran independently of each other. In 2000, Canada led the organization through an ambitious planning process, promising that within 10 years, its new integrated program would reach \$46 million in revenues, serve 24,000 people, and expand to an area three times the size of its current zone. But the plan required the agency to change its management structure, measurement systems, and program goals drastically. How would the organization measure the impact of its work? Could such a system be measured? And how did the changes challenge the passionate directors who first established the component programs? Helps us study the use of measurement and evaluation to drive the performance of a growing nonprofit organization.

Scaling Solutions: Leading Sustainable and Scalable Change

In order to tackle the great challenges of achieving sustainable development, we need to learn how to scale and replicate the more sustainable solutions and mobilize collective effort in ways rarely seen outside of wars and space races. This chapter sounds the alarm for companies to plug into the ideas and actions of social and environmental entrepreneurs as they start to develop their own scale-up plans.

This chapter is excerpted from "The Power of Unreasonable People: How Social Entrepreneurs Create Markets That Change the World"

Socially Responsible Distribution: Strategies for Reaching the Bottom of the Pyramid

Most consumers who comprise "the bottom of the pyramid" reside in hundreds of thousands of villages located beyond most multinationals' distribution networks. Their access to essential goods is limited not just by high prices, but also by inadequate rural distribution, which also restricts the ability of poor producers to distribute their products. The term "socially responsible distribution" describes initiatives that provide poor producers and consumers with market access for goods and services that they can benefit from by either buying or selling, thus neutralizing the disadvantages they suffer due to inadequate physical links to markets, information asymmetries, and weak bargaining power. This article identifies how socially responsible distribution can be achieved by strategies that reduce costs, reinvent the distribution channel, or incorporate a long-term approach to investment. It offers guidelines for setting up distribution channels that integrate the rural bottom of the pyramid and identifies the payoffs from adopting them.

Competing for Development (A): Fuel Efficient Stove for Darfur

The new country director of CHF International (CHF), a U.S.-based organization that initiated operations in Sudan with USAID funding, must review the successes of CHF's early interventions, and its strategic interest in the fuel efficient stoves project. The practical decision concerns a US\$65,000 investment in a local manufacturing facility that would allow CHF to scale up the production of a stove design endorsed by the Lawrence Berkeley National lab using locally tested prototypes with USAID support. Students are asked to contemplate whether and how economies of scale would bring the costs down to a tipping point where internally displaced persons (IDPs) in Darfuri camps could afford the benefits of greater efficiency and convenience. They also need to balance cost cutting considerations with alternative decision criteria for local development: the success of this project depends on IDPs' preference among alternative stove providers - which encompasses, in addition to fuel economies, the characteristics of the stoves themselves (i.e. quality, fuel efficiency), the engagement of the community in their production, and the ability to use and repair the stoves.

The case offers an opportunity to simulate the complex collaborative and competitive dynamics in the classroom and to surface synergies, tensions and trade-offs involved in the micro-strategizing and the grassroots auctioning of sustainable development. It illustrates the dilemmas faced by non-profit organizations in selecting collaborators and in addressing competitors in international development interventions. We will learn to apply strategic decision-making and a sustainable value creation framework to scrutinize, adjust and validate complex, evolving models of international development under extreme conditions.

The Nature Conservancy

Almost immediately upon being appointed CEO of The Nature Conservancy (TNC), Steve McCormick undertakes a radical reorganization of this global institution. TNC is the largest and, by most measures, the most successful environment organization in the world, with revenues in excess of \$650 million and a strong balance sheet. Nevertheless, after an in-depth analysis using the McKinsey-developed 7-S model, McCormick contends that the current structure, a U.S. organization with overseas offices, must be transformed to a truly global entity to fulfill its

mission. Most of the staff and volunteers at TNC agree with the proposed change but protest its speed and scope. With the plan half implemented, McCormick must decide whether to slow down or forge ahead, knowing there are significant potential consequences to either decision. This case explores how a nonprofit measures success, how the content and process components of change must intersect in a carefully planned fashion, the tensions between the benefits of local autonomy, and the need for organization-wide standards and oversight.

Akshaya Patra: Feeding India's Schoolchildren

Describes a highly successful effort by an Indian Charity to feed poor schoolchildren at lunchtime. This provides two significant benefits. It improves nutrition for the children, and helps keep them in school since the provided meal is occasionally the only meal they will have in the day. The organization has had great success in an urban environment, but now seeks a wholly different operations strategy as it stretches out to rural India. Addresses issues of centralization/ decentralization in operations, as well as the social impact of different operations strategy designs.

The Aravind Eye Hospital, Madurai, India: In Service for Sight

Starting as a modest 20-bed hospital, Aravind had grown into a 1,400-bed hospital complex by 1992. It had by then screened 3.65 million patients and performed 335,000 cataract surgeries, nearly 70% of them free of cost for the poorest of India's blind population. Aravind's founder, Dr. Venkataswamy, now 74 years old, had a goal to spread the Aravind model to every nook and corner of India, Asia, and Africa. The case sets the stage for developing such a plan of action. Helps us learn concepts of service management, health care operations, and social marketing in a third world context.

