

**The Social Entrepreneurship Collaboratory (SE Lab):
A University Incubator for a Rising Generation
of Leading Social Entrepreneurs**

by
Gordon M. Bloom
Adjunct Lecturer in Public Policy

*The Hauser Center for Nonprofit Organizations and
The John F. Kennedy School of Government
Harvard University*

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ABSTRACT

How can universities help create, develop and sustain a rising generation of social entrepreneurs and their ideas? What new forms of learning environments successfully integrate theory and practice? What conditions best support university students interested in studying, participating in, creating and developing social change organizations, thinking through their ideas, and connecting with their inspiration? What is the intellectual content and the rationale for a curriculum addressing this at a university?

University education rarely focuses its attention and imagination on teaching students how to turn a vision into reality; how to design, develop, and lead social change organizations. The author co-created the Social Entrepreneurship Collaboratory (SE Lab) at Stanford University and then Harvard University as a model educational program designed to achieve this goal. The SE Lab is a Silicon Valley influenced incubator where student teams create and develop innovative pilot projects for US and international social sector initiatives. The lab combines academic theory, frameworks, and traditional research with intensive field work, action research, peer support and learning, and participation of domain experts and social entrepreneurship practitioners. It also provides students an opportunity to collaborate on teams to develop business plans for their initiatives and to compete for awards and recognition in the marketplace of ideas. Students in the SE Lab have created innovative organizations serving many different social causes, including fighting AIDS in Africa, promoting literacy in Mexico, combating the conditions for terrorism using micro-finance in the Palestinian territories, and confronting gender inequality using social venture capital to empower women in Afghanistan.

***The Social Entrepreneurship Collaboratory (SE Lab):
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Tell me, what is it you plan to do with your one wild and precious life?
'The Summer Day', Mary Oliver

Unleashing a Rising Generation of Leading Social Entrepreneurs:

An Emerging University Pedagogy

University education rarely focuses its attention and imagination on teaching students how to turn a vision into reality; how to design and develop social change organizations. This chapter describes aspects of a teaching and transformative learning model developed and launched at Stanford and Harvard Universities to undertake this mission: The Social Entrepreneurship Collaboratory (SE Lab). Its description endeavours to answer several questions: How can universities help create, develop and sustain a rising generation of social entrepreneurs and their ideas? What new forms of learning environments successfully integrate theory and practice? What conditions best support university students in studying, creating, and developing social change organizations, thinking through their ideas, and connecting with their inspiration? What are the intellectual content and the rationale for a curriculum addressing this at a university?

Consider Uri for example, an Israeli student at Stanford University whose great-aunt died in a terrorist attack at a Jerusalem bus stop in 2002. He teamed-up with Hisham, a Palestinian student at Peter Drucker School of Management, whose cousin was killed by Israeli troops during a demonstration in Nablus (Levy, 2003). Rather than fight, these otherwise natural enemies sought to improve conditions in the Middle East by addressing the economic roots of terrorism. Uri enrolled in a new course being co-created by faculty and students at Stanford to teach students about social entrepreneurship and to help them develop their personal passion for social change into concrete plans. He used the course and many other resources to help him develop Jozoor Microfinance (*Jozoor* means 'roots' in Arabic). Based on the premise that enforced poverty and limited opportunities for Palestinians makes terrorism a relatively more attractive option, Jozoor's founders determined that an effective means of improving conditions was to provide micro-loans to young Palestinian men to start businesses. In 2003 the plan won first place in the Stanford Social Entrepreneurs Challenge business plan competition and now, after many developments and difficulties, there are pilot projects in East Jerusalem and the West Bank.

Bhakti enrolled in Harvard's joint degree program at the Kennedy School of Government (KSG) and Harvard Business School (HBS) with a desire to contribute to international development in third world countries. She envisioned a program that would promote development capital for local entrepreneurs, and she had started to form a fast growing network among graduate students across the U.S.A. to help. Many unanswered questions about how best to design and develop an enterprise that would effectively accomplish her goal led her to an innovative social entrepreneurship course at Harvard, which promised insights from academic frameworks and practical examples and feedback and mentorship to help bring the project to fruition. The result

for Bhakti and her KSG and HBS team mates Deirdre, Mei, and Mike was the Global Micro-Entrepreneurship Awards (GMA), a programme honouring innovative entrepreneurs of small enterprises in developing countries. GMA country teams give awards and identify and provide successful, local entrepreneurs with funding to help them develop their organizations. In addition, GMA winners are honoured at a ceremony where they ring the opening bell of the stock exchange in their respective countries, a public symbol of official recognition of the individual as a major contributor to their country's development. As of 2005, GMA is rolling out in 30 countries thanks to a strategic partnership with the United Nations Development Fund and generous funding from Citibank Foundation which has committed to contributing over \$1 million (£580,000) annually to the project.

Like Uri and Bhakti, many university students have a strong desire, drive, and commitment to participate in global social change. Unfortunately, most have little or no opportunity to address and act upon this in their university's formal curriculum, even though improving social welfare through service may be a value cherished by university communities. Many leading universities have a longstanding and now rapidly burgeoning interest in developing and enhancing courses, programs, and schools that are oriented to practical global problem solving and that will educate and influence a rising generation of leaders and managers who will face this challenge. Jane Stanford described the mission of the university she and her husband Leland Stanford founded in 1885 as follows:

'The university was accordingly designed for the betterment of mankind morally, spiritually, intellectually, physically, and materially. The public at large, and not alone the comparatively few students who can attend the University, are the chief and ultimate beneficiaries of the foundation. While the instruction offered must be such as will qualify students for personal success and direct usefulness in life, they should understand that it is offered in the hope and trust that they will become thereby of greater service to the public' (Jane L. Stanford, Address to Stanford University Trustees, October 3, 1902; reprinted in Bloom and Scher, 2003).

Similarly, the mission of the John F. Kennedy School of Government at Harvard is to 'serve the public interest by preparing leaders for service to society and by scholarship and collaboration that contributes to the solution of public problems' (John F. Kennedy School of Government, Harvard University Facts 2004-2005; reprinted in Bloom, Leonard, Moore, and Winship, 2005). The demand for innovation and expansion of programs in universities for interdisciplinary social problem solving has been catalyzed by global circumstances, fuelled by students' and donors' interests, and increasingly embraced in the recent rhetoric of university presidents, including Stanford's John Hennessy and Harvard's Larry Summers (Bernstein, 2005; Delgado 2005; Staff writer Harvard Gazette 2005; Gerwertz 2006).

So, why have universities not made more progress toward developing courses and programs that satisfy the growing demand for teaching social entrepreneurship? One problem is that tradition has locked university faculties into a tenure system that values and promotes research (inquiry) and scholarship (high theory). Tenure line faculty members thus face little incentive, few precedents, and some risk in designing an innovative curriculum that combines theory and practice, one of the key elements needed for social entrepreneurship to thrive in an academic environment. As noted earlier in this book by Bill Drayton, a crucial aspect of social

entrepreneurship involves pragmatic, actionable ‘how to’s’, puzzling out the logistics of the journey, solving problems on the ground, making the pieces fit together.

A second problem is that social entrepreneurship has no clear academic home within most universities. On one side of the university, many humanities, sciences, and public policy faculties suspect social entrepreneurship as a market-oriented, cooptation of social justice and the public good: a wolf in sheep’s clothing. On the other side, many business school faculties see social entrepreneurship as an imprecise, compromised semblance of business practices and not at the core of their mission. As a result, the dominant culture amongst both sides of this debate has been sceptical of social entrepreneurship courses.

How then can universities create a new model for a curriculum that does not hopelessly abstract and theorize social entrepreneurship into a dry lecturing, reading, and writing exercise? The Social Entrepreneurship Collaboratory (SE Lab), a collaboration of committed teams of students, faculty, fellows, and staff first at Stanford University and then Harvard University, has undertaken an alternative approach.[2] It provides students with an opportunity to discover and to focus their intelligence, energy, and passion on identifying and confronting social problems of their choice; provides them with a curriculum that integrates theory and practice; introduces them to a broad set of resources supportive of social entrepreneurship; and invites them to co-create a collaborative environment that mentors them in designing and developing solutions and the social change organizations to implement them (See Figure 1). By sharing their innovative ideas and approaches to social change, students gain more than the opportunity to develop their individual projects. The understanding, tools, and perspectives they gain through participation in the SE Lab will contribute to their success in public, private, or not-for-profit sector careers.

Figure 1: Key characteristics of the SE Lab

Fusing theory and practice
Applying theoretical frameworks to the design and development of social entrepreneurship initiatives
Tailored to students
Seeking to understand what social issues and agenda for change are important, meaningful, and inspiring to each and orienting the lab to support their needs and passions in the design and development of their projects.
Co-created with students
Co-producing an interactive learning environment within and outside the lab.
Working in teams and partnerships to provide peer support and learning
Supported by extensive resources within and outside the university
Informal and structured individualized and group mentorship and feedback; access to intellectual and practical advisors
Collaboration within the lab, within teams, among teams, between the lab and related university-resources, and between the lab and resources external to the university

Broad participation in the lab including not only students and university faculty, but also practitioner-faculty, non-enrolled university fellows and staff, invited social entrepreneurs and social entrepreneurship funders.

Identification of related resources including through participation in business plan competitions and conferences outside the lab

Multiple role models and examples in person and through readings

The SE Lab is a Silicon-Valley influenced incubator where student teams create and develop innovative pilot projects for U.S.A. based and international social sector initiatives. The SE Lab combines academic theory, frameworks, and traditional research with intensive fieldwork, action research, peer support and learning, and the participation of domain experts and social entrepreneurship practitioners. It also provides students with an opportunity to collaborate on teams to develop planning documents (i.e. a business plan, briefing book, funding proposal) for their initiatives and to compete for recognition in the marketplace of ideas. Students in the SE Lab have created innovative organizations serving many different social causes, including fighting AIDS in Africa, promoting literacy in Mexico, combating the conditions for terrorism using micro-finance in the Palestinian Territories, and confronting gender inequality using social venture capital to empower women in Afghanistan.

