

## Department of Management

MGNT 6020E

Selected Topics in Management: Social Entrepreneurship and  
Impact Investment (2017-18 Fall)

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Period & Location:	Wednesday 18:45PM-22:00PM,  Emerald Room, CUHK MBA Town Centre, Central
Instructors:	Prof. Kevin Au & Ms. Elsie Tsui
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### **Background & Objectives**

Combining innovative mind-sets with the application of entrepreneurial principles, mission-driven ventures can bring social, environmental as well as economic benefits to society. Social entrepreneurship requires visionary entrepreneurs to think out of the box and create new business opportunities. Venture philanthropy and impact investing provide not only the resources to support such efforts, but also impact-driven accountability and results-orientated approaches. This course will teach essential knowledge and tools as well as hands-on skills, so that students can facilitate a real-life social venture partner to address challenges, capture potential opportunities and obtain support from the eco-system to ensure sustainability of the business. Featuring industry leaders as guest speakers during the lectures, the students will learn from both academic and outstanding practitioners of the fields. Students will form teams to work with a chosen social venture partner (“SVP”) in a consulting capacity, and deliver a business presentation on behalf of their social venture partner.

Upon successful completion of this course, students are expected to:

- Understand the current landscape of the social enterprise and venture philanthropy Industries; gained an understanding on a broader eco-system of the social enterprise sector, including key players such as businesses, venture philanthropists, NGOs and government agencies.
- Have learned the ability to conduct analysis of critical business issues of a social

- enterprise and conduct due diligence.
- Understand how design thinking can help develop new business opportunities and offerings with positive social or environmental impact.
  - Be able to write and present a professional business analysis proposal. This includes a credible proposal for fund raising, and an articulate presentation to practitioners.
  - Have acquired hands-on knowledge and practical skills in the areas of Management consulting, impact investing and social innovation through their project work.

This course shall benefit particularly students interested to become a social entrepreneur, or work for social enterprises and impact investing organizations, including impact funds, private banks, and family offices. It shall inform students to innovatively pursue new opportunities and make impact in the social, environment, and poverty relief arenas.

### **Learning Approach – What will you need to do for this course?**

The course is a practicum in which the students will learn some new skills as well as combine them with the existing body of knowledge, and then apply it into consulting a social venture. We encourage the students to turn the learning into making an entrepreneurial choice for a social venture, so that it can create both business and social impacts.

The course will use lecture, readings, case analysis and discussion, and a project to accomplish these objectives. The best team, as decided by a judging panel and fellow students, will win a substantial grant for their social venture partner. Guest speakers and lectures are to be organized to augment classroom learning and the project. Tutorials will be incorporated into the course sessions to help ensure that team project work proceeds smoothly.

Students are expected to complete reading assignments and cases by the date noted on the syllabus. They will be assigned review and discussion questions as well as cases, videos, and exercises. Some of these assignments can be completed individually, while most of them will involve teamwork. All students are expected to contribute substantially in the group work.

At the end of the course, the student teams will present their business plan proposals for the social venture partners to a panel of judges, composed of investors, philanthropists, and senior executives of NGOs and impact investment firms. The social venture partner of the student team with the best plan will be awarded HKD 250,000, contributed by the Yeh Family Philanthropy and Social Innovation and Enterprise Fund, to implement the ideas.

### **Social venture partners**

Students would choose to work with the social venture partners of their choice from a list of four organizations short-listed by the university. A basic due diligence report should be completed by each individual student of their selected social enterprise partner within three weeks from the beginning of course. To reduce any possible conflict of interest students should not choose a potential partner that they have a substantive relationship, for example, as the founders or as advisors. See the list of SVPs in the appendix.

## Course Requirements & Assessment Details

Class participation and exercises	25%
Individual social venture partner assessment report and analysis	20%
Team business plan proposal, class presentation and implementation/revised plan	40%
Peer review and feedback from SVPs	15%
<b>Total:</b>	<b>100%</b>

Class Participation and Exercises. We will take attendance (5%) and require students to take Pre-course, mid-course and final course surveys in class (5%). This is an action-based learning course and students are expected to apply their skills and knowledge through practical problem solving, working with real social businesses to help them address and solve critical challenges such as management and funding. There will be groups and individual exercises, then students will also be graded on their class participation, individual participation in team-work, and the quality of the team deliverables such as presentation and report (15%).

