Social Entrepreneurship for the 21st Century: Innovation Across the Nonprofit, Private and Public Sectors

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TA: Margaret Knowles
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Offered: EMBA Elective, Fall 2022 Bidding Only

Course Overview

In less than a generation, we have witnessed a tectonic shift in the way people think about—and work toward—social change. The groundswell of new activism—social entrepreneurship—is manifest across society as innovative change makers test new solutions to entrenched social, economic, and environmental problems. This course is designed for students who are interested in understanding and participating in social entrepreneurship, whether they pursue careers (or avocations) in the nonprofit, private or public sectors.

The course gives an overview of the field, with in depth examples and case studies of innovative change makers and organizations in the nonprofit, private and public sectors that illuminate the traits and tools of the new activism: a heightened emphasis on measurement and evaluation; an embrace of competition in a number of forms, including the design and implementation of market based instruments like prizes and challenges; the development of ‘laboratories’ to foster social innovations which can then be brought to scale; experiments with technology as a vehicle for social change; a new thinking about asset management and investment, the nature of social value and returns, and the sources of capital available to address chronic social problems through impact and responsible investing; the renewed commitment to an equity lens in all of this work. The course also explores the opportunities and tensions inherent in cross-sector work: the definition of public goods, the respective roles that philanthropy, government and commercial actors play in providing them, and the innovations that occur when partnerships form across the sectors.

Classes will combine lectures, discussions, and presentations by some of today’s most innovative social entrepreneurs. Each session, designed as a seminar, will be guided by three basic questions:

(1) What is the entrenched problem – either market or government failure – that the social entrepreneur is trying to address?
(2) What is the innovation: how is this problem being addressed in a new, different or more effective way?
(3) Is it working? What are the advantages, and risks, associated with this approach?
Connection with the Core Curriculum

The learning in this course will utilize, build on and extend concepts covered in the following core courses:

<table>
<thead>
<tr>
<th>Core Course</th>
<th>Connection with Core</th>
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<tbody>
<tr>
<td>Corporate Finance</td>
<td>1. Time value of money</td>
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<td>2. Incremental cost/benefit</td>
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<td>Decision Models</td>
<td>1. Use of analysis in decision-making</td>
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<td>2. Fundamental concepts of decision-making</td>
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<td>3. Decision making under uncertainty and risk</td>
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<td>Financial Accounting</td>
<td>1. The accounting model</td>
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<tr>
<td>Global Economic Environment I</td>
<td>1. What is GDP and how is it measured?</td>
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<td>2. Why are some countries so much richer than others?</td>
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<td>3. What are the effects of fiscal policy?</td>
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<td>4. What is the role of financial markets in the economy?</td>
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<tr>
<td>Leadership Development</td>
<td>1. Ethics</td>
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<td>2. Decision-making</td>
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<td>Marketing Strategy</td>
<td>1. Role of marketing value creation for customers, leading to stakeholder value (owners, shareholders, employees)</td>
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<tr>
<td>Strategy Formulation</td>
<td>1. Linkages between values leadership and economic value creation</td>
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<td>2. Behavioral and evidence-based strategy</td>
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Students will be expected to have mastered these concepts and be able to apply them in the course.
Course Organization

The course is divided into three modules:

I. **Social Entrepreneurship in the Nonprofit Sector** examines the emergence of a new kind of service provider, a new breed of philanthropic funder, and the business models each employ to advance social change;

II. **Social Impact in the Private Sector** explores the infusion of social sector values into profit-making activities from the enterprise and investor perspectives, including the emerging field of impact investing and the growing number of firms that seek to create societal or environmental benefit through commercial business;

III. **Social Innovation in the Public Sector** includes case studies of entrepreneurship within government, and the use of various policy tools and partnerships to address solutions to entrenched problems.