The SE Lab provides a new model in comparison to most graduate and undergraduate curricula. Some professional schools, however, use teaching models with aspects similar to the SE Lab in their application of theory to practical problems. For example, architecture schools use a design studio or ‘charette’, which teaches architecture by providing a design problem such as building a community centre to help address social needs in a particular location. Projects require not only application of architectural design theories, but also field research regarding the needs of the community. In-class activities include presentations, critiques, and elements of collaboration in the open studio. Similarly, medical schools require significant medical practice under the direction of physician mentors as part of clinical training (‘teaching hospital model’), and the aim of bench-to-bedside clinical research includes development and testing of new medications, surgical techniques and therapeutic practices in the delivery of clinical medicine. Engineering schools are also very oriented to the translation of theory in practical applications, and design projects facilitate that aim. Finally, business schools and some public policy schools use case teaching pedagogy to enable students to learn through practical application (in case scenarios) the value of theoretical management frameworks.

The SE Lab, however, is unusual in its openness to, and support of, identified interests of students and its utilization of resources throughout and beyond the university to create opportunities for the collaborative development of their organizational designs. In this way, it is a new form of pedagogy, one that moves professional education beyond the case method.

This chapter proceeds as follows. Firstly, I will briefly describe the history of this educational model through its emergence at Stanford and Harvard. Next, I will describe selected aspects of the course and related resources. Finally, I will present some results that demonstrate the potential impact of the model.

The Making of the SE Lab

*Some people see things as they are and ask why.
I see things as they never were and ask why not.*
George Bernard Shaw

Despite the close alignment of social entrepreneurship with the universities' missions, as of 2000 neither Stanford nor Harvard offered a course to help students learn to design and develop social change organizations and to become effective social entrepreneurs by applying theoretical frameworks to practical problems. This was true despite the decidedly entrepreneurial nature of universities: 'No better text for a History of Entrepreneurship could be found than the creation of the modern university, and especially the modern American university' (Druker, 1985).

At Stanford, the SE Lab derived from activities, initiatives, and support from the Public Policy Program and Program in Urban Studies in the School of Humanities and Sciences; the Graduate School of Business (GSB) and its Public Management Program (PMP) and Center for Social Innovation (CSI); and the Stanford Institute for International Studies (SIIS). The business school had a longstanding interest in the public good through its creation of the Public Management Program in 1974. In 1999, it further established the Center for Social Innovation, with faculty co-directors Greg Dees, who as a Harvard and Stanford faculty member had created groundbreaking social entrepreneurship courses and authored several pivotal publications in forming the field, and Dave Brady, the business school's senior associate dean for academic affairs and senior faculty in the university's political science department. Though there was significant student interest in social entrepreneurship, there were few courses offered in the business school and the public policy undergraduate curricula to satisfy this demand. I joined the Public Policy Program faculty in Spring 2001 to teach and further develop the courses Social Entrepreneurship: Mobilizing Private Resources for the Common Good, and Business Concepts and Skills for the Social Sector, which were originated by Dees, and quickly understood from the students that further courses were needed. The ensuing Social Entrepreneurship Course Series was sponsored and adopted by the Public Policy and Urban Studies Programs at Stanford, with support from economist Roger Noll as well as Brady (consecutive directors of the Public Policy Program) and the GSB Center for Social Innovation. During the two years beginning in 2001-2002, the SE Lab grew to encompass a four course series, including the two original courses, a third course entitled Social Innovation and the Social Entrepreneur: the Creation and Development of U.S. and International Social Sector Organizations, and the year-long, flexible enrollment Social Entrepreneurship Collaboratory (SE Lab).

The motivation for the expansion of the social entrepreneurship curriculum at Stanford came in large part from students. For instance, in Spring 2001, a group of committed and energetic undergraduate students led by Tariq Ghani and Leela Young created as part of their course project Future Social Innovators Network (FUSION), a special interest group devoted to social entrepreneurship, and undertook the development of a social entrepreneurship lecture series, conference, website (<http://fusion.stanford.edu>), and many related initiatives. In addition, in 2001-2002 a group of graduate students from Management Science and Engineering (MS&E) led by Monica Tran created the Social Entrepreneurs Challenge (Social E-Challenge) business plan competition in the same year. The students wanted more courses and a bigger role in the design of the curriculum, they wanted the course to help them prepare innovative and competitive business plan proposals that they could enter into the Social E-Challenge, and they were eager

for faculty mentorship and collaboration. Thus, from its inception, the SE Lab was co-created by the student participants.

A key to the SE Lab's resonance with students in their work at Stanford was an alignment, coherence, and fit with the existing culture and resources of Stanford. From the beginning the SE Lab had a dual mission: (1) to develop a rising generation of social entrepreneurs and their partners, and (2) to create a university incubator for interdisciplinary global problem solving where students develop ideas and social change models into new social entrepreneurship initiatives, collaborating with, and stimulating innovation in the field. Its design as part lecture course, part case study analysis, part design 'charette', and part start-up incubator, was intended to inspire students and to provide them with tools, support, feedback, and examples that would help them achieve the SE Lab's mission.

The naming of the SE Lab was serendipitous. In 2001-2002, an SIIS-based project on the development of the knowledge economy, called KNEXUS (later the Kozmetsky Global Collaboratory), had a room they called the 'knowledge collaboratory', which was located in the same building as my office and attracted my interest as it was adjacent to the SIIS offices of organization and management scholars Jim March and Woody Powell. A casual conversation about the name with the KNEXUS director Syed Shariq, whose prior work had been with the NASA jet propulsion laboratory, and doctoral fellow Ben Shaw, who had worked at IDEO, the Palo Alto design firm, led to its adoption in the creation of the SE Lab. The term 'collaboratory' captured the essential features of the SE Lab, its collaborative co-creation between students, faculty, practitioners, and other participants; its experimental, inventive laboratory environment; its aim to translate good theory and good ideas into innovative new social change initiatives and models and to develop the leaders and teams that would power them.

Other pivotal milestones for the SE Lab included engaging the participation of the Reuters Foundation Digital Vision Fellows at Stanford, a group of talented practitioner-scholars acknowledged for their achievement and interests in international development and technology, with Stuart Gannes as program director. In addition, I recruited Laura Scher, CEO of Working Assets, a social enterprise that donates profits mainly from long distance telephone service revenues to not-for-profit initiatives, to serve as a faculty member in the SE Lab, and Greg Scott, a research fellow and case writer at Stanford GSB with deep experience in international development. Scher, the fellows, and an array of special guests invited to participate in the SE Lab offered a source of inspiration, ideas, and opportunities for students both individually and as a group. They also provided a practical perspective to theoretical discussions and feedback and advice to students about class assignments. The ability to provide individualized and team feedback and advice to students is a critical feature of the learning experience in the SE Lab, particularly because it comes from many sources including peers, faculty, fellows, and practitioners.

There was a similar need for the SE Lab at Harvard. Its academic home since 2004 has been the Hauser Center for Nonprofit Organizations, a university-wide centre (founded in 1997) based at the Kennedy School of Government, with Mark Moore as its faculty director and former Harvard president Derek Bok as its faculty chair. The SE Lab has also benefited from collaboration with the Social Enterprise Initiative (founded 1994) at Harvard Business School, the Sociology Department in the Faculty of Arts and Sciences, the Center for Public Leadership at KSG with

faculty director David Gergen, and several other centers and schools at Harvard. The teaching team for the SE Lab pilot in Spring 2005 included Dutch Leonard, senior faculty at the KSG and HBS and faculty co-chair of the Social Enterprise Initiative; Mark Moore, senior faculty at KSG and faculty director of the Hauser Center; Chris Winship, senior faculty in the Sociology Department, Faculty of Arts & Sciences and chair, University Committee on Public Service; and Gordon Bloom, Hauser Center fellow and SE Lab director who joined the KSG faculty in 2005-2006. The course at Harvard was developed during 2004-2005 and taught for the first time in Spring 2005 at the KSG as a pilot, and then in Spring 2006 formally became part of the Harvard KSG curriculum, with 50 graduate students and fellows from 20 degree programs at 6 universities enrolled in that inaugural class (Gewertz 2006).”

Currently, the SE Lab at Stanford can be structured over one, two, or three academic quarters (10 weeks each), and at Harvard it is currently offered during a semester (16 weeks), which in 2005-2006 has been expanded to be preceded by a half semester module emphasizing foundational frameworks, so that the curriculum now spans the academic year.

Expansion of the KSG’s social entrepreneurship curriculum was further catalyzed by a recent \$10 million (£5.8 million) grant for 20-25 social entrepreneurship fellowships, given to Harvard by the Reynolds Foundation and announced in May 2005 (Bernstein, 2005; Staff writer Harvard Gazette, 2005). These evolving models can only provide limited experience and information as we approach the questions this chapter aims to help answer. However, at these universities some determinants of success in the early stages included significant unmet student demand and interest in the SE Lab; gifted and motivated students; abundant intellectual resources for advising, guiding, mentoring students and project teams; an organizational culture in selected schools and programs which support integrating academic and practical approaches; a supportive academic home for the SE Lab with related senior faculty interest and committed teaching staff; and a some initial funding (in both cases less than \$10,000 [£5,800]).

A Curriculum Addressing Social Entrepreneurship

The teaching environment of the SE Lab fuses theory and practice, utilizing conceptual frameworks, case studies and examples from the field, and gives students the opportunity to design and develop a social entrepreneurship initiative utilizing the SE Lab as an incubator. While foundational knowledge is important, lectures and readings on theory are not sufficient to prepare students to become social entrepreneurs because much of the skills that are needed to be effective are embedded in applying theoretical frameworks to practical problems.

The course readings introduce students to selected concepts and practices as they are developing in the U.S.A. and internationally. The cases and examples from the field are intended to equip students with knowledge of some alternative perspectives and strategies for turning good social ideas into viable and effective ventures. But social entrepreneurship is an emerging field, especially in academia, so many of the animating theories, while useful are still in formative stages.

The background and informational readings provide a framework for in-class discussions and facilitate the collaboration that is necessary for the incubation of team projects, which are the

essence of the SE Lab. Below I highlight some of the conceptual frameworks that provide the building blocks for the students' organizational development, which we introduce in class, and I discuss the ways in which the SE Lab encourages students to apply them in developing their projects.

