



2017

## Syllabus: Social and Environmental Enterprises

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## **SOCIAL & ENVIRONMENTAL ENTERPRISES**

### **PUBP&ADM 697SE**

Fall 2017

Professor Betsy Schmidt

**Class Hours:** Mondays, 1:30-3:55

**Location:** Thompson 620

**Reaching Me:** Either stop by my office in Thompson 240 or make an appointment. try to be available whenever I am not in a meeting or in class.

**Office:** Thompson 220

**Email:** [eschmidt@umass.edu](mailto:eschmidt@umass.edu)

#### **Course Description:**

*Social and Environmental Enterprises* examines organizations that place a social mission ahead of or on par with their financial mission. While studying real and fictionalized social enterprises, we discuss the structures within which social enterprises can thrive, potential sources for funding, the best governance structures, compensation, issues that arise when the organization scales and faces transitions, and tax considerations. We consider the current business, legal, and public policy context for social enterprises, as well as the public policy measures that could foster a healthier social sector.

#### **Course Objectives:**

By the end of this course, students should be able to:

- Understand the legal/business structures that social and environmental enterprises can use to achieve their missions and the strengths and weaknesses of each.
- Understand the financing options for these enterprises and be able to explain how well these options work for each enterprise type.
- Articulate ways to measure an organization's social impact, with an understanding of the strengths and weaknesses of each measurement mechanism.
- Describe the various governance and tax structures available for social enterprises, as well as the feasibility of adopting new structures.
- Consider measures that can protect the social and/or environmental mission in times of transition.
- Articulate the public policy measures that students believe are necessary to help social enterprises thrive
- Work well with people in other disciplines to solve social and environmental problems.

### Course Structure:

This course is divided into 3 units: 1) Structures for a Social Enterprise; 2) Attracting Financial and Other Resources; and 3) Protecting and Fulfilling the Social, Environmental, and Financial Objectives.

We will meet weekly to discuss the world of social enterprise, both as it is and as you believe it should be. Each week the assigned reading and videos will cover the topic at hand, and you will be asked to reflect on how the assigned reading applies to one or more existing companies. You will each choose one for-profit, one nonprofit, one hybrid, and one employee owned enterprise from a list on Moodle to follow for the semester. We will also consider these issues with respect to the imaginary companies for which we will write a memo to the board and present a financing pitch in the middle of the semester.

### Assignments:

Weekly assignments: Due on Mondays before class:

- *Assigned readings and/or videos.* **THERE IS NO BOOK.** Each week we will read approximately 30 pages of material, and we will often watch a 2-5 minute video. All readings (and watchings) will either be reproduced or linked to the Internet.
- *Discussion question:* Voluntary weekly responses to prompts that ask your opinion about an issue addressed in the reading. They provide a way to hone your thinking before the class discussion and a way to participate more fully in the class. Thoughtful responses will contribute to your class participation grade.
- *Enterprise Profile:* Over the course of the semester, you and your classmates will profile four enterprises—one traditional for-profit, one traditional nonprofit, one hybrid, and one employee-owned business. Each week there will be a prompt that asks you to apply the reading to one or more existing companies.

(I encourage you to complete the discussion questions and enterprise profiles on a weekly basis, but there is some flexibility in the deadlines for these assignments. In other words, if you miss a week you can do it later and get a sense of review. If you miss several weeks, though, you will have trouble catching up and participating in the in-class conversations.)

## Special Assignments

- *Memo to board on best corporate structure for a hypothetical social enterprise.* Come up with your own social enterprise or choose one of the following enterprises and write a 5-7 page memo to the board of your organization. Please also explain why you did NOT choose the other types. Suggested enterprises are:
  - A solar power charger for cell phones in the developing world.
  - An education module for public high school students that is designed to prevent student drop out.
  - A food truck that brings nutritious food to a food desert within a major US city

Students are encouraged, but not required, to work together on this memo and the financing pitch. **Due Oct. 23**

- *Pitch for financing.* You will videotape a 3-4 minute pitch that seeks financing for the organization for which you wrote last week's memo. Other students and possibly some outside "judges" will watch the pitches to determine whether to give you funding. **Due Oct. 30.**
- *Final paper*—You will write a white paper describing the public policy that will best support social and environmental enterprises. This is an individual assignment with a suggested length of 20-25 pages. You will be asked to share your ideas with the class during our final meeting on Dec. 11. This will give you an opportunity to share your thoughts and get ideas from your classmates. I will also look at outlines or of your paper, along with an introduction and conclusion, if you give them to me by **Dec. 4. FINAL PAPER IS DUE DEC. 15.**

## Grading:

- 30 % class participation in the in-person classes and discussion questions;
- 10% Enterprise profile descriptions
- 20 % memo to board and pitch
- 40 % final paper

**Summary of Classes & Assignments (see next page)**

## Summary of Classes & Assignments

Each section of Moodle sets out the reading, questions, and special assignments. More detail can also be found under “Syllabus and Other Instructions.”

Date	Topic	Reading	Special Assignment
	<b>Introduction</b>		
Sept. 11	What is a Social Enterprise?	Ch. 1, Read at least 2 articles listed in Part IV.	
<b>UNIT 1</b>	<b>The Business Entity Structures: Aligning Mission, Strategy &amp; Resources with Form</b>		
Sept. 17	Corporations and LLCs as Social Enterprises	Ch. 2	
Sept. 25	Sec. 501(c)(3) Tax Exempt Charities as Social Enterprises	Ch. 3	
Oct. 2	Hybrid Business Forms	Ch. 4	
Oct. 10	Cooperatives and Employee-Owned Enterprises	Ch. 5	
<b>UNIT 2</b>	<b>Attracting Financial and Other Resources</b>		
Oct. 16	Financing the Social Venture	Ch. 6	
Oct. 23	Taxing the Social Enterprise	Ch. 7	Memo on corporate structure
Oct. 30	Attracting Talent	Ch. 8	Financing Pitch
<b>Unit 3</b>	<b>Protecting &amp; Fulfilling the Social/Environmental/Financial Objectives</b>		
Nov. 6	Measuring the Impact	Ch. 9	
Nov. 13	Governance and Asset Locks	Ch. 10	
Nov. 20	THANKSGIVING BREAK		
Nov. 27	Keeping the Doors Open & Building to Scale	Ch. 11	
Dec. 4	Preparing for Transitions & Other Events that Threaten Missions	Ch. 12	
Dec. 11	The Future of the Social Enterprise	Explain policy ideas to class	Optional outline due
Dec. 15		Final paper due	Final paper due