<table>
<thead>
<tr>
<th>Session</th>
<th>Topic</th>
<th>Case Study</th>
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<tbody>
<tr>
<td>1: What is Social Entrepreneurship</td>
<td>A new kind of service provider</td>
<td>Ashoka, Echoing Green, Neighborhood Trust, BlocPower</td>
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<tr>
<td>2: Innovations in Philanthropy</td>
<td>Entrepreneurship to Enterprise</td>
<td>Acumen Fund</td>
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<tr>
<td>3: Impact Investing: Investor Perspective</td>
<td>The Microfinance Evolution</td>
<td>Grameen, SKS, MPesa, MKopa</td>
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<tr>
<td>4: Sustainable Investing Goes Mainstream</td>
<td>The View from Financial Services</td>
<td>Sustainable Finance at Goldman Sachs, Impact Investing at Bain Capital, ESG, DEI &amp; Impact at SilverLake</td>
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<tr>
<td>5: Profits and Purpose: the Entrepreneurs</td>
<td>Launching and Sustaining a Social Purpose Venture</td>
<td>B-Lab, Etsy, Greyston Bakery, Danone Wave, Towerbrook</td>
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</tbody>
</table>

- **Cheryl Dorsey**, President, **Echoing Green**
- **Justine Zinkin**, ’02 CEO, **Neighborhood Trust Financial Partners**
- **Clara Miller**, President Emerita, **Heron Foundation**
- **Valerie Rockefeller**, Chair of the Board of Trustees, **Rockefeller Brothers Fund**
- **Roy Swan**, Head of Mission Investments, **Ford Foundation**
- **Liz Luckett**, Managing Partner, **The Social Entrepreneurs’ Fund**
- **Javier Lozano**, Clínicas del Azúcar
- **Rashid Galadanci**, CEO, **Driver**
- **John Goldstein**, Head of Sustainable Finance, Goldman Sachs
- **Greg Shell**, Managing Director, **Bain Capital Double Impact**
- **Martin Whittaker**, CEO, **Just Capital**
- **Carrie Braddock**, ’06 Head of ESG and Impact, **SilverLake**
- **Joseph D. Kenner**, CEO, **Greyston Bakery**
- **Abrielle Rosenthal**, Managing Director, **Towerbrook**
- **Holly Ensign-Barstow**, Director of Policy, **B Lab**
- **Lorna Davis**, former CEO, **Danone Wave**
- **Andrea Phillips**, Founder & Managing Partner, **The Community Outcomes Fund**
- **Fran Seegull**, President, **US Impact Investing Alliance**
Readings


Assessment and Grading

Students will be evaluated on the basis of:

- class participation (50%)
- written assignments: two 3-5 page write ups (50%)

Assignments:

Students will be evaluated primarily on the basis of their in class participation, much of which will draw from the two written assignments/presentations. The nature of these write-ups will be described in greater detail in the first class: each one is a 3 page write-up that focuses on the general topic of the session, followed by an in-depth examination of one case study which answers the following questions:

1. What is the entrenched problem the social entrepreneur is trying to address?
2. What is the innovation: how is this problem being addressed in a new, different or more effective way?
3. Is it working? How do we know? What are the advantages, and risks, associated with this approach?

Written Assignment for Session 1

There is a good deal of reading and material to cover for week 1. These readings are important to facilitate class discussion the first week and to lay the groundwork for subsequent weeks. The study questions for week 1 will help with preparation.

In addition, please write a one page description of an experience you have had with social change. This could be a full-time work or voluntary experience, or even an organization you have invested in or donated to. Was this organization or effort entrepreneurial? Was it innovative? Why or why not? Was this organization or effort successful in advancing social change? How do you know?
Course Schedule

SOCIAL ENTREPRENEURSHIP IN THE NONPROFIT SECTOR

Session 1: Introduction to Social Entrepreneurship (9.8)

What do we mean by social entrepreneurship, and how has it evolved in the nonprofit sector over the last generation? What can we learn from the new breed of service provider and the emergence of a new kind of philanthropy?