Individual submission. Each student will submit an assessment on the SVP (20%) based on the following guideline:

- Length : approximately 5 pages in word document (single spaced, fonts 11-12)
- Key contents should cover the following:
  - Background – what the client’s business is about and the project scope; overview of the industry
  - Analysis of current business – use tools learnt in management consulting class to conduct analysis
  - Key issues – what are the critical problems of the business you have identified and why are they important to the business?
  - Key opportunities identified – looking at their problems and strengths, what are the opportunities you propose to capture and why?
  - Brief description of what you will do next to leverage such opportunities and meet the client’s objectives

Team business proposal and presentation include:

- 1) Conduct in-class preliminary critical analysis of the social ventures (5% - *counted as Class participation score*) to identify key challenges faced by the venture.
- 2) Prepare a proposal (in PPT) (15%) and conduct a verbal presentation (15%) on the final presentation day based on the proposal
- 3) After the presentation, the winning team will develop an implementation plan, and other teams will submit a revised business plan based on the feedback from judges during the presentation (10%).

Peer and SVP feedback. Student team will evaluate each other (10%), and the SVP will also give feedback on contribution of each member (5%).

## Major References

Kayser, O. & Budinich, V. (2015). *Scaling up: Business solutions to social problems. A practical guide for social and corporate entrepreneurs*. Hampshire, UK: Palgrave Macmillan.

Nicholls, A., Paton, R., & Emerson, J. (2015). *Social Finance*. Oxford: Oxford University Press.

Osterwalder, A., & Pigneur, Y. (2013). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers*.

## Social Enterprises in Hong Kong and China

Au, K. et al. (2014). Research Study on the Social Enterprise Sector in Hong Kong. Policy research commissioned by the Social Enterprise Advisory Committee, Home Affairs Bureau, Hong Kong SAR Government.

Ng, S. H., Stephen Y.-L. Cheung, and B. Prakash (2010)(eds.). *Social Capital in Hong Kong—Connectivities and Social Enterprise*. Hong Kong: City University Press.

Chandra, Y., & Wong, L. (2016). *Social entrepreneurship in the Greater China: Policy and cases*. UK: Routledge. (forthcoming)

## Other References

Bornstein, D. , Davis, S. (2010). *How to change the World: Social Entrepreneurs and the Power of New Ideas*. New York: Oxford University Press.

Hart, S. (2007). *Capitalism at the crossroads* (2<sup>nd</sup> ed.). NJ, Wharton School Publishing.

Kubr, M. (2005). *Management Consulting: A Guide to the Profession*. Geneva: International Labour Office.

Liedtka, J., & Ogilvie, T. (2011). *Designing for Growth: A design thinking tool kit for managers*. NY: Columbia Business School.

Martin, R. and Osberg, S (2015) *Getting Beyond Better: How Social Entrepreneurship Works*.

Yunus, M. (2010). *Building Social Business*. New York: Public Affairs.

## Course Syllabus

<u>Class</u>	<u>Date</u>	<u>Topic</u>
1	6 Sep 2017	Course Introduction & SVPs pitching  <i>Pre-course Survey</i>
2	13 Sep 2017	Management Consulting: Essential Tools and Concepts (Guest lecturer : Matthias Henrichs, Mettā)
3	20 Sep 2017	Management Consulting Clinic & International Social Entrepreneurship Landscape (Guest lecturer : Tristan Ace, British Council)
4	29 Sep 2017	Social Entrepreneurship: key concepts and landscape of social enterprises in HK (Guest lecturer : Hong Kong Council for Social Services)
5	4 Oct 2017	Case studies of social enterprises & initial finding presentation (Guest speaker : SIE Fund, TBC)  <i>Mid-course Survey</i>
6	11 Oct 2017	Social Innovation 1: Framework and Key Process
7	25 Oct 2017	Trends of Social Enterprise Development (Guest lecturer : Ms Florence Hui) Design Thinking + tutorial
8	1 Nov 2017	Scaling Up, Impact Investing and Social Financing (Guest lecturer : Mark Cheng, Asoka)
9	8 Nov 2017	Eco-system and Venture Philanthropy
10	15 Nov 2017	Tutorial & Presentation Rehearsal
11	22 Nov 2017	Final presentation  <i>Final-course Survey &amp; Peer Review Survey</i>
12	29 Nov 2017	Celebration Dinner & Due Date for the final report

## **Course Schedule**

### ***Class 1 (6 Sep 2017) : Introduction & SVPs Pitching***

*Learning Objectives:* Introduction – Some key concepts and getting to know the social venture partners.

