

Course Title: Leading Social Change (NCLC 595-003 / NCLC 475-007)

Course Overview (1 paragraph):

This is the second required introductory course for MAIS-SE students. It is also relevant to any GMU student (graduate or undergraduate) who wishes to launch, manage, or grow a social impact or social profit organization.

Aspiring changemakers often have an abundance of passion and little idea of how to effectively channel it into social impact work. This course helps them translate that passion into action by teaching them the fundamental skills needed to launch and sustain a social profit organization. In many ways this is a survey course – each week’s topic could merit an entire course of its own. However, this course will prepare students to begin their social entrepreneurship journey by launching or joining a social profit organization. The first session sets the groundwork for the semester and establishes a framework within which to understand social entrepreneurship. Sessions 2-5 introduce students to the basic administrative requirements of any social profit venture: legal structure, governance, financial management, and volunteers. Sessions 6-8 prepare students to source, get, and keep necessary funding for their ventures. Session 9 explores lean start-ups and impact measurement, both critical to keeping a social profit organization focused on the impact it was created to have. Sessions 10-11 walk through the many organizational activities that consume social entrepreneurs’ time that no one ever thinks of. During sessions 12-14, students will teach each other through presenting, and fielding questions on, case studies they have created examining existing social profit ventures. The final session helps students internalize the operational practices of social entrepreneurship by tying together the lessons of the course into a coherent whole.

This is not a lecture course. Students are expected to be active participants in their learning. The course uses reflective journaling, thought-provoking readings, student-driven research and data-gathering on real-world social ventures, and peer discussion to drive student learning.

Instructor: Bethany Rubin Henderson is an award-winning social entrepreneur. She currently heads [DC SCORES](#), a 21-year-old youth development nonprofit mitigating the effects of poverty on the lives of DC’s schoolchildren through a unique, whole-child approach integrating sports, arts, and service. In 2007 she founded [City Hall Fellows](#), the first non-partisan local government service corps to empower top young talent to help their own cities run better and cheaper. She is also a [White House Fellow](#) (2012-13); an [Echoing Green Fellow](#) (2009); a Next American City emerging urban leader (2010); and a NYC Urban Fellow (1998-99). In 2011, Bethany was named one of the 40 under 40 progressive political entrepreneurs of the year by the New Leaders Council. Her career has criss-crossed sectors. She has worked in government (at the city, state, and federal level), the private sector (as both a big firm lawyer and the co-founder of a small, online retail business, [Grow With Me Tee](#)), and the social/nonprofit sector (as a social entrepreneur, nonprofit executive, and social innovation consultant). Ms. Henderson has a

J.D. from Harvard Law School and both a M.A. and B.A. in Political Science (*summa cum laude* and Phi Beta Kappa) from the University of Pennsylvania. She frequently writes and speaks about social impact, social entrepreneurship and civic engagement. She and her husband occasionally [jointly blog](#) about juggling their two-kid, two-career life.

Course Expectations & Policies

- *Grading:* Traditional A-F scale. Grades will be based on growth in student understanding and knowledge of the subject as evinced through active class participation (30%); weekly journaling (40%); and individual written case studies created and presented by students (equivalent to a final paper + presentation) (30%).
- *Attendance Policy:* I expect you to attend every class and actively participate. While I will not grade you specifically on attendance, you are unlikely to earn a passing class participation grade (30%) if you are not attending class. If you must miss a class, please let me know in advance. I may assign you additional journaling.
- *Journaling Expectations:* Journal prompts and the process of journaling are designed to help students process, reflect upon, and understand the information covered in the readings and in class. Journal assignments best fulfill this purpose when done within the week assigned. Also, because journals are required to be turned in periodically, they help the instructor understand which subjects individual students are grasping and which they are struggling with, so that she can provide one-on-one or group assistance. It is expected that, through the process of journaling, students will complete a significant amount of the prep work for their final case studies. The journaling component of your grade (40%) will be based on 1) how well your journal entries demonstrate your intellectual grappling with the course concepts - not simply on whether your answers are objectively right; and 2) the extent to which your journals meet the following minimum expectations:
 - Be recorded in a single document (e.g. Word doc or Google doc), with entries clearly marked and separated by Question #.
 - Be as long as needed to fully answer the question. (There is no specific word minimum or limit – simply fully answer the question.)
 - Cite evidence backing up your analyses, where requested or appropriate. You may use whatever citation format you prefer, but it must be sufficient for the instructor to independently verify the evidence you cite.
 - Be turned in ON TIME (dates indicated in the syllabus).
- *Digital Devices Policy:* We're grown-ups. You are welcome to use digital devices during class as needed for note-taking, etc... Please be respectful and mindful of your classmates and the instructor when using digital devices. If you abuse this policy, I may reduce your class participation grade (30%).