<table>
<thead>
<tr>
<th>What is Social Entrepreneurship (9/8)</th>
<th>A new kind of service provider</th>
<th>Ashoka</th>
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<td>Echoing Green</td>
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<td>Neighborhood Trust</td>
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<td>BlocPower</td>
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<td>A new kind of funder: venture philanthropy</td>
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<td>New Profit Inc</td>
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<td>Robin Hood Foundation</td>
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<td>Pershing Square Foundation</td>
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<td>Course correction: diversity, equity and inclusion</td>
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Confirmed Speakers:

- Cheryl Dorsey, President, Echoing Green
- Justine Zinkin, ’02 CEO Neighborhood Trust Financial Partners

Questions for Class Lecture and Discussion:

1. Introduction to course, objectives, requirements, other logistics
2. Lecture/discussion of the history of social entrepreneurship in the United States
3. What is a social entrepreneur? What do we mean by innovation? business orientation?
4. What can we learn from the new breed of service provider like Ashoka, Echoing Green, City Year, or their more contemporary incarnations, BlocPower or Neighborhood Trust?
5. What is ‘venture philanthropy’ and what sets of problems are funders like New Profit, Robin Hood and Pershing Square trying to address?
6. What are some of the philanthropy and social entrepreneurship’s blind spots, and how can they be corrected?

Required Reading

- Introduction:
- New Breed of Service Provider
  - Echoing Green: Mission
  - Neighborhood Trust 2020 Annual report (skim)
“Donnel Baird wants to bring green energy to America’s poorest neighborhoods,” The Washington Post March 26, 2021

New Kind of Funder
- The Robin Hood Foundation (Harvard Business School Case No. 310031-PDF-ENG)
- Pershing Square Foundation: Lessons Learned at the Ten Year Mark

Philanthropy: Course Corrections
- Meeting this Moment: Reflections One Year Later
- Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table, Cheryl Dorsey, Jeff Bradach, Peter Kim (Bridgespan, 2020)
- Echoing Green Announces New Racial Equity Philanthropic Fund (Echoing Green, 2020)

Required Viewing:
- Justine Zinkin and Neighborhood Trust here, and here.
- Bloc Power: How Do we Green America’s Inner Cities

Recommended Viewing:
- Cheryl Dorsey, Carter McClelland, Raj Panjabi, 3 Ways to Work Toward Equity After Covid-10

Recommended Listening:
- Capital for Good podcast interview: The Future of Social Entrepreneurship and Innovation with Cheryl Dorsey (May 11th, 2021)

Recommended Reading:

Social Entrepreneurship
- Georgia Levenson Keohane, “Ashoka: Innovators for the Public” (Stanford Graduate School of Business Case Study” SM203 February 2012)
- “City Year Enterprise” (Harvard Business School Case Study No. 9-396-196)
- Christine Wallace, “A Narrower Focus Helps City Year Win Grants and Increase Its Impact,” Chronicle of Philanthropy 4 December 2011
- David Bornstein, *How to Change the World: Social Entrepreneurs and the Power of New Ideas* (New York: Oxford University Press, 2004), chapters 1, 2, 8, 18, 21

**Venture Philanthropy**

- New Profit Inc.: Governing the Nonprofit Enterprise (Harvard Business School Case No. 9-100-052) (skim)
- William Meehan, Derek Kilmer, Maisie O’Flanagan, “Investing in Society: Why we need a more efficient social capital market – and how we can get there,” *Stanford Social Innovation Review* Spring 2004
- Craig C. Reigel, “Philanthropic Equity: Promising Early Returns,” *The Nonprofit Quarterly* Fall/Winter 2011

**Philanthropy Course Corrections**

- Phil Buchanan, *Giving Done Right* (New York: PublicAffairs 2019)
Session 2: Innovations in Philanthropy: Entrepreneurship to Enterprise, Activist Assets (9.22)

What is the role of philanthropy in advancing social change? What is the relationship between philanthropy and government, and philanthropy and the commercial sector? The class will explore two innovations in philanthropy:

1. the shift from entrepreneurship to enterprise
2. a more ‘activist’ approach foundation to asset management: screens, ESG and impact investing

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<tr>
<th>2: Innovations in Philanthropy</th>
<th>Entrepreneurship to Enterprise</th>
<th>Activist Assets</th>
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<td>Acumen Fund</td>
<td>F.B. Heron Foundation</td>
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<td>Ford Foundation</td>
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<td>Rockefeller Brothers Fund</td>
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Confirmed Speakers:

- Clara Miller, President Emerita, Heron Foundation
- Valerie Rockefeller, Chair of the Board of Trustees, Rockefeller Brothers Fund
- Roy Swan, Head of Mission Investments, Ford Foundation

Questions for Class Lecture and Discussion:

1. What, historically, has been the role of philanthropy, and how has that changed over time?
   How does American philanthropy compare to that in other countries?
2. What is mission related investing? Program related investing?
3. What is the difference between screens, ESG and impact investing?
4. Should foundations engage in impact investing?