*Speakers :* Representative from SIE fund/YFP; Social Venture Partners

*Mandatory preparation:*

Austin, J., Stevenson, H., & Wei-Skillern (2006). *Social and commercial entrepreneurship: Same, different or both?* *Entrepreneurship Theory and Practice* 30(1): 1-22. (2)

*Recommended readings:*

Battilana et al (2012). In search of the hybrid ideal. *Stanford Social Innovation Review*, summer, 51-55.

### ***Class 2 (13 Sep 2017) : Management Consulting: Essential Tools and Concepts***

*Learning Objectives:* Essential tools and concepts of effective consulting; business model canvas.

*Guest lecturer:* Matthias Hendrichs, Advisory Board Member, Mettā

*Mandatory preparation:*

TBC

### ***Class 3 (20 Sep 2017) : Management Consulting Clinic & International Social Entrepreneurship Landscape***

*Learning Objectives:* A tutorial to provide practice opportunities for the students; introduction to international landscape

*Guest lecturer:* Tristan Ace, Global Social Enterprise Partnerships and Development Manager, British Council

*Recommended readings*

Osterwalder, A., & Pigneur, Y. (2013). *Business Model Generation: A Handbook for Visionaries, Game Changers, and Challengers.*

***Class 4 (29 Sep 2017) : Social Entrepreneurship: key concepts and landscape of social enterprises in HK***

*Learning Objectives:* Key concepts and definitions of social enterprise and social entrepreneurship, local social enterprise landscape.

*Guest lecturer:* HKCSS (TBC)

*Mandatory preparation*

Dees, J. G. (1998). The Meaning of “Social Entrepreneurship”. CASE at Duke Fuqua School of Business.

Martin, R. L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*, (Spring).

Porter, M. and Kramer, M. (2011) *Creating Shared Value*. Harvard Business Review.

*Recommended readings*

Chan, K. T., Kuan, Y. Y., & Wang, S. T. (2011). Similarities and divergences: comparison of social enterprises in Hong Kong and Taiwan. *Social Enterprise Journal*, 7(1), 33-49.

Au, K., Yuen, T., & Tam, J. (2016). Social enterprise development in Hong Kong: Legitimacy and institutional logics. In *Social entrepreneurship in the Greater China: Policy and cases*; edited by Yanto Chandra & Linda Wong. UK: Routledge.

***Class 5 (4 Oct 2017): Case studies of social enterprises & initial finding presentation***

*Learning Objectives:* Case studies on local social enterprises; student teams to prepare initial finding verbal report in the class

*Mandatory preparation*

Au, K. with Anna Mak (2012). *Dialogue in the Dark, Hong Kong: A role model for social enterprises in the making*. Richard Ivey School of Business case.

Au, K., & Tung, E. (2016). *Chelsea FC Soccer School (HK)*. Case and Exercise; or *Link REIT* Harvard Business School case.

***Class 6 (11 Oct 2017) : Social Innovation Part 1: Framework and Key Process***

*Learning Objectives:* Definition, framework and process of social innovation. Design thinking principle for social innovation.

*Mandatory preparation:*

Brown, T., & Wyatt, J. (2010). Design Thinking for Social Innovation. *Stanford Social Innovation Review*.

Plattner, H. (2010). *An Introduction to Design Thinking PROCESS GUIDE*. Institute of Design at Stanford.

*Recommended readings/Reference:*

Murray, R., Caulier-Grice, J., & Mulgan, G. (2010). *The Open Book of Social Innovation*. NESTA. (available online : <http://youngfoundation.org/wp-content/uploads/2012/10/The-Open-Book-of-Social-Innovation.pdf>)

### ***Class 7 (25 Oct 2017) : Trends of Social Enterprise Development & Design Thinking + tutorial***

*Learning Objectives:* Some trends on SE development, generate insights and new ideas using data; case study on social innovation.

*Guest lecturer:* Florence Hui, former Under-Secretary of Home Affairs Bureau

*Mandatory preparation:*

Each team finished stakeholders' interview and site visit to the client's office/service venue. Bring the interview notes to the class for design thinking practice

*Recommended readings/Reference:*

IDEO , Design Thinking for Educator Toolkit (<https://www.ideo.com/post/design-thinking-for-educators>)

### ***Class 8 (1 Nov 2017): Scaling Up, Impact Investing and Social Financing***

*Learning Objectives:* Creating social impact using market-based solutions and non-governmental resources; overcoming obstacles to build an eco-system for scalable solutions; the landscape of social finance; multiple funding approach for social business; its practice and obstacle;

*Guest lecturer:* Mark Cheng, Director, Ashoka

*Mandatory preparation:*

Nicholls, A., Paton, R., & Emerson, J. (2015). *Social Finance*. Oxford: Oxford University Press. Ch. 9 – Measuring social impact.