Introduction to Social Entrepreneurship

The introduction to the course grapples with two central questions: What is social entrepreneurship? And, consequently, who are social entrepreneurs? In preparation for discussion students read 'The Meaning of Social Entrepreneurship' (Dees, 1998a) and parts of 'The Rise of the Social Entrepreneur' (Leadbeater, 1997). In class, using a handout from a Stanford case study on Ashoka, students are presented with over a dozen definitions, varying from *The Economist's* characterization - 'a new breed of philanthropists...[who] want to solve problems in a specific way' - to the description, 'people who use the techniques of business to achieve positive social change' (Choi and Meehan, 2001) (See Appendix 1).

Students are challenged to react critically to Dees' definition (See Figure 2). The goals of this exercise are: (1) to define and critically examine social entrepreneurship; and (2) to develop a common language to serve as a foundation for the rest of the course.

Social entrepreneurs play the role of change agents in the social sector by:

- Adopting a mission to create and sustain social value (not just private value),
- Recognizing and relentlessly pursuing new opportunities to serve that mission
- Engaging in a process of continuous innovation, adaptation, and learning,
- Acting boldly without being limited by resources currently in hand, and
- Exhibiting heightened accountability to the constituencies served and for the outcomes created.

Figure 2: Defining Social Entrepreneurship (Dees 1998a).

In a second introductory exercise, students form pairs and discuss with their partners the source of their interest in the course, the social issues that are compelling to them, any personal experiences that have affected their interests, and preliminary ideas for a socially entrepreneurial project. This exercise is one of several designed to help students identify not only the issues about which they feel passionate, but also the underlying source of their passion. Some students enter the SE Lab with a very clear idea of what they are most passionate about and how they hope to translate that passion into change. For example, Alyce entered the SE Lab clear about her passionate objections to the sex and slave trade in Thailand and determined to provide the effected women with a way to find alternatives. Through the SE Lab, and collaborating with humanitarian organizations operating in Southeast Asia, Alyce and her team mates Naureen, Evelyn, and Karen designed New Means, a not-for-profit venture to help Thai women leave prostitution and earn a livelihood making beautifully handcrafted cards to sell in the U.S. market. Many students are less clear and simply want to make a difference. In either case, the introductory exercises seek to strengthen students' understanding of themselves, the issues about which they are passionate and why.

We next seek to portray a conceptual overview of the landscape that comprises social entrepreneurship in order for students to begin to envision the place that they and their own work might occupy. As background reading on the nature of not-for-profit and social purpose organizations and as an introductory overview to not-for-profit management, the SE Lab also uses the beginning sections of Oster’s ‘Strategic Management for Nonprofit Organizations’ (Oster, 1995) and Frumkin’s ‘On Being Nonprofit’ (Frumkin, 2002). Two additional frameworks stimulate in-class discussion. Firstly, Charles Leadbeater’s diagram depicting the sources of social entrepreneurship among the three spheres of economic activity (public, private, and voluntary) highlights the notion that social entrepreneurship occurs at the points of intersection between and among these three sectors, which represent different interests and methods (Leadbeater, 1997: see Figure 3). Secondly, Dees’ presentation of the Social Enterprise Spectrum provides a view at the level of organization and enables the SE Lab to emphasize that there is a broad continuum of available options for organizational design rather than starkly differentiated categories (Dees 1995; Dees, 1998b; Dees, Emerson, and Economy, 2001: see Figure 4). Discussion reveals, for example, that a social enterprise may have commercial features, relying less on philanthropy and operating more like a business in how it acquires resources and delivers its goods and services. Social entrepreneurship initiatives sometimes combine commercial and philanthropic elements in a ‘productive balance’. For example, a team of five Harvard SE Lab students, Lance, Minor, Maggy, Amit and Xochitl, developed VIDA Card, a not-for-profit organization to help U.S. immigrants substantially reduce transaction costs and lost value associated with sending \$34 billion (£19.7 billion) annually to families overseas. VIDA also redistributes a portion of its earnings in programs for the development of the home communities. Discussion also facilitates clarification of the motives, methods, and goals of the organization and of the key stakeholders involved including beneficiaries, providers of capital, workforces and suppliers.

Figure 3: Sources of Social Entrepreneurship (Leadbeater 1997)

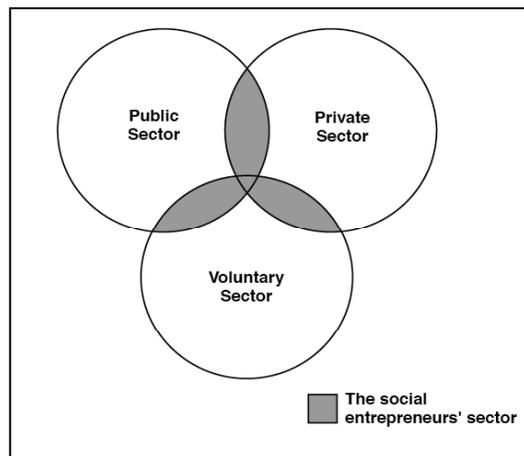


Figure 4: The Social Enterprise Spectrum (Dees, 1998b).

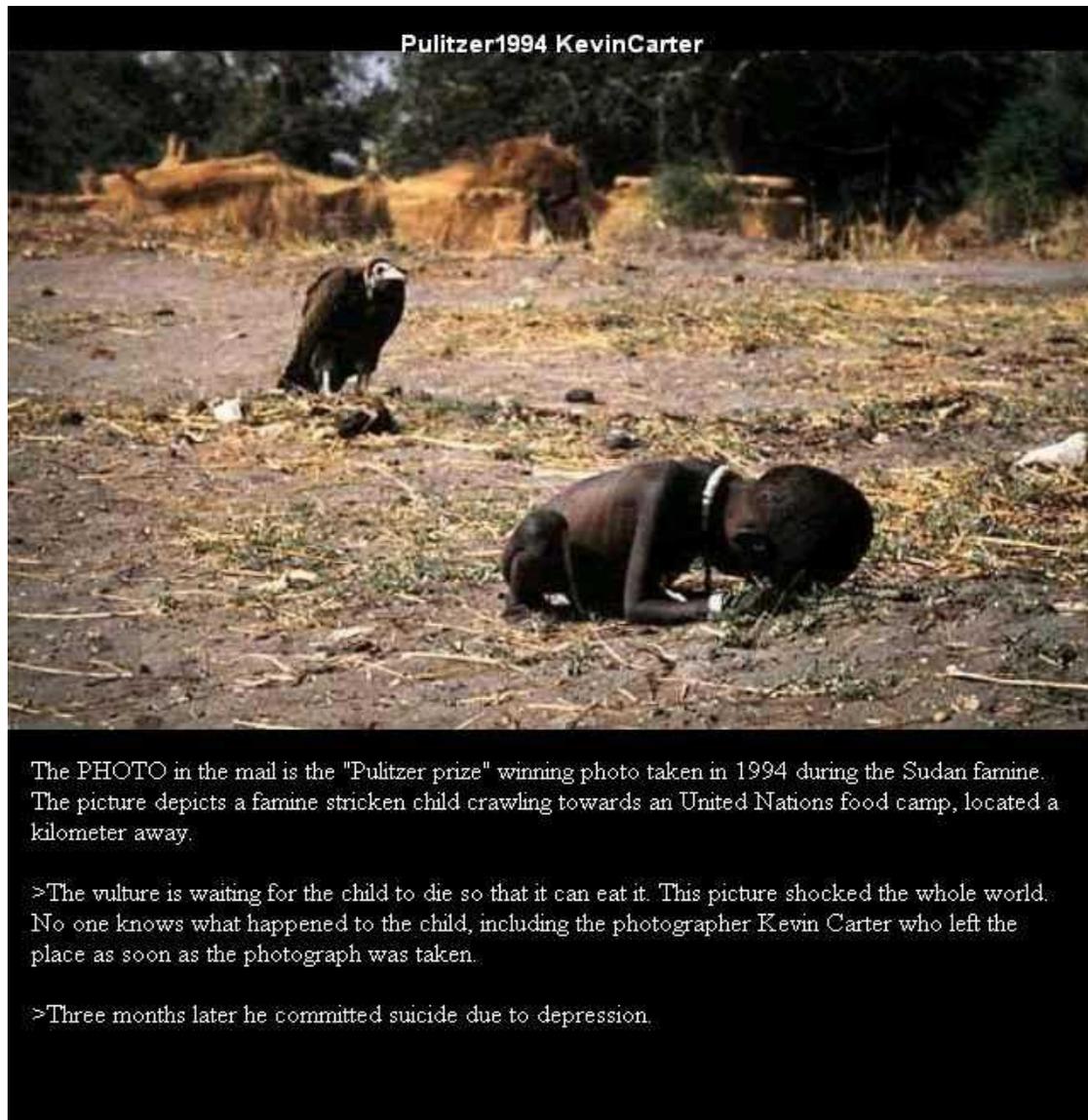
		Purely Philanthropic	←————→	Purely Commercial
Motives, Methods, and Goals		Appeal to goodwill Mission Driven Social Value	Mixed motives Mission and market driven Social and economic value	Appeal to self-interest Market driven Economic value
Key Stakeholders	Beneficiaries	Pay nothing	Subsidized rates, or mix of full payers and those who pay nothing	Market-rate prices
	Capital	Donations and grants	Below-market capital, or mix of donations and market-rate capital	Market-rate capital
	Workforces	Volunteers	Below-market wages, or mix of volunteers and fully paid staff	Market-rate compensation
	Suppliers	Make in-kind donations	Special discounts, or mix of In-kind and full-price donations	Market-rate prices

In combination, these frameworks enable students to begin to make distinctions between characteristics of organizations that operate in the different sectors and to clarify what is meant by social entrepreneurship. This also allows students to approach decisions about the structure of the organizations or initiatives they have begun to formulate.

The Process of Social Entrepreneurship: from Inspiration to Reality

As students embark on the creation process, we support them in formulating a value-creating social mission. To this end, one highly effective in-class demonstration involves presenting Kevin Carter’s Pulitzer Prize winning photograph from 1994, taken during the Sudan famine.