Required Reading

- Introduction
  o Keohane, chapters 5-8
- From Entrepreneurship to Enterprise
  o Acumen Fund: Making the Impossible Possible: The Acumen Fund at 15 Years
- Activist Assets
  o “The World has Changed and so Must We” (Heron Foundation):
  o Clara Miller, Building a Foundation for the 21st Century (skim)
  o Clara Miller, “Arriving at 100% for Mission,” SSIR 7 March 2017
  o Nathan Cummings Foundation commits 100% of endowment to mission aligned investing Alliance Magazine 5 April 2018.
  o John Leland, “The Man with the $13 Billion Checkbook” New York Times 12 July 2019
• Rockefeller Brothers Fund, Investing in Our Mission: a Five Year Case Study of Fossil Fuel Divestment at the Rockefeller Brothers Fund May 2020
• RBF Case Study: Investors can Pursue Impact Without Sacrificing Returns

Recommended Reading

Prizes and Challenges

• “X Prize CEO Peter H. Diamandis on Jackpots for Innovation,” Harvard Business Review November 2008
• Thomas Kalil, “Prizes for Technological Innovation,” The Hamilton Project, Brookings Institution (December 2006)
• Jonathan Bays, “And the Winner Is...Capturing the Promise of Philanthropic Prizes,” McKinsey and Company 2010 (full report here):

Activist Assets

• Mission Investors Exchange: definitions of MRIs, PRIs and Frequently Asked Questions about Program Related Investments
• Mission Accomplished: How the Heron Foundation Went All In. Forbes 30 March 2017
• Big League: Transforming the Capital Markets with Impact Rigor and Disclosure Impact Alpha September 28th 2017
• Clara Miller on The Looking Glass World of Nonprofit Money: Managing in For-Profits’ Shadow Universe (Links to an external site.) Nonprofit Quarterly 12 June 2017.
• Michael Swak, “Expanding Philanthropy’s Reach: Mission Related Investing at the F.B. Heron Foundation,” Communities and Banking Spring 2008
• William M. Dietel, “Mission Stewardship” The F.B. Heron Foundation
• Program-Related Investments: Leveraging Our Resources to Catalyze Broader Support for Our Mission (Gates Foundation)

*Entrepreneurship to Enterprise*

• “Can Venture Capital Save the World?” Forbes 30 November 2011
SOCIAL IMPACT IN THE PRIVATE SECTOR

Session 3: Impact Investing: The VC Perspective (9.29)

What is impact investing, and what are investors hoping to achieve?

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<td>Impact Investing Venture Capital</td>
<td>The Social Entrepreneurs’ Fund Driver Clínicas del Azúcar</td>
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Confirmed Speakers:

- **Liz Luckett**, Managing Partner, The Social Entrepreneurs’ Fund
- **Javier Lozano**, Co-founder and CEO Clínicas del Azúcar
- **Rashid Galadanci**, CEO, Driver

Questions for Class Lecture and Discussion:

1. What is impact investing?
2. How is it different from the fields of socially responsible investing (SRI), ESG investing, or stakeholder capitalism? How does impact investing in emerging markets differ from the US?
3. What are investors looking to accomplish through impact investments? How is this defined and measured?
4. Are there limits to this approach?
5. How has COVID-19 affected the impact investing landscape?
6. What do investors like The Social Entrepreneurs’ Fund tell us about impact investing?