Kayser, O. & Budinich, V. (2015). *Scaling up: Business solutions to social problems. A practical guide for social and corporate entrepreneurs*. Ch 3 – Why focused on market-based social innovators; Ch 11 – Social entrepreneurs – size or influence?



*Recommended readings:*

Chow C. (2014) *The Social and Sustainable Finance Landscape in Hong Kong: An Empirical Study on Factors that Affect the Choice of Financing Strategy*. The Handbook of Social and Sustainable Finance Routledge: London.

***Class 9 (8 Nov 2017) : Eco-system and Venture Philanthropy***

*Learning Objectives:* Key players in the eco-system, Venture philanthropy vs traditional philanthropy;

*Mandatory preparation:*

*Bridges Ventures*. Harvard Business School case

Bugg-Levine, Kogut, Kulatilaka (2012). A new approach to funding social enterprises. *Harvard Business Review*, February.

Nicholls, A., Paton, R., & Emerson, J. (2015). *Social Finance*. Oxford: Oxford University Press. Ch. 7 - Venture philanthropy: development, evolution and scaling around the world.

*Recommended readings:*

Kayser, O. & Budinich, V. (2015). *Scaling up: Business solutions to social problems. A practical guide for social and corporate entrepreneurs*. Ch 17 – The role of philanthropy

Foster et al. (2016). Making big bets for social change. *Stanford Social Innovation Review*, Winter, 26-35.

Business plans and planning for social enterprises and non-profits  
<http://www.socialgoodguides.com/business-plans-and-planning-for-social-enterprises-and-nonprofits-guide/>

***Class 10 (15 Nov 2017) : Tutorial & Presentation Rehearsal***

***Class 11 (22 Nov 2017) : Final Presentation***

- Presentations of student teams' / social venture partners' funding proposals.
- Funding committee members and students to score each funding presentation. See funding assessment guidelines (Appendix C).

***Class 12 (29 Nov 2017) : Celebration Dinner & Due Date for the final report***

**List of Social Venture Partners (to be updated)**

**Direction Association for the Handicapped – Social Enterprise 路向社會企業**

<http://www.4limbse.org/main/>

Direction encourages and promotes more employment opportunities for the severely physically disabled people in order to build up their confidence, to live financial independently and to give them a chance to fulfill their duty as a community member who contributes to the society. They promote better relationship and communication between the disabled and non-disabled people through disabled people's working, thus participating and integrating with the community.

**Hoholife 好好生活**

<https://www.hoholife.com/>

Hoholife is a stylish artisanal shop offering innovative and lifestyle products to the active senior citizens. Their collections are carefully handpicked from around the world - striving to deliver quality choices for their users to enable them to stay socially active and enjoy their lives joyfully with style and dignity. They aim to break stereotypes towards ageing and to create a more accepting and a positive age-embracing environment for our community.

**iBakery 愛烘焙**

<http://ibakery.tungwahcsd.org/>

iBakery trains and hires people with disabilities, and provides food & beverage services at the same time. They have their own baking factory, bakery, cookie shops, restaurant and snack kiosks, hoping to make all these aspects of them self-sustainable, while spreading fine aroma and great taste everywhere in Hong Kong.

**Sharing Kitchen 共廚家作**

<https://www.facebook.com/sharingkitchen/>

Sharing Kitchen aims to recruit the grassroots or middle-aged persons for food production by making use of the kitchens of six existing restaurants during non-peak hours. The food produced will be sold on-site. This project not only alleviates labour shortage of the restaurants and helps them develop new products and increase revenue, but also boosts the confidence of the grassroots and motivates them to work and earn a living.

## POLICY ON ACADEMIC HONESTY AND PLAGIARISM

The Chinese University of Hong Kong places very high importance on honesty in academic work submitted by students, and adopts a policy of *zero tolerance* on cheating and plagiarism. Any related offence will lead to disciplinary action including termination of studies at the University. Attention is drawn to University policy and regulations on honesty in academic work, and to the disciplinary guidelines and procedures applicable to breaches of such policy and regulations. Details may be found at <http://www.cuhk.edu.hk/policy/academichonesty/>.