Figure 5: Sudan Child (Carter, 1994)

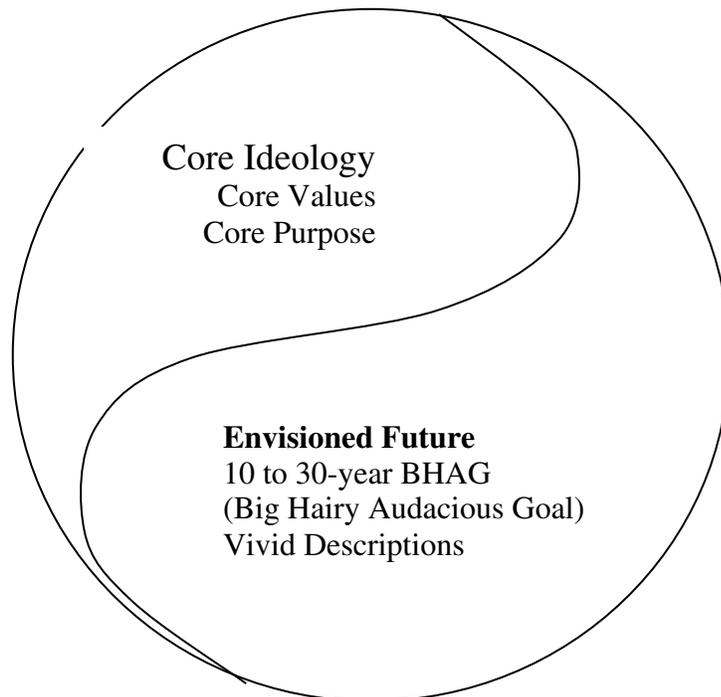


Seeing the photo jars students and creates a new level of seriousness around global problem solving. It throws into question the value of the projects under consideration. It provides participants with a new metric against which to measure the seriousness of their purpose and the value and importance of their proposed endeavour. Related discussion encourages consideration of feasibility and potential effectiveness of students' social change models by focusing on the magnitude and intractability of global problems. We highlight obstacles to social change including complicated political structures and human failings, the willingness to create war and conflict, and the preference to turn a blind eye rather than looking at images like this photograph.

We frame the development of specific visions and missions for students' initiatives by presenting distinctions developed and popularized by Collins and Porras in 'Making Impossible Dreams Come True: a Guide to Demystifying Purpose, Mission, and Vision, and Putting Them to Work for You' and 'Built to Last' (See Figure 6), which help to clarify boundaries among related concepts (Collins and Porras, 1989, 2001). We marry the framework with examples from Ashoka Fellows described in the early chapters of David Bornstein's 2004 book, 'How to Change the World: Social Entrepreneurs and the Power of New Ideas'. Using these tools and drawing upon insights based on the introductory exercise about issues of personal importance, we invite students to draft their own vision and mission statement, and we select examples to critique as a group.

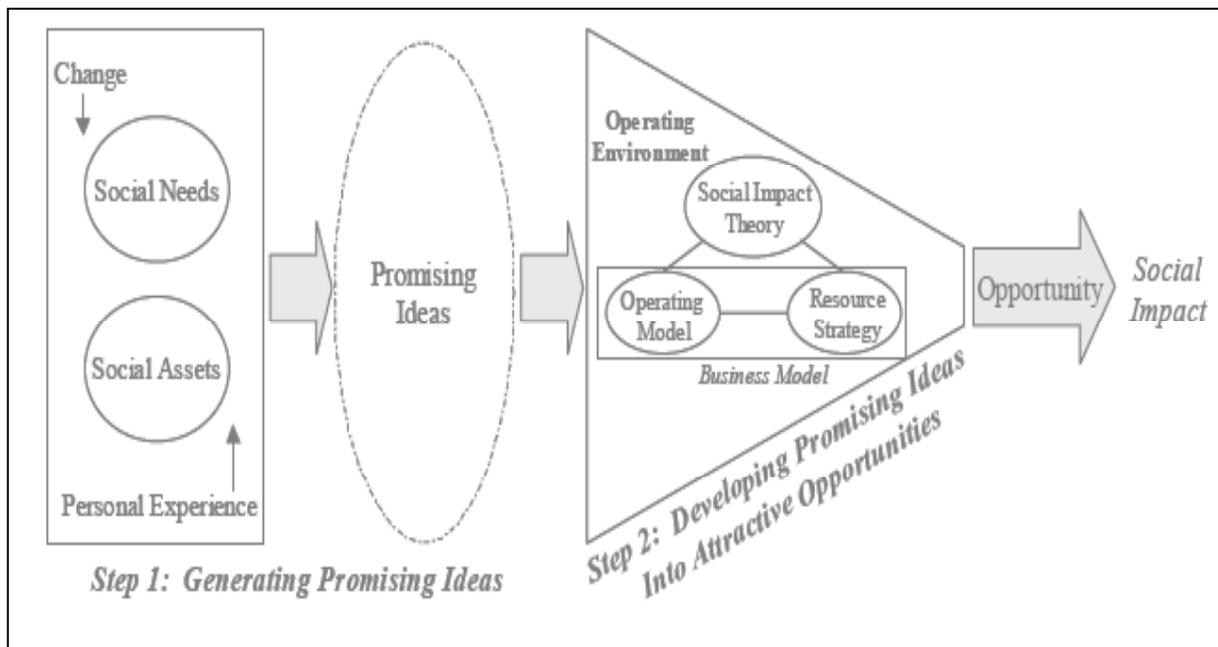
One of the hardest parts for students can be articulating a justification for their ventures. Thus, this process of developing, articulating, and discussing their own and others' visions and missions helps them to clarify the rationale for their endeavour. Students' statements evolve over the course of the semester, and we indicate that they should treat their statements as working drafts. For example Dave, a KSG student focusing on the environment and natural resources, had formerly lived and taught children both in the Boston housing projects and in Cali, Colombia. While in Colombia, several of his students were kidnapped and ransomed. Outraged and frustrated by the crime and environmental degradation caused by the country's civil conflict and high unemployment, Dave sought to reduce violence and protect Colombia's natural heritage. With this vision, he and classmate Doug developed FundaCap (Fundacion Capullo or Cocoon Foundation) whose mission was to 'rebuild Colombian communities and sustain our common future' by training ex-combatants alongside ordinary citizens and funding their employment in service to local conservation organizations.

Figure 6: The Vision Framework (Collins, Porras 2002).



Having covered the critical importance of understanding and adopting a social mission and the key attributes of social entrepreneurship, the curriculum shifts to a process for translating ideas into opportunities and impact: ‘All acts of entrepreneurship start with the vision of an attractive opportunity’ (Stevenson and Gumpert, 1985). The ‘Opportunity Creation Process’ developed in ‘The Process of Social Entrepreneurship: Creating Opportunities Worthy of Serious Pursuit’ provides an introduction and overview of the social-entrepreneurial process and its component parts (Guclu, Dees, and Anderson, 2002) (See Figure 7). The two main parts of the process involve: (1) generating a promising idea; and (2) attempting to develop that idea into an attractive opportunity. The SE Lab is designed to help students address aspects of this process. By describing the process as an opportunity, the diagram provides a decidedly positive image. The process depicted aims at the level of the individual student/social entrepreneur rather than the organization or economy and helps to clarify the process and commitment required to achieve an impact.

Figure 7: The Opportunity Creation Process (Guclu, Dees, Anderson. 2002).



The SE Lab intervenes in the process portrayed in the above figure at selected junctures. In order to help students develop promising ideas into attractive opportunities, it supports students in drawing upon their personal experiences in order to identify social needs about which they are passionate. The SE Lab facilitates and inspires their assessment of the needs and the importance of addressing them in a broad context for creating public value. It does so by providing examples and perspectives and a positive, collaborative environment for designing and developing solutions, including peer and faculty feedback in the supportive environment of the incubator. Students are often at different stages in the development of their projects (and in their

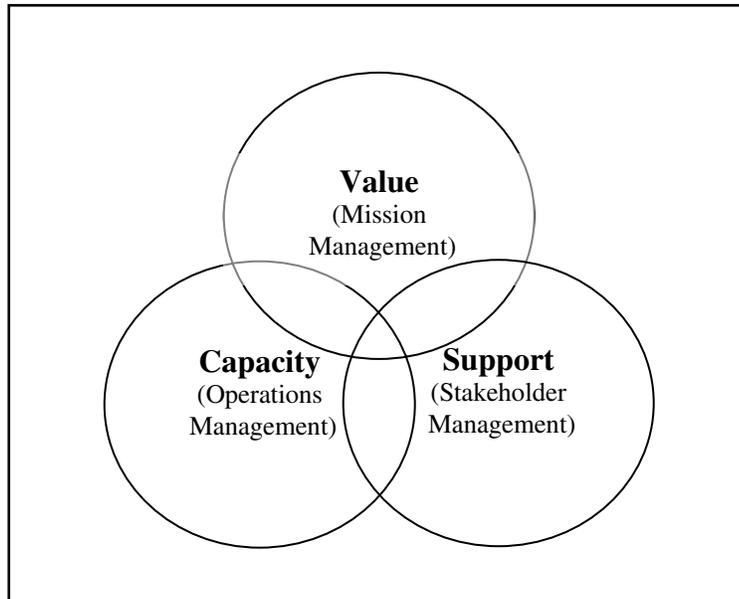
relevant life experiences) but this most frequently enriches the peer collaboration and mentorship opportunities and collective sense of support, learning, and advancement.

Aligning Mission and Strategy in a Social Entrepreneurship Organization

Once a project team has a good working proposition for its mission and a working knowledge of the process of social entrepreneurship, the team can start to develop its plan. A session on creating public value and the Strategic Triangle framework (Moore, 1995 and 2003) helps students to move their ideas into an organizational concept and ‘to become more helpful to society in searching out and exploiting opportunities to create public value’ (Moore, 1995, p.21). The lecture and readings provoke a discussion about differences between private sector organizations, in which owners have traditionally sought private gains, and not-for-profit and public sector organizations, which are mandated to seek to create public value. Using student ideas under development, we examine public value and the challenges of the three-sector worldview. For example, in one instance a pair of students intended to develop a for profit organization, Aquafloor, designed to sell padded pool bottoms to reduce serious pool related injuries. Their model involved seeking government support for regulatory requirements that would advantage their product. While the organization would clearly benefit individuals who would otherwise be harmed by accidents in swimming pools, faculty and students felt the company’s primary aim was to generate individual wealth for its founders and market dominance for the company, and thus was not driven first and foremost by a social mission which fit the SE Lab’s working definition of social entrepreneurship. This example raised an inevitable issue, i.e., who is the arbiter of public value?