**Required Reading**

- **Introduction**
  - Keohane SE21, chapter 9-13, 20
  - Keohane Capital and the Common Good (hereafter C&CG) Introduction
  - Keohane, *Why Stakeholder Capitalism is a Good Bet in Times of Crisis*
  - GIIN 2020 Annual Impact Investing Survey (Skim)
  - Calculating the Value of Impact Investing HBR January 2019
  - Omidyar Network, Investing Across the Returns Continuum: SSIR Fall 2016
- **Microfinance Evolution**
  - Keohane C&CG chapter 3
- **Impact Investing Venture Capital**
  - Look at the website of The Social Entrepreneurs’ Fund and Maycomb Capital more broadly.

Liz Luckett, “Small Data for Big Impact,” SSIR 16 February 2018

Look at the [Driver website](#).

Look at the [Clínicas del Azúcar website](#), which can be translated with Chrome.

VisionQuest Uses Artificial Intelligence to Screen 40,000 Patients for Diabetic Retinopathy 15 June 2021

Using Behavioral Nudges to Treat Diabetes HBR 18 October 2018

Social Impact Incentives: Clínicas del Azúcar March 2017 (skim)

Skim, if interested, case studies on Canvas on: Bridges, Impact America Fund, DBL Partners

**Recommended Reading**

- [Case Foundation: a Short Guide to Impact Investing](#)
- World Economic Forum, “From the Margins to the Mainstream: Assessment of the Impact Investment Sector and Opportunities to Engage Mainstream Investors,” Executive Summary

**MicroFinance Evolution**

- Jeffrey A. Harris, “It Took a Village” Columbia CaseWorks No. 090331 December 7 2010
- “SKS Microfinance: The Sour Taste of Success” Ivey School of Business W12906 4/20/12
- Stephanie Strom, “Rich IPO Brings Controversy to SKS Microfinance, New York Times 7/29/10
Session 4: Sustainability Goes Mainstream (10/6)

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<th>4: Sustainable Investing Goes Mainstream</th>
<th>The View from Financial Services</th>
<th>Sustainable Finance at Goldman Sachs</th>
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<td>Impact Investing at Bain Capital</td>
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<td>ESG, DEI and Impact at SilverLake</td>
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<td>Corporate Responsibility 2021</td>
<td>Just Capital</td>
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Confirmed Speakers:

- John Goldstein, Head of Sustainable Finance Group, Goldman Sachs
- Greg Shell, Managing Director, Bain Capital Double Impact
- Carrie Braddock, ‘06 Head of ESG and Impact, SilverLake
- Martin Whittaker, CEO, Just Capital

Questions for Discussion:

1. What do ‘sustainability’ and ‘impact’ mean in the context of mainstream capital markets and financial institutions?
2. Investment in public markets? private markets? Consider the cases of Goldman Sachs, Bain Capital, SilverLake and the larger industry perspective of Just Capital.
3. How is this similar to and different from the perspective of impact VCs like The Social Entrepreneurs Fund and the companies TSEF invests in?
4. Glass Half Empty or Half Full: What is the impact of COVID-19 on the sustainability and responsibility commitments of investors and companies?

Required Reading

- Keohane, *Why Stakeholder Capitalism is a Good Bet in Times of Crisis*
- Just Report, *Two Years After the Business Roundtable’s Redefined Purpose of a Corporation, Do Americans Believe Companies are Living up to their Promises?* September 27, 2021
- Just Capital, “Have Business Roundtable Companies Really Underperformed on Stakeholder Promises this Year?” Just Capital 23 September 2020
- “Net-zero emissions targets adopted by one-fifth of world’s largest companies,” Reuters March 23, 2021
- Just Capital, “More Corporate Climate Commitments are Essential to Limiting the Effects of Global Warming,” September 2021
- Business Roundtable Redefines the Purpose of the Corporation to Promote ‘An Economy that Serves All Americans’ 19 August 2019
- Davis Manifesto 2020: The Universal Purpose of a Company in the Fourth Industrial Revolution 2 December 2019 (skim)
- Larry Fink’s 2021 Letter to CEOs and letter to clients on Net Zero: a Fiduciary Approach
• Bob Eccles, “A Critique of Tariq Fancy’s Critique of ESG Investing: an Interview with Clara Miller,” Forbes October 1st, 2021
• Larry Fink CEO Letter: a Fundamental Reshaping of Finance, 2020 (skim)
• World Economic Forum, Stakeholder Capitalism in a Time of Crisis March 2020 (skim)
• George Serafeim, “Making Sustainability Count: How to Improve Environmental, Social and Governance (ESG) Performance” HBR September 2020
• Sustainable Finance at Goldman Sachs overview.
• “Goldman Sachs Commits $10 Billion in Investment Capital and $100 Million in Philanthropic Capital to Impact the Lives of One Million Black Women,” March 2021
• Just Capital Rankings
• Bain Capital Double Impact Overview
• Bain Capital Double Impact Year in Review May 2021
• Karen Toulon, “Bain Capital’s Greg Shell is Investing to Help Improve the World,” Bloomberg 29 July 2020