Dabbawallahs of Mumbai (A)

The president of the Nutan Mumbai Tiffin Box Suppliers Charity Trust had just returned to his office after meeting with Britain's Prince Charles, who was on an official visit to Mumbai. The trust was the managing organization of the dabbawallah meal delivery network. The dabbawallah's service was cited internationally by management scholars and industry executives as exemplary in supply chain and service management as well as delivery reliability. However, many observers now expressed concerns over the future viability of the dabbawallah's service given the difficulty in duplicating its delivery network elsewhere, the emergence of other lunch competitors in Mumbai, and an array of environmental changes affecting both its customers and the workforce.

Women's World Banking: Catalytic Change Through Networks

Describes the evolution of Women's World Banking, an international microfinance nonprofit promoting financial access for poor women. Explores the organization's development of different types of networks to achieve its mission. The objective here is to examine networks as a strategy and structure for social enterprises.

Strategy for Sustainability: A Business Manifesto

More than ever before, consumers, employees, and investors share a common purpose and a passion for companies that do well by doing good. So any strategy without sustainability at its core is just plain irresponsible - bad for business, bad for shareholders, bad for the environment.

These challenges represent unprecedented opportunities for big brands - such as Clorox, Dell, Toyota, Procter & Gamble, Nike, and Wal-Mart - that are implementing integral, rather than tangential, strategies for sustainability. What these companies are doing illuminates the book's practical framework for change, which involves engaging employees, using transparency as a business tool, and reaping the rewards of a networked organizational structure. Leave your quaint notions of corporate social responsibility and environmentalism behind. Werbach is starting a whole new dialogue around sustainability of enterprise and life as we know it in organizations and individuals. Sustainability is now a true competitive strategic advantage, and building it into the core of your business is the only means to ensure that your company - and your world - will survive.

Mistry Architects: Innovating for Sustainability (A)

Describes an architecture firm founded and run by a husband and wife team, Sharukh and Renu Mistry, that emphasizes "green" building. The firm presents an unusual mix of projects - spanning the spectrum from larger corporate projects to small private homes. The mix also includes more profitable work and projects deliberately selected for social good, including the design of orphanage communities for SOS Childrens International and other non-profit organizations. The mix engages teams of young architects in different kinds of learning opportunities, and allows them to manage these projects with an unusually high level of independence. The firm's founders are dedicated to being both very client-oriented and environmentally responsible. This can lead to some difficult choices and the case illustrates one example. The firm has been commissioned by SOS to design homes for some villages destroyed in the December 24, 2004 tsunami. The preferred design is thatch roofs which is in keeping with the local environment. However, the villagers want a more functional (and more expensive) reinforced cement concrete roof. Sharukh must decide which of his principles is to dominate in this situation. Introduces principles of design thinking to explore professional services challenges in an emerging market, and to explore the tensions among conflicting stakeholders' demands and preferences.

Collaborate with Your Competitors - and Win

Collaboration between competitors is in fashion. But the rise of competitive collaboration has triggered unease about its long-term effects. Companies that benefit most from competitive collaboration never forget that their partners may be out to disarm them. They know that harmony is not the most important measure of success; indeed, occasional conflict may be the best evidence of mutually beneficial collaboration. Successful companies also guard against competitive compromise by informing employees at all levels what skills and technologies are off-limits to the partner. Finally, they learn from their partners, viewing each alliance as a window on their partners' broad capabilities.

Guide Dogs for the Blind Association

In 2002, Guide Dogs for the Blind Association, the recognized world leader in the breeding and training of guide dogs, was in the midst of broadening its reach and providing additional mobility services. Chief Executive Geraldine Peacock was concerned that systemic problems, such as competition among organizations serving the visually impaired, program redundancy, and lack of optimum resource utilization this case prevented services from being delivered to many visually impaired people who needed them. Chronicles this nonprofit organization's attempt to

leverage resources beyond traditional organizational boundaries and collaborate with competitors to deliver a wider range of services to its users.

KaBOOM!

KaBOOM! is a nonprofit organization developing playgrounds in partnership with corporations and communities. It has grown since 1995 to a national organization that has built 338 playgrounds in partnerships with over 40 companies. This case deals with the nature of strategic alliances with corporations and poses choices for shifting strategies. These include emphasizing advocacy and public education and enabling communities to build playgrounds themselves. Further complicating the strategy was growing competition from nonprofits and for-profits engaged in playground development. Helps us analyze the rationale and nature of alliances between nonprofit organizations and corporations as a primary strategy for growth, and to assess the implications of shifts in strategy by a nonprofit organization.