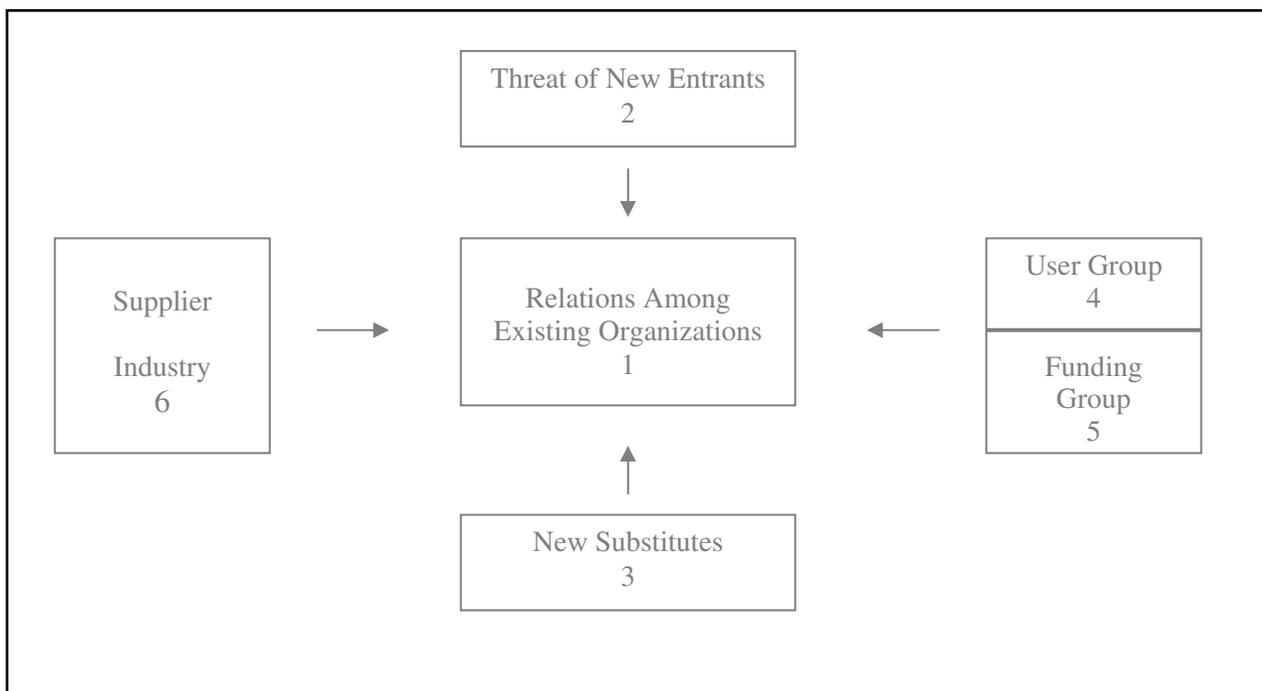
A useful and flexible framework for helping students design a strategy for creating public value has been the Strategic Triangle: Capacity, Support, Value (Moore, 1995 and 2003; Leonard, 2002; Frumkin, 2003: see Figure 8). We use the framework to illustrate both the causal links as well as the interaction among three elements necessary for creating a successful social entrepreneurship organization: (1) public value; (2) operational capacity; and (3) the organization’s legitimacy and support. The model prompts students to confront three related management challenges: (1) mission management, the generative work of creating and re-creating a mission, value proposition, and theory of change to guide the organization; (2) operations management, effective mobilization of operational capacity to deliver services; and (3) stakeholder management, the building of support and legitimacy within the authorizing environment, i.e. among relevant arbiters of public value including potential funders. In relation to their own projects, we ask students to answer three questions: Is it valuable? Is it feasible? Is it authorizable? The key to successful planning and action is finding the ‘sweet spot’ i.e., the achievement of coherence, fit, and alignment among the elements of the strategic triangle (Leonard 2002; Moore, 2003; Frumkin, 2003). Through analysis and action, the students’ goal is to achieve coherence and consistency between the organization’s mission and value creation, the capacity of the proposed organization to carry out required operations, and the needs and desires of envisioned stakeholders. Therefore, making decisions and taking actions that will enable an organization to provide public value requires consideration of all three strategic dimensions of organizational management and finding that the proposed course of action simultaneously meets the criteria of all three. The Strategic Triangle framework can be used as both a prescriptive and a diagnostic tool and can be applied together with Kaplan’s Balanced Scorecard (Kaplan and Leonard, 2005), which similarly provides evaluative feedback on each enterprise’s important dimensions.

Figure 8: The Value, Capacity, Support Framework (Derived from Leonard 2002; Moore 2003; Frumkin 2004)



Oster's six forces chart for not-for-profit industry analysis complements the Strategic Triangle by providing an industry perspective to this discussion and contributes the notion of a competitive environment (Oster, 1995: see Figure 9). The framework, derived from Porter's Five Forces strategy framework (Porter, 1980, 1996), allows SE Lab participants to begin to examine market forces and to understand the wide range of stakeholders involved in the creation and market success of their organization. It also allows them to assess the resources that will be necessary to launch and grow their enterprise. Of the need for market analysis, Oster (1995) wrote, 'Nonprofit organizations often begin with a vision. To survive, however, organizations must also understand the economic and political markets in which they operate.'

Figure 9: Six-Force Chart for Nonprofit Industry Analysis (Oster 1995).



Most project teams find this framework powerful and helpful, including the Stanford team that participated in founding Camp Kesem (*kesem* means ‘magic’ in Hebrew), a summer camp whose mission is to help children in families coping with cancer. Inspired by the biblical mission of *tikun olam* (repairing the world) and supported initially by Stanford’s Hillel, the group of Jewish and non-Jewish students performed industry analysis to help them convey their merit to the Walter and Elise Haas Fund, a Bay-Area philanthropy, and other key funders and stakeholders. Recognizing that they faced competition from existing and potential organizations providing cancer counselling and support, they sought to differentiate themselves. They did so successfully by identifying and emphasizing that not only would Camp Kesem benefit children whose parents have or had cancer, but it would also benefit Stanford student organizers and camp counsellors by providing profound leadership and care giving opportunities. Their dual-benefit argument succeeded in raising over \$300,000 (£174,000) in operating funds. The Camp Kesem project at Stanford hosted its first summer session in June 2001, free of charge to 37 campers. Since then, the project has continued and has grown each year to engage more student volunteers at eight university campuses and to serve more children.

Similarly, the Basic Logic Model framework complements the Strategic Triangle by modelling a value chain and ‘theory of change’ (W.K. Kellogg Foundation, 2001: See Figure 10). Many students use this framework to develop and chart their proposed initiative’s theory of change, i.e., the chain of causality between resources/inputs, activities, outputs, outcomes, and impact that is assumed by their organizations. The model helps students to articulate the process by which their organization proposes to effect a desired change in society. For instance, KSG mid-career student Ron wanted to improve access to medical treatment for urban and rural populations in Africa by encouraging more affordable and reliable delivery of pharmaceuticals to

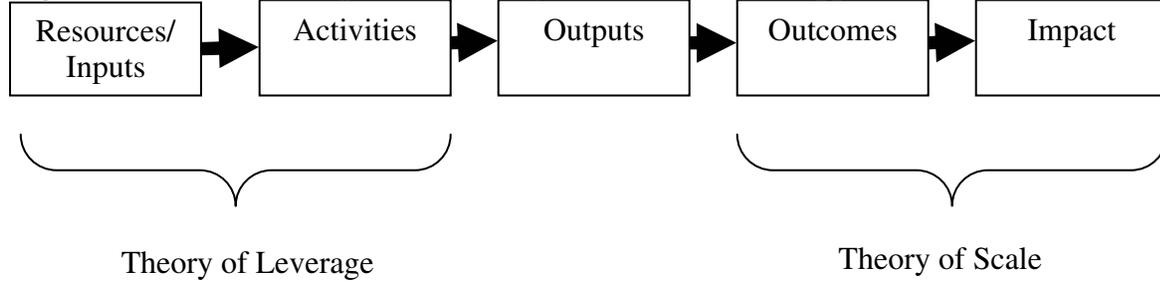
treat, for example, malaria in Uganda. He sought to affect this desired outcome through a for-profit enterprise, Pyramed, that would develop a system to track medicines in order to assure pharmaceutical companies that low cost drugs were not being diverted to the black market. The theory was that confidence in the appropriate use of the medications would encourage manufacturers to deliver medications to poor populations at marginal cost. The framework enabled both a clear articulation of the student's theory of change and valuable discussion about whether this approach was indeed the best way to help people in Africa or whether the beneficiaries would be primarily the manufacturers and corporate founders. Once their projects become operational, the model may also be used to help social entrepreneurs design and implement effective initiatives, evaluate them, improve them, and adapt to changing conditions.

The SE Lab also uses the Basic Logic Model to help students clarify their organization's theories of leverage and of scale (Frumkin 2005). The theory of leverage suggests that social change organizations must assess their assets and decide how optimally to combine them into activities based on beliefs about the leverage and strategic advantage of those activities and some understanding of the organization's distinctive capabilities and comparative advantage. For example, high impact social entrepreneur Bobby Sager once commented that his foundation's impact in the developing world is simply leveraged relative to what his dollars could achieve in the U.S.A. (Personal meeting with Sager, 2002).

Similarly, funders should consider leverage in their social change investment decisions. Frumkin has proposed a hierarchy of leverage for funders, ranging from ideas (most leverage), politics, networks, and organizations to individuals (least leverage), to help funders engage in 'strategic giving' (Frumkin, 2005). For example, while funders can invest in social change work by investing in individual leaders in high-touch direct efforts, they may be able to achieve greater leverage by investing in organizations or programs and allowing flexibility to direct funds where most needed. Investments in network building and guardians (Podolny, 2005); politics, public policy and advocacy; or in shaping of fundamental ideas, new models, and creation of new knowledge represent theoretically increasingly leveraged interventions. While the funding community is only one perspective, each social entrepreneurs' theory of change ideally embeds an understanding of how to create public value in a leveraged manner, recognizing the realities of allocating scarce resources and the often critical demands of time, especially in projects involving life threatening situations.