Syllabus

Week 1 (2/1): Introductions (45 minutes); Overview of Social Entrepreneurship (1 hour); Class Expectations (15 minutes); Group Dialogue re Social Entrepreneurship (30 mins)

- *Goals & Objectives:*
 - o Introduce students to the instructor, the curriculum and expectations for the course, and each other
 - o Overview underpinning theoretical concepts including social innovation, root cause analysis, and social impact
 - o Establish common understanding of expectations for the semester
- *Pre-class readings:*
 - o [The Meaning of Social Entrepreneurship](https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/03/Article_Dees_MeaningofSocialEntrepreneurship_2001.pdf), by J. Gregory Dees (1998) (https://centers.fuqua.duke.edu/case/wp-content/uploads/sites/7/2015/03/Article_Dees_MeaningofSocialEntrepreneurship_2001.pdf)
- *Post-class assignments:* start a weekly journal.
 - o Journal Q1: Why are you taking this course? What are your goals for this course? What do you hope to learn or understand and why?

Week 2 (2/8): Setting Up a Social Impact Organization

- *Goals & Objectives:* All organizations are legal entities. Their legal status (e.g. for-profit or non-profit) is more than simply a tax classification. It directly impacts how and from whom the organization can receive money, legal and reporting obligations imposed on it, management and financial operations, and much more. In this session, students will:
 - o Learn about the various structural options for U.S.-based social impact organizations
 - o Compare and contrast each option's strengths and weaknesses
 - o Understand why and when each structure makes sense to employ
- *Pre-class readings:*
 - o [Re-branding Social Good, Social Profit as a New Conceptual Framework](#), by Colin Gilligan & Linda Golden, *Academy of Marketing Studies Journal*, July 2009 Vol. 13 Issue 2
 - o [What is a Nonprofit Organization?](#) and [Scope of the Nonprofit Sector](#), Independent Sector website
 - o [Fiscal Sponsorship for Nonprofits](#), National Council of Nonprofits website
 - o [In Search of the Hybrid Ideal](#), by Julie Battilana, Matthew Lee, John Walker, & Cheryl Dorsey, *Stanford Social Innovation Review* (Summer 2012)
 - o [Benefit Corporations: A New Formula for Social Change](#), by Shelly Alcorn & Mark Alcorn, *Associations Now*, June 2012
 - o [5 Bad Reasons to Start a For-Profit Social Enterprise](#), by Rich Leimsider, *Harvard Business Review*, July 30, 2014

- [Starting Up: Nonprofit vs. For-Profit Social Ventures](#), by Diana Ransom, *allBusiness & smSmallBiz.com*
- *In-Class Materials*
 - [B Corps](#) website
 - [L3C tally](#), InsterSector Partners website
 - [IRS 501\(c\)\(3\) regs](#)
- *Post-class assignments:*
 - Journal Q2: As you think about launching or joining a social profit organization, which structure appeals most to you? Why?
 - Journal Q3: Identify 3 U.S.-based social profit organizations you are interested in learning more about or that are working on issues you care about. At least one must be for-profit and at least one must be non-profit. For each, identify the legal structure of the organization. Provide evidence to support your classification. State your hypothesis about why the organization's founders chose that legal structure, citing evidence from the organization *and* drawing on the readings and class discussion.

Week 3 (2/15): Financial Management of Social Impact Organizations

- *Goals & Objectives:* In order to operate an impactful social venture, you should have at least a basic grasp of budgeting and accounting, as well as the difference between an annual projected budget, cash flow, and actual year-end results. In this session, students will:
 - Learn the basic budgeting and accounting concepts they need to understand to effectively operate a social impact organization
 - Learn about the different forms budgets can take, and what goes into creating them and managing against them
 - Learn about the role of annual reports and IRS reports (990s, etc..)
 - Learn how to read a budget, an annual report, and a 990
- *Pre-class readings:*
 - [What are the major differences between nonprofit and for-profit accounting?](#), Nonprofit Answer Guide, a project of Center for Nonprofit Management
 - [Nonprofit Accounting](#), Accounting Coach website (read all 4 sections)
 - [Create a Budget that Works for You](#), by Ann M. Rotondi, *Nonprofit World* Vol. 15 No. 4
 - [The Budgeting Process](#), Nonprofit Accounting Basic\$ website (July 28, 2010)
 - [The Secret to a High-Impact Annual Report](#), by Board Café on Blue Avocado website
- *In-Class Materials*
 - [Guidestar](#) website (nonprofits)
 - [B Corps](#) website
 - [DC SCORES Annual Report](#)

- *Post-class assignments:* Find (and provide links to) the budgets, annual reports, and 990s or other financial reporting documents (if available) for the past 3 years for the 3 organizations you are examining. (Note: this assignment likely will require research beyond the “4 corners” of the organization’s website – I expect you to do that research!) For each organization, answer the following questions:
 - Journal Q4: Is the organization meeting, falling short of, or achieving its annual budgets?
 - Journal Q5: What do these documents, when considered together, show about the health of the organization?