Disruptive Innovation for Social Change

Countries, organizations, and individuals around the globe spend aggressively to solve social problems, but these efforts often fail to deliver. Misdirected investment is the primary reason for that failure. Most of the money earmarked for social initiatives goes to organizations that are structured to support specific groups of recipients, often with sophisticated solutions. Such organizations rarely reach the broader populations that could be served by simpler alternatives. There is, however, an effective way to get to those underserved populations. The authors call it "catalytic innovation." Based on Clayton Christensen's disruptive-innovation model, catalytic innovations challenge organizational incumbents by offering simpler, good-enough solutions aimed at underserved groups. Unlike disruptive innovations, though, catalytic innovations are focused on creating social change. Catalytic innovators are defined by five distinct qualities. First, they create social change through scaling and replication. Second, they meet a need that is either overserved (that is, the existing solution is more complex than necessary for many people) or not served at all. Third, the products and services they offer are simpler and cheaper than alternatives, but recipients view them as good enough. Fourth, they bring in resources in ways that initially seem unattractive to incumbents. And fifth, they are often ignored, put down, or even discouraged by existing organizations, which don't see the catalytic innovators' solutions as viable. As the authors show through examples in health care, education, and economic development, both nonprofit and for-profit groups are finding ways to create catalytic innovation that drives social change.

SchoolSuccess.net

The mission of the nonprofit Jumpstart for Young Children was to address the problem of school readiness of low-income family preschoolers. It had been growing significantly, and to achieve its projected expansion would require major increases in funding. After considerable debate, it decided to create a for-profit subsidiary: a Web-based company disseminating the educational materials used in the Jumpstart program. The effort entailed raising private venture capital and recruiting a new management team. After a year, management was assessing the start-up experience and deliberating on its future strategy. Helps one analyze the opportunity and complications of a nonprofit organization creating a for-profit spin-off as part of its strategy to achieve financial sustainability.

Teach For America

On the eve of Teach For America's tenth reunion, Wendy Kopp, the 32-year-old founder and leader of the national teacher corps, is considering how to increase the impact of the organization. To date, the organization has placed 5,000 teachers in under-resourced public schools. Kopp wonders how to expand the corps-both in size and scope-without compromising the quality of the teachers and the entrepreneurial culture of the organization. Critical to this endeavor will be understanding how to leverage her resource appropriately. She has just hired a COO and a director of site expansion to help with this effort.

The case enables us to examine Kopp's leadership style over three periods of growth and change for the organization; how this social entrepreneur managed all of the constituencies in the public school system; who she listened to and how she responded to them. To discuss how she prioritized her time and attention and how she experimented with innovation and new ideas. After careful analysis, to recommend if and how Kopp ought to increase the scale of the organization; to consider what steps she ought to take to institutionalize the enterprise in order to leverage what it's already done with an even greater impact.

Causes and Effects

Most companies make charitable donations, but few approach their contributions with an eye toward enhancing their brands. Those that do take such an approach commit talent and know-how, not just dollars, to a pressing but carefully chosen social need and then tell the world about the cause and their service to it. Through the association, both the business and the cause benefit in ways they could not otherwise. Organizations such as Avon, ConAgra Foods, and Chevrolet have recognized that a sustained cause-branding program can improve their reputations, boost their employees' morale, strengthen relations with business partners, and drive sales. And the targeted causes receive far more money than they could have from direct corporate gifts alone. The authors examine these best practices and offer four principles for building successful cause-branding programs. First, they say, a company should select a cause that advances its corporate goals. Second, a business should commit to a cause before picking its charitable partners. Third, a company should put all its assets to work, especially its employees. And fourth, a company should promote its philanthropic initiatives through every possible channel.

Social Entrepreneurship: Creating New Business Models to Serve the Poor

The term "social entrepreneurship" refers to the rapidly growing number of organizations that have created models for efficiently catering to basic human needs that existing markets and institutions have failed to satisfy. Social entrepreneurship combines the resourcefulness of traditional entrepreneurship with a mission to change society. One social entrepreneur, Ibrahim Abouleish, recently received the Alternative Nobel Prize for his Sekem initiative; in 2004, e-Bay founder Jeff Skoll donated 4.4 million pounds to set up a social entrepreneurship research center; and many social entrepreneurs have mingled with their business counterparts at the World Economic Forum in Davos. Social entrepreneurship offers insights that may stimulate ideas for more socially acceptable and sustainable business strategies and organizational forms. Because it contributes directly to internationally recognized sustainable development goals, social entrepreneurship may also encourage established corporations to take on greater social responsibility.

Social Enterprise Spectrum: Philanthropy to Commerce

With the boundaries between philanthropy and commerce blurring, this note briefly gives nonprofit managers and social entrepreneurs a framework (the Social Enterprise Spectrum) for thinking creatively about structural options in the social sector. Helps us understand the economic diversity of the social sector as it ranges from philanthropic to commercial enterprise.