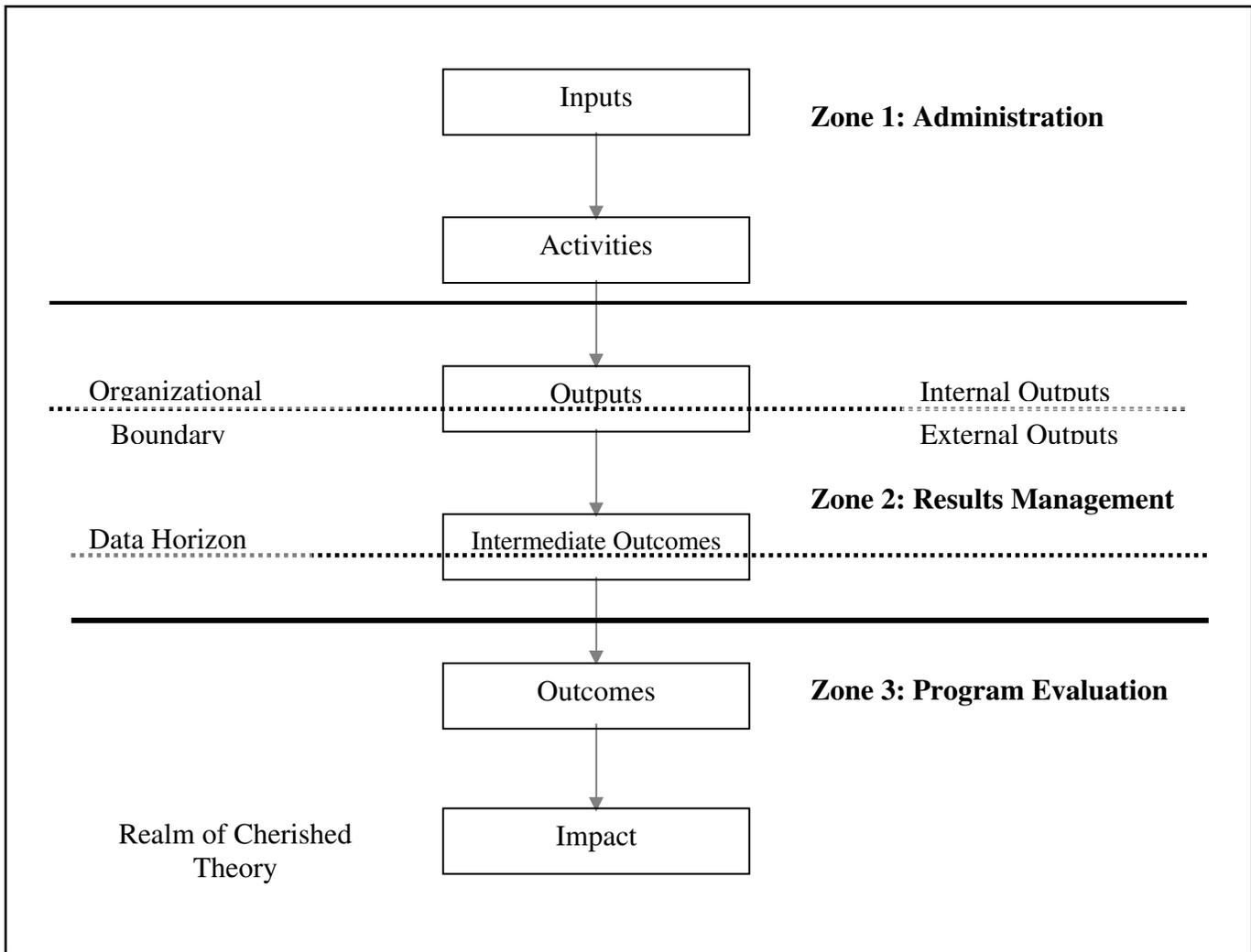
Concerning a theory of scale, the SE Lab considers three models for its achievement, which are not necessarily mutually exclusive: (1) grow organically as an organization; (2) franchise or license out what the organization does; and (3) export the ideas and the model for others to adopt, replicate, imitate, or transform including the public sector. SE Lab discussion conveys the idea that achieving scale is not just about growing your initiative and organization, but it is also about changing the way people see and do things in a way that amplifies the effect (Bradach, 1999; Drayton, 2000; Wei-Skillern, Anderson, and Dees, 2002). We discuss successful examples using each model, enabling students to assess better their own visions for social change. For example, the founder of Pyramed (introduced above) sought to develop a tracking system that would benefit as many people as quickly as possible by providing greater access to medications. While the founder preferred a for-profit model, many SE Lab participants felt potential growth would be greater and scale aims would be better achieved through a not-for-profit model that applied an open-source model for the tracking system making it more widely available than a proprietary technology.

Figure 10: The Basic Logic Model (adapted from W.K. Kellogg Foundation, 2001)



The Performance Management Framework builds on the logic models framework (Leonard 2005: see Figure 11).

Figure 11: The Performance Management Framework (adapted from Leonard, 2005)



It suggests that an organization's theory of change or logic model shapes its management and operations and defines an organizational boundary. Beyond this boundary, different organizations' outputs interact with the external environment, and these external outputs affect the organization's outcomes and the resulting impact or social change. An organization's data horizon represents the appropriate boundary of an organization's measurement and evaluation metrics. Feedback from measurement enables social entrepreneurs to manage and adapt their organizations in a cycle of learning and continuous improvement (March, 1991).

Beyond the data horizon so many external outputs affect organizational outputs that response to an organization's intervention may differ markedly from its intended impact. One moves into the 'realm of cherished theory' as one moves farther away from the organization's boundary. This is where an organization hopes that its outputs have produced outcomes and the desired impact, but where its claims on causation are weak and uncertain. In the realm of cherished theory, and in a complex global landscape, an organization can in fact know little about its true impact on creating social change.

The paper, 'Zeroing in on Impact', and related discussion guides students in moving from aspirations to impact and in making their mission strategic, challenging them to articulate their 'actionable intended impact' and a 'coherent theory of change' (Colby, Stone, Carttar, 2004: see Figure 12). Colby and colleagues sought to address the often-weak connection between professed mission and actual strategy, resulting in unsatisfactory outcomes. The paper helps students to understand and articulate a coherent theory of change beginning with inputs and leading to outcomes and impact. Discussion focuses students on very practical, operations-oriented questions regarding performance (How will you know your work is accomplishing stated goals?), evaluation (What metrics can I track to demonstrate effectiveness to potential funders?), and strategy (How will you know whether your resources are leveraged in the best way?). For example, Harvard KSG mid-career student Giovanna, a native of Vieques Puerto Rico, sought ways to turn her goal of economic development for her homeland (until recently a site of a U.S. military base and bombardment exercises) into a practical initiative. She formulated a strategy for addressing the island's high unemployment and poverty rates through a cooperative venture model. Cooperative participants would develop both an eco-tourism business and a cooperative housing development. To assess its performance, Turismo Vecinal Viequense (Vieques Neighborhood Tourism) identified relevant metrics, including change in the number of participants in the cooperative and clients, per capita income, and a development of alternative, viable financial sources for residents.

Figure 12: Intended Impact and Theory of Change (adapted from Colby, Stone, Carttar 2004)

First, there must be an **actionable intended impact**:

- Links in a compelling way to your mission and vision for social change.
- Specifies the outcomes you seek to create for your beneficiaries.
- Affords sufficient control over outcomes to enable real accountability.
- Is realistic and achievable, given your capabilities.
- Is measurable on an accurate, timely basis.
- Provides an effective platform for making strategic tradeoffs, especially those related to program focus and resource-allocation decisions.

Above all, there must be a **coherent theory of change**:

- Identifies the most important needs of your chosen beneficiaries.
- Articulates the most important leverage points to meet those needs.
- Links your solutions to your beneficiaries; needs through a chain of cause-and-effect relationships.
- Is empirically plausible if not proven.

Applying Theory to Practical Problems

Of central importance in the SE Lab is applying theory to practical problems. A critical element of the curriculum for teaching students about social entrepreneurship is the design and development of a course project. The project represents an opportunity to collaborate on teams; to conduct field research; to develop planning documents for an initiative designed to address the social problem of their choice; and to compete for recognition in the marketplace of ideas.

Over the course of the semester, student teams create and develop a business plan, briefing book, or funding proposal, and often-innovative pilot projects. One student, April, called her end-term paper an 'Idea Briefing Dossier & Business Plan'. Required elements of the project include: an executive summary; the organization's name; statement of mission and vision; management team and advisors (whom students have recruited and enlisted in developing their idea); description of the problem/need the project will address; the theory of change; proposed solution and intended impact; the market served; the strategy/business model, including the operating model and resource strategy; a financial plan; strategic partners; plan for measuring and evaluating project results; pilot project design and implementation (if applicable); references and sources of inspiration.

Assigned readings and in-class exercises and discussion support participants in addressing each of the elements required for the course project, but they represent only a part of the resources provided by the SE Lab (See Figure 13). To assist students further in choosing and developing their understanding of social entrepreneurship and their course project, the SE Lab introduces students to a broad set of resources within and outside the university supportive of social entrepreneurship and invites them to co-create a collaborative environment that mentors them in designing and developing solutions and the social change organizations to implement them.