Recommended Reading

• “Goldman Sachs: Making an Imprint in Impact Investing” HBS Case Study 3 April 2018 (skim)
• Just Report A Year After the Business Roundtable Redefined the Purpose of a Corporation, Americans see Progress but Opportunity for Treating Workers Better August 18 2020
• Paul Sullivan, Investing in Social Good is Finally Becoming Profitable, New York Times 28 August 2020
• Morgan Stanley, “Sustainable Finance’s Era of Innovation,” Institute for Sustainable Investing October 28, 2019
• COVID-19 and Inequality: a Test of Corporate Purpose TCP and KKS Advisors September 2020 (skim)
**Session 5: Profits and Purpose: the Entrepreneurs (10.13)**

What does it take to launch and grow a social purpose company?

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<thead>
<tr>
<th>Profits and Purpose: the Entrepreneurs</th>
<th>Launching and Sustaining a Social Purpose Venture</th>
<th>B-Lab</th>
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<td>Greyston Bakery</td>
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<td>Danone</td>
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<td>Towerbrook</td>
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Confirmed Speakers:

- **Joseph D. Kenner**, CEO, Greyston Bakery
- **Abrielle Rosenthal**, Managing Director, Towerbrook
- **Holly Ensign-Barstow**, Director of Policy, B Lab

Questions for Class Lecture and Discussion:

1. What is B-Lab’s Innovation? What has it done to advance the field in the U.S.?
2. What is a B Corp?
3. What are the advantages and risks for social purpose businesses in the U.S.? For being a B Corp?
5. What does being a B Corp have to do with their models?

**Required Reading**

- Keohane SE21 Chapter 12
- “B-Lab Building a New Sector of the Economy,” HBS Case Study (Canvas, skim)
- **B Lab Impact Assessment** (check out website and case studies)
- **The B Corp movement is accelerating during the pandemic** (also file) 7 July 2020 and podcast
- **Ex-Danone Boss Emmanuel Faber: how to rewire a company for good** Pioneers Post 17 September 2021
- **Danone board ousts Emmanuel Faber as chief and chairman** (also file) Financial Times 15 March 2021
- **Sustainability and the downfall of Danone CEO Faber** and part 2 Forbes 20 March 2021
- **Etsy made Mistakes, but its Commitment to Social Responsibility Wasn’t One of Them** Quartz 5 December 2017.
- Greyston Bakery overview [here](#) and [here](#).
- **Ben & Jerry’s unveils new flavor to support Rep. Cori Bush’s public safety bill** NBC News 20 September 2021
- **How a Bakery is Breaking Down Barriers to Employment Through Open Hiring and Job Development Programs** Forbes 4 June 2021
- “This New York Bakery Thrives by Hiring Anyone who Wants to Work, No Questions Asked,” Entrepreneur 18 August 2017
• TowerBrook earns B Corp certification
• Will Louch, "TowerBrook is First Buyout Firm to Earn Ethical Business Certification," Wall Street Journal 8 February 2019.
• McKenna Moore, "The B Corp Movement is Accelerating During the Pandemic," Fortune 7 July 2020

Required Viewing

• “Why B Corps Matter” video
• Open Hiring at Greyston video
• The Bakery that Gave an Ex-Inmate a Second Chance video