With each assignment, students will be required to submit a signed declaration that they are aware of these policies, regulations, guidelines and procedures. In the case of group projects, all students of the same group should be asked to sign the declaration, each of whom is responsible should there be any plagiarized contents in the group project, irrespective of whether he/she has signed the declaration and whether he/she has contributed directly or indirectly to the plagiarized contents.

For assignments in the form of a computer-generated document that is principally text-based and submitted via VeriGuide, the statement, in the form of a receipt, will be issued by the system upon students' uploading of the soft copy of the assignment. Assignments without the properly signed declaration will not be graded by teachers. Only the final version of the assignment should be submitted via VeriGuide.

The submission of a piece of work, or a part of a piece of work, for more than one purpose (e.g. to satisfy the requirements in two different courses) without declaration to this effect shall be regarded as having committed undeclared multiple submission. It is common and acceptable to reuse a turn of phrase or a sentence or two from one's own work; but wholesale reuse is problematic. In any case, agreement from the course teacher(s) concerned should be obtained prior to the submission of the piece of work.

### **Funding assessment guidelines**

#### **Objective**

These funding assessment guidelines provide the details of the funding assessment criteria, and the content that should be included for each judging input for the participating enterprises at the funding committee meeting.

#### **Participants**

There will be no more than five judges on the independent judging panel and one score sheet for each enterprise for each judge.

The course instructor will not participate in the assessment and scoring but will ensure that it is conducted fairly and professionally.

All students attending the course are entitled to score – one score sheet for each social business partner organization for each student.

Independent volunteer students will calculate the final score.

Funding result will be announced at the end of the funding committee meeting unless there is an issue with the scoring process.

#### **Funding**

The social enterprise with the highest aggregate score shall be entitled to grant funding of HK\$250,000.

#### **Score scale**

Each judge will be asked to score five distinct criteria for each social business partner organization that student teams have worked with during the course, with the following scale of up to 100 points each (Table 1). Specific scores should be given for each criterion. The final score of each social enterprise will be readjusted to 100%.

*Clarification:* If a score belongs to Highly Recommended, either one of the 85, 90, 95 or 100 scores should be given. Participants should not put something out of the scale intervals, for example, 21, 57, 83 and 89.

Table 1

<b>Grade</b>	<b>Category</b>	<b>Score</b>
A	Highly Recommended	85   90   95   100
B	Recommended	65   70   75   80
C	Average	45   50   55   60
D	Below Average	25   30   35   40
E	Not Recommended	0   5   10   15   20

### Score sheet

Each participant is given a score sheet with the five assessment criteria set out in Table 2.

Table2

<b>Criteria</b>	<b>%</b>	<b>Description</b>
<b>Concept</b>	20%	The proposed business or project concept addresses a local, national, regional or global social and/or environmental need. The concept should reflect an innovative and feasible approach to solve the identified need of the social venture partner, proposed by the students.
<b>Market readiness</b>	20%	Market assessment study to reflect current and potential market participants in the intended market for the business or project. Details on the size of opportunity, competition, risk and opportunities; pilot and scale up products and services. Regulation, tax and political assessment may be relevant.
<b>Human resources</b>	20%	Identify the human resource needs of the social venture partner in order to perform the tasks required, as well as develop plans to fill the gaps through leveraging partnership, collaboration networks or staffing plans etc.
<b>Impact &amp; value</b>	20%	Qualitative and Quantitative impact measures and key performance indicators (“KPIs”); with appropriate and reliable data sources, collection methods and frequency.
<b>Sustainability</b>	20%	The revenue model should be sustainable within a proposed timeframe. The final projected year may involve ending the business project, continuing operations at a stable growth rate, transferred ownership and control, or replicating the business in other locations.

**Score sheet****Objective**

This score sheet is provided to the independent judges and the students for the purpose of scoring potential grantees that are taking part in the Social Entrepreneurship & Venture Philanthropy Summer 2017 course as social venture partner organisations.

The assessors will complete one score sheet for each organisation.

**Score table**

<b>Criteria</b>	<b>Score</b>	<b>Notes</b>
<b>Concept</b>		
<b>Market readiness</b>		
<b>Human resources</b>		
<b>Impact &amp; value</b>		
<b>Sustainability</b>		

**Name of organisation****Name of assessor****Remarks**

*Note:* The course instructor will decide whether there is tactical voting amongst student teams. Teams in breach would be disqualified.