Figure 13: Selected Teaching Tools of the Social Entrepreneurship Collaboratory*

Element of the SE Lab Course Project	Selected Teaching Tools	
	Element-Specific	Global
Statement of mission and vision	<p>Exercise</p> <ul style="list-style-type: none"> In-class introductory exercises The Summer Day (Oliver, 2004) <p>Frameworks and field examples</p> <ul style="list-style-type: none"> Mission statement, Stanford University and Harvard KSG (Bloom and Scher, 2003; Bloom, Leonard, Moore, and Winship, 2005) Sudan Child (Kevin Carter, 1994) Vision Framework (Collins and Porras, 2002) Attributes of an Effective Mission (Meehan, 2001) Johnston’s diagnostic tests (Dees, Emerson, and Economy, 2001) Ashoka case studies (Bornstein, 2004; Chio and Meehan, 2001) <p>Additional references and resources</p> <ul style="list-style-type: none"> Collins and Porras, 1989 Ch. 2-3, Oster, 1995 	<p>Exercises</p> <ul style="list-style-type: none"> Abstract and project proposal Elevator pitch/ Social Enterprise Conference Pitch-for-Change Reflection assignment Preliminary presentation Final presentation Business plan/briefing book Feedback forms Social E-Challenge business plan competition <p>Frameworks and field examples</p> <ul style="list-style-type: none"> Introduction and overview for social entrepreneurship
Theory of change	<p>Frameworks and field examples</p> <ul style="list-style-type: none"> Basic Logic Models (adapted from W.K. Kellogg Foundation, 2001) Performance Management Framework (adapted from Leonard, 2005) Intended Impact and Theory of Change (Colby, Stone and Carttar, 2004) 	<ul style="list-style-type: none"> Defining Social Entrepreneurship (Dees, 1998a) Definitions of Social Entrepreneur; Stanford/Ashoka case (Chio and Meehan, 2001)
Developing a strategy and business model	<p>Frameworks and field examples</p> <ul style="list-style-type: none"> The Strategic Triangle (Moore, 1995 and 2003; Leonard, 2002; Frumkin, 2003) Six Force Chart for Nonprofit Industry Analysis (Oster, 1995) Opportunity Creation Process (Guclu, Dees, and Anderson, 2002) Performance Management Framework (Leonard, 2005) Solomon R. Guggenheim Foundation case (Oster, 1995) <p>Additional references and resources</p> <ul style="list-style-type: none"> Kaplan and Leonard, 2005 Colby, Stone, and Carttar, 2004 Dees, 1998b Oberfield and Dees, 1992 Wei-Skillern, Anderson, and Dees, 2002. 	<ul style="list-style-type: none"> Sources of Social Entrepreneurship (Leadbeater, 1997) Social Enterprise Spectrum (Dees, 1998b) What Makes Social Entrepreneurs Different? (Dees, Emerson, and Economy, 2001) <p>Business plan development</p> <ul style="list-style-type: none"> Ripple Effects business plan (2002) Harvard Business Plan Competition <p>Additional references and resources</p>

Element of the SE Lab Course Project	Selected Teaching Tools	
	Element-Specific	Global
Governance	Frameworks and field examples Key tasks of nonprofit boards (Oster, 1995) Old work new work (Taylor, 1996) Board attributes and best practices (Meehan, 2003) Additional references and resources Oster, 1995 Chait, Ryan and Taylor, 2004 Fremont-Smith, 2004	Introduction and overview for social entrepreneurship Oster, 1995 Frumkin, 2002 Drucker, 1985 Drayton, 2000 Alvord, Brown and Letts, 2005 Yunnis, 2003 Bornstein, 2004 Business plan development Childress, 2005 Brooks, 2002 Rooney in Dees, Emerson, Economy, 2001 Sahlman, 1997
Strategic partnerships	References and resources Briggs, 2003a and b Ostrower, 2005 Austin, 2004	
Financial planning and funding	Frameworks and field examples Peace Games case (Rosegrant and Leonard, 2004) References and resources Chu, 2005 Letts, Ryan, and Grossman, 1997 Sievers, 1997 Dees, 1998b	
Project measurement and evaluation	Frameworks and field examples Performance Management Framework (Leonard, 2005) Social return on investment (SROI), Roberts Enterprise Development Fund (Gair, 2002) References and resources Sawhill and Williamson, 2001 Ch.4 in Dees, 1998b Kaplan and Leonard, 2005 Kramer, 2005	

* See References for complete citation information.

Both Stanford and Harvard have excellent, student organized and oriented, conferences and a business plan competition that can be helpful to participants in the SE Lab. At Harvard in spring 2005 the HBS/KSG Social Enterprise Conference and KSG International Development Conference provided perspectives from hundreds of speakers and organizations addressing social entrepreneurship as well as valuable, complementary resources upon which we suggested strongly that students draw. The SE Lab recommends attendance to specific sessions of the conferences. For instance, in 2005 at Harvard's Social Enterprise Conference students attended a panel with Ashoka founder Bill Drayton and four Ashoka fellows, followed two days later by a special SE Lab session with Drayton. As part of the international development conference, many students also attended a keynote address by C.K. Prahalad on the controversial market-based approach to international development, as articulated in 'The Fortune at the Bottom of the Pyramid' (Prahalad and Hart, 2004).

In addition, Stanford's Social Entrepreneurship (Social E)-Challenge, enjoys impressive university-wide participation and motivates students to develop innovative business plans to address social needs (Levy, 2003). Two rounds of competition evaluated first an executive summary and, for finalists, a business plan and presentation. In association with the business plan competition at both Stanford and Harvard, SE Lab participants availed themselves of specialized help sessions on constructing a business plan, performance measurement, and business financing that accompanied these university-based activities.

Harvard SE Lab students were encouraged to participate in a special HBS/KSG Social Enterprise Conference Pitch-for-Change competition in which contestants competed to offer the best funding pitch for their social change organization. The goal was to be able to communicate their idea in a compelling way to a potential funder or strategic partner in a very brief 'elevator pitch'. The written abstract could be no longer than 200 words, the first round pitch 30 seconds, and in the final round, the verbal pitch must be conveyed in no more than two minutes with the help of two power point slides. Criteria for evaluating the pitch included the scale of impact, innovativeness of the idea, likelihood of success, and overall persuasiveness of the presentation. A team of three women from the SE Lab, led by an Afghani-born KSG mid-career student, Masuda, won first prize in the 2005 competition, pitching Impact Capital, a venture capital firm that aims to empower women in Afghanistan. One month later, team members had the opportunity to meet Afghanistan President Karzai and made their pitch, which was well practiced and enthusiastically received. Team members have secured some start-up funding and will be in Afganistan conducting fieldwork during summer 2005 to pilot their plan.

SE Lab class sessions comprise a broad range of formats, including presentations, discussions, and case studies. In addition to the several sessions designed to introduce students to the frameworks discussed above, the SE Lab invites participation from domain experts and social entrepreneurship practitioners, both as visiting faculty and as regular participants and mentors in the lab. Practitioner and domain expert participation is a key feature of the lab's impact on students. These individuals bring inspiring examples of successful social entrepreneurship endeavours and help to demonstrate how to translate ideas into practice. They also bring extraordinary intellectual capital, connecting students to a local and worldwide network of resources and social entrepreneurs. Special guest lectures have included:

Figure 14: Selected Guest Lecturers in the SE Lab

Speaker	Title or Position	SE Lab topic
Bill Drayton Paul Herman	Ashoka Founder Ashoka North American Program Director	Identifying, funding, and supporting 1400 social entrepreneurs and their international social change organizations
Greg Dees	Co-founder of the Stanford Center for Social Innovation and Duke professor	The nature of social entrepreneurship and social entrepreneurs
Jim Phills	Faculty co-chair, Stanford Center for Social Innovation	Mission and strategy for social innovation organizations
Bill Meehan Michael McCullough Ana Rowena Mallari	Stanford GSB Lecturer, McKinsey Director Quest Scholar Co-founders	Aligning mission and strategy
Stacy Childress	HBS Lecturer	Constructing a social enterprise business plan
Jacqueline Novogratz	Acumen Fund CEO	Sources of social venture funding
Kavita Ramdas	Global Fund for Women CEO	Gender equality and social venture capital models for investing in women in the developing world
Iqbal Paroo Bruce Sievers Peter Hero	Omidyar Foundation President Stanford Lecturer, former Haas Family Foundation Director Community Foundation Silicon Valley President	Funding social entrepreneurship in family and community foundations
Jed Emerson	Roberts Enterprise Development Fund (REDF) co-founder	Social capital markets and blended value theory for optimal investment of foundation endowments and other resources
Mark Kramer	Foundation Strategy Group co-founder and Managing Director, Center for Effective Philanthropy co-founder	Evaluating social entrepreneurship organizations
Sarah Alvord David Brown	Harvard Hauser KSG Senior Program Officer KSG Lecturer	Societal transformation through social entrepreneurship
Eric Dawson Christine Letts	Peace Games founder KSG Lecturer and Peace Games board chair	Start-ups, growth and governance
Laura Scher	Working Assets CEO and Stanford Lecturer	Strategy and for-profit social purpose organizations

These guest faculty and practitioners add a wealth of knowledge and wisdom that helps students develop as leaders and social entrepreneurs.

The style of class sessions varies, but is often Socratic in that discussion leaders act as facilitator rather than lecturer. Discussions challenge both students and guest practitioners to examine critically key issues in social entrepreneurship. Students also engage each other, advising and helping colleagues to develop as leaders and to build their initiatives.

Students complete a series of milestones to facilitate continued progress and timely completion of the course project. Written assignments and in-class presentations afford students an opportunity for feedback on their work from colleagues and faculty and help the SE Lab to develop as a community of learning and mutual support. Assignments include an abstract and preliminary project proposal, an 'elevator pitch', a reflection assignment, executive summary, preliminary and final presentations, and a final business plan or briefing book. Class assignments are linked, where possible, to the social entrepreneurship activities ongoing across the university.

Three weeks into the course, students submit an initial abstract and preliminary project proposal that touch on many of the main elements of the business plan they would eventually submit. The intent of the assignment is to push students to formulate an idea and to provide an opportunity for input. At Stanford, the abstracts meet the criteria for the first stage of the Social E-Challenge.

The elevator pitch requires students to develop a funding pitch for their social change organization. Requirements for the elevator pitch meet the criteria for the HBS/KSG Pitch-for-Change competition.

A mid-course reflection assignment provides a structured exercise to consolidate and make productive events students had experienced through the SE Lab. The assignment asks them to reflect on recent experiences (including SE Lab sessions or events at the social entrepreneurship conference) that impacted their thinking on their project and changed their ideas or perspective, and to discuss the way in which their thinking had changed. It also asks students to describe any ways in which they and their project team felt stuck and what they planned to do about it.

During the second half of the course, students submit a draft executive summary and give preliminary presentations covering all the categories required for their final assignment. This exercise requires students to develop plausible answers to each one of the categories, even if their ideas were not yet well formed. Its intent is to help students understand the strengths and weaknesses of their project and to enable them to seek and receive feedback and suggestions from SE Lab participants.