Recommended Listening

• How the Pandemic Accelerated the Social Impact Movement Knowledge@Wharton Interview with B Lab co-founder Bart Houlahan 27 September 2021
• New SPAC Sees Growing Market Opportunities for Stakeholder-Minded Businesses and Investors B the Change 4 May 2021

Recommended Viewing/Listening


Recommended Reading

• Chrystia Freeland, “Capitalism, but with a Little Heart,” New York Times July 18th 2013
• Inside the Revolution at Etsy New York Times 25 November 2017
• B Lab and the Impact Assessment Evolution
• “Why Kickstarter Decided to Radically Transform its Business Model” Fast Company 4/12/17
• “The Barbarians are at Etsy’s Hand-Hewn Responsibly Sourced Gates.” Bloomberg 5/18/17
• James Surowiecki, “Companies with Benefits” New Yorker 4 August 2014
• “Firms with Benefits” The Economist 7 January 2012
• Jessica Bruder, “For ‘B Corps’ a New Corporate Structure and a Triple Bottom Line,” NYT 3/14/12
SOCIAL INNOVATION IN THE PUBLIC SECTOR

Session 6: Public Private Partnerships and an Inclusive Economy (10/20)

What do we mean by social innovation in the public sector? How does social entrepreneurship in government draw on the work of its private (nonprofit and commercial) sector counterparts? How can public policy, and public private partnerships, promote social innovation and create an inclusive economy?

How can government harness private resources – energy and capital – to bear on public problems? How can social entrepreneurs from across the nonprofit, private and public sectors, engage in the collaborative work of social change? How do we think of this work coming out of the pandemic?

6: Social innovation in action: public private partnerships

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<th>Outcomes Based Financing</th>
<th>The Community Outcomes Fund</th>
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<tr>
<td>The Role of Policy in Responsible Business, Investing and Social Innovation</td>
<td>U.S. Impact Investing Alliance</td>
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Confirmed Speakers:

- Andrea Phillips, Founder & Managing Partner, The Community Outcomes Fund
- Fran Seegull, President, U.S. Impact Investing Alliance

Questions for Class Lecture and Discussion:

1. What do we mean by ‘social innovation’ in the public sector?
2. Is there a tension between “innovation” and scaling “what works?”
3. What is a social impact bond? How does it differ from other ‘pay for success’ instruments?
4. What are public private partnerships?
5. What is the role of policy in advancing impact investing, social innovation and inclusive economies at the local and national level?

Required Reading

- Introduction
  - Keohane SE21, chapters 14-16, 19, 21; Keohane C&CG chapter 5
- Pay for Success/Social Impact Bonds
  - The Community Outcomes Fund website
  - Driving Results: Making the Most of Relief Funding Nat’l Assoc. of Workforce Boards
  - An Unexpected Entrepreneur: a Female Founder and Fund Manager Breaks New Ground Forbes 15 June 2021
  - Maycomb Capital Partnership Transforms Social Services Funding United Healthcare Community and State January 2021
  - Jim Anderson and Andrea Phillips, “What We Learned from the Nation’s First Social Impact Bond,” Huffington Post 7/2/15

- U.S. Impact Investing Alliance
  - Top/recent policy advocacy activity here.
  - An Urgent Call to Biden-Harris Administration: Create White House Initiative on Inclusive Economic Growth 7 April 2021, skim full proposal

Recommended Reading

General

- Moneyball for Government (Disruption Books, 2014)
- “Let’s Hear Those Ideas,” The Economist 12 August 2010
- David Osborne and Ted Gaebler, Reinventing Government (Boston: Addison-Wesley, 1992)

Pay for Success

- Lessons from the Field
- State of Play: Pay for Success and Evidence Based Policy 1 March 2018
- What’s Next in Pay for Success
- Goldman Sachs, Determining the Potential of Social Impact Bonds (SIB Case I)
- “Goldman Sachs to Finance Early Education Program.,” New York Times 12 June 2013
- Impact bonds in developing countries: early learnings from the field
• Social Finance UK, “Development Impact Bond Working Group Report,”
**Additional and Reserve Reading List**

All books and other materials listed below are either on reserve in the library or will be posted to the course platform for further reading.