The final assignment consists of two parts. Student teams first submit a two-page executive summary and make an in-class presentation of their project. The final presentation synthesizes their work and enables students to practice conveying their ideas to potential funders and strategic partners. Students receive additional feedback at this time. Approximately three weeks later, their final completed business plan or briefing book is due. Students aim to create presentations and documents that could be used as their entry in the Social E-Challenge or to share with potential funders. Many indicate that they value the cumulative nature of the learning

and final product for the SE Lab, where parts are developed selectively along the way, and then drawn together, augmented, and revised by the end of term.

Signs of Success

My life is my message.

Gandhi

The SE Lab aims to create an environment for students to identify a social problem about which they are passionate, to envision a solution to the problem, and to move their vision towards reality by designing and developing a social change organization and an agenda for change. According to available measures, the SE Lab has experienced some success in achieving its aim.

Firstly, the SE Lab has performed well on such metrics as course enrollment and student evaluations. One student, Dave, whose email tagline reads, ‘If opportunity doesn’t knock, build a door. –Milton Berle’, reflected on the value of the course:

‘I have constantly been frustrated at the Kennedy School with my lack of ability to engage deeply in courses, including the ones whose descriptions, syllabi, and readings are of utmost thematic interest to me. I simply muddle through the readings, papers, and problem sets with only one goal – to get done with them so I can move on to more important things... This course, by contrast, is one that I can’t stop thinking about. The readings are ones that I mull over and am able to place in context, testing my idea, judging the worth of my enterprise, etc. We ought to have more real-life experiential training at this school. Thank God I was able to take this one before graduating.’

For this student at least, the SE Lab delivered on its promise to fuse theory and practice, with powerful results.

Equally importantly, the course has produced concrete outcomes. Students’ projects demonstrated their competitiveness in the marketplace for ideas, reaping financial as well as psychic rewards for their efforts. Four of the five winning teams of the Stanford Social E-Challenge in 2003 developed their proposals in the SE Lab. The competition included 29 student teams who competed to create innovative business plans addressing social needs. Venture capitalists judged plans and presentations and awarded the \$20,000 (£11,600) prize money (Levy, 2003). Similarly, for work developed in Harvard’s first SE Lab in 2005, students were awarded the top prize and three of the four additional prizes in the 2005 HBS/KSG Social Enterprise Conference Pitch-for-Change competition. SE Lab students have raised hundreds of thousands of dollars for their initiatives, and in one case known to this author, over a million dollars. In addition, there are SE Lab spin-offs, including courses offered through Stanford’s Public Policy Program aimed at health care, the environment, and global development and at other universities.

Students in the SE Lab have created innovative organizations serving many different social causes. For example, Stanford SE Lab student Alex, who lost a close friend to HIV/AIDS, was passionate about helping HIV-infected populations in developing countries. With an initial theory of change that was impractical, the SE Lab supported him in designing and developing a more effective social change model through research, iterative feedback, and by facilitating an

extracurricular brainstorming session with AIDS experts and potential partners. He founded a national campaign to raise funds and political support for treatment, which engaged thousands of people, sent thousands of letters to Congress, formed strategic partnerships with one of the leading AIDS activist organizations and the Elizabeth Glaser Pediatric AIDS Foundation, and organized AIDS walks in 10 U.S. cities. The initiative recruited dozens of Stanford students and an array of SE Lab members and raised tens of thousands of treatment doses for HIV-infected individuals in 17 countries.

Jozoor Microfinance, introduced at the outset of this chapter, was the first place winner in the 2003 Social E-Challenge. Uri led a team of students in developing a business plan to address the economic roots of Israeli-Palestinian terrorism using a micro-financing model inspired by Grameen Bank in Bangladesh. The company gives loans of \$200 (£116) to \$600 (£348) and basic business training to young Palestinian men who could become targets for recruitment to terrorist groups. Pilot projects are underway in East Jerusalem and the West Bank. In 2005-2006, Uri is embarking on a joint-degree program between Harvard's KSG and Stanford's GSB to pursue dual masters degrees focused on international development and entrepreneurship.

AIMS (Aid Information Mapping Services) for Humanity is a technology-enabled mapping and humanitarian relief project which seeks to improve the speed, accuracy, and quantity of aid to disaster zones, developed at Stanford in collaboration with the Reuters Foundation Digital Vision Fellows Program. The initiative employs novel technology to improve coordination of information that facilitates emergency response to crises such as war, famine, disease, earthquake and floods that disrupt the lives of millions across the world. Pilot projects in Iraq and Africa have provided crisis workers with maps using imagery collected from unmanned aerial vehicles and satellites that provide a real-time picture of water needs, buildings on fire, locations of mine fields, or percent of a population afflicted with illness.

ABCDEspañol Oaxaca is a literacy project for Mexico, which employs a method for tackling literacy that has been successful in Colombia, Guatemala, and the Dominican Republic. The method involves playing a game that incorporates linguistic principles and is a highly cost-effective way of achieving literacy. Students worked with a local centre for the development and study of indigenous languages to design a pilot project to teach 4000 people to read and write in their native language in four months.

These projects illustrate the potential impact of combining exercises that tap into people's passion, fieldwork, action research, peer support and learning, and the participation of domain experts and social entrepreneurship practitioners with foundational frameworks. The growth and development of projects in the SE Lab brings to mind an image of my daughter Audrey that I hold dear, and that I shared with the Stanford SE Lab as an introduction to one of the final presentation sessions.

We launched the SE Lab at Stanford when Audrey was three years old, the year her brother Jason was born: a time of extraordinary developmental growth for both. That year, Audrey enrolled at Bing Nursery School at Stanford and enjoyed playing on the swings in the large yard in the outdoor portion of her classroom and trying to swing high enough to touch a leaf on the branch of a nearby tree. At the beginning of the year, Audrey was too small and not skilled enough to reach the leaf, but as the year progressed, Audrey grew and was able to swing higher

and higher, to stretch forward her feet towards the leaves. The branch also grew towards the swing, and by year end Audrey was able to just touch the lower-most leaf. In the same way, SE Lab students grow and move forward in reaching goals by the end of the semester that they may have been able to envision, but were impossible to achieve at the outset of the SE Lab.

Ultimately, the intellect, energy, passion, and talent of the students themselves provided the core of their success in developing innovative social sector initiatives. While Stanford and Harvard attract superb students and create impressive networks, this model is generalizable to many other universities. The SE Lab created an environment in which the students' ideas and project teams could be unleashed and flourish. Not all projects incubated in the SE Lab are successful nor will all participants in the SE Lab become successful social entrepreneurs. However, the SE Lab supports students to fulfill their longing to be part of a social change movement and gives them the opportunity to create their own path. By helping students to gain confidence and inspiration in their own ability to make a difference through social entrepreneurship, many of them will join the next generation of leaders in any sector.

Notes

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Appendix 1: Social Entrepreneur Definitions (Stanford Ashoka Case, Meehan 2001)

Source	Definition
Echoing Green Foundation provides money and technical support to early stage social entrepreneurs	Social entrepreneurs are “catalysts for social change”...they are “risk-takers who have innovative ideas for a new organization or project.”
<i>The Economist</i> (May 30, 1998)	“These budding social entrepreneurs, as this new breed of philanthropists like to call themselves, are keen to give away their money themselves (rather than create foundations to do it). They want to solve specific problems in a specific way (rather than just earmark money for some vaguely benevolent purpose). They focus on performance. And they try to make projects self-sustaining (so the recipients don’t keep coming back for more).”
Jay Emerson and Fay Twersky , editors of “New Social Entrepreneurs: The Success, Challenge, and Lessons of Non-Profit Enterprise Creation.” (The Roberts Foundation, San Francisco, 1996)	A social entrepreneur is a “non-profit manager with a background in social work, community development, or business, who pursues a vision of economic empowerment through the creation of social purpose businesses intended to provide expanded opportunity for those on the margins of our nation’s economic mainstream.”
Ewing Marion Kauffman Foundation is an operating and grant-making foundation supporting sustainable programs and projects that will lead to individual, organizational, and community self-sufficiency.	Not-for-profit entrepreneurship is the “recognition and pursuit of opportunity in fulfillment of a social mission without regard to resources currently under control to create and sustain social value.”
Charles Leadbeater , author of “ <i>The Rise of the Social Entrepreneur</i> ” (Demos, U.K.)	“Social entrepreneurs are like business entrepreneurs in the methods they use but they are motivated by social goals rather than material profits...[T]heir great skill is that they often make something from nothing, creating innovative forms of active welfare, health care, and housing which are both cheaper and more effective than the traditional services provided by the government.”
The National Center for Social Entrepreneurs provides support to nonprofits by helping them to think and act in an entrepreneurial manner.	“Simply stated, ‘social entrepreneurs’ are nonprofit executives who pay increasing attention to market forces without losing sight of their underlying missions, and they are driven by a dual purpose: -To take programs that work and make them more available to people (social entrepreneurship is rooted in the core competencies of an organization), and -To become less dependent on government and charity.”
New Economics Foundation is a London-based foundation promoting practical and creative approaches for a just and sustainable economy.	“Behind many pioneering institutions are often a few individuals who combine the skill for finding new opportunities with a desire for social justice. These are social entrepreneurs. Social entrepreneurs are found in business, in the public sector, working for voluntary organizations, and within communities. They respond to the evident needs around them with innovative ideas and the ability to motivate and empower others and turn their ideas into reality.”
Social Entrepreneurs, Inc. is dedicated to building strong management and operating infrastructures within human service organizations.	The goal of social entrepreneurship is to “measurably enhance the quality of life for individuals and communities by making significant improvements to the capabilities, efficiency, stability, and outcomes of human service organizations.”
The Social Entrepreneurs Network offers practice advice, technical support, and access to expertise for communities wanting to think and act entrepreneurially.	“Social entrepreneurs are people who use the techniques of business to achieve positive social change.”
Youth Service America (YSA) is an alliance of organizations committed to community and national service for young Americans.	Social entrepreneurs are “...visionary young leaders who have bold, effective, and innovative ideas for national and community service ventures.”