If there is not enough publicly available information to answer these questions for a particular organization, please instead journal about the research you undertook and what additional information you would need to answer the questions.

Week 4 (2/22): Governing Social Profit Organizations: the Board

- *Goals & Objectives:* Boards are not simply names on a page. Boards play an important role in the success of all social profit organizations, and especially in non-profit ones. In this session, students will:
 - Learn about the role Boards play in social profit organizations
 - Learn how to best structure Boards for success
 - Be introduced to how to manage Boards effectively
- *Pre-class readings:*
 - [Nonprofit vs. For-Profit Boards: Critical Differences](#), by Marc J. Epstein & F. Warren McFarlan, *Strategic Finance* (March 2011)
 - [Building Successful Non-profit Boards](#), by Elmira Bayrasli, *Forbes* (June 6, 2011)
 - [The Governance of Social Enterprises: Managing Your Organization for Success](#), by Miriam Schoning, Abigail Noble, Andreas Heinecke, Ann-Kristin Achleitner, & Judith Mayer, Schwab Foundation for Social Entrepreneurship / World Economic Forum (June 2012)
- *Post-class assignments:* Find the list + bios of the Board of Directors for each of the 3 organizations you are examining. (Note: this assignment likely will require research beyond the “4 corners” of the organization’s website – I expect you to do that research!) For each organization answer the following questions:
 - Journal Q6: Is this an appropriate Board of Directors for this organization at this stage of its existence? Why or why not?
 - Journal Q7: Is this Board of Directors actively engaging in the governance or operations of the organization? Cite evidence or, if you don’t have enough information, explain what research you undertook and what additional information you would need to respond to the question.

Week 5 (2/29): Mission & Vision Statements

- *Goals & Objectives:* A social profit's mission and vision statements are the first stop for potential funders, partners, clients and many others to understand what the organization does. In this session, students will:
 - o Learn what mission and vision statements are, and the differences between them
 - o Learn the elements of effective mission and vision statements.
 - o Practice creating effective mission and vision statements
- *Pre-class readings:*
 - o [What should a mission statement say?](#), idealist.org website
 - o [What is a Vision Statement?](#), by Katherine Arline, *Business News Daily* (Dec. 11, 2014)
 - o [If I read One More Platitude-Filled Mission Statement, I'll Scream](#), by Greg McKeown, *Harvard Business Review* (Oct. 4, 2012)
 - o [12 Truly Inspiring Company Vision and Mission Statement Examples](#), by Lindsay Kolowich, HubSpot Blogs (Aug. 4, 2015)
- *In-Class Materials*
 - o [50 Example Mission Statements](#), Top Nonprofits website
- *Post-class assignments:*
 - o Email your complete journal (Q1-Q7) to the instructor by the end of class this week. Comments on your journal entries will be provided at the beginning of Week 6.
 - o Journal Q8: What are the mission and vision statements of each of the 3 organizations you are examining? In your opinion, do they adequately and clearly communicate each organization's purpose, day-to-day, work and vision for the future? Why or why not? Be specific in your analysis.

Week 6 (3/14): The Role of Volunteers

- *Goals & Objectives:* Volunteers are unique to social impact work. No purely for-profit business would expect people to work for free, nor would anyone agree to do so (perhaps beyond a short-term career-enhancing internship). Yet, many social impact organizations rely heavily on volunteers and pro bono support to fill in gaps in all sorts of staffing and operations, and many people regularly give away their time for free in such capacities. In this session, students will:
 - o Explore the different ways social impact organizations utilize volunteers and why
 - o Learn about the concept of *pro bono*, and the difference between traditional volunteering and *pro bono* services
 - o Be introduced to effective volunteer and pro bono management
- *Pre-class readings:*
 - o [Using Volunteers to Strengthen Your Organization](#), *NGO Connect News*, Issue 39 (June 2011)

- [The 27 Best Practices of High Performing Volunteer Organizations](#), by Mitch Ditkoff, *Huff Post Impact* (2/6/13)
- [Pro Bono History](#) & [The Power of Pro Bono](#), taproot Foundation website
- *In-Class Materials*
 - [taproot foundation](#) website
 - [taproot+](#)
- *Post-class assignments:*
 - Journal Q9: How do each of the 3 organizations you are examining leverage volunteers and/or pro bono (or if they don't, why not)? Cite evidence or, if you don't have enough information, explain what research you undertook and what additional information you would need to respond to the question.

Week 7 (3/21): Getting the Money: Fundraising for Social Impact Organizations (part 1)

- *Goals & Objectives:* Explore how different types of social impact organizations generate revenue to support their social impact work. In this session, students will:
 - Be introduced to the many different sources of funding available to social impact organizations (foundations, crowd-funding, earned income, revenue generation, social venture seed funding, impact investment, government grants & contracts, venture philanthropy, individual donors – major gifts, annual appeals, giving days).
 - Understand the impact of an organization's legal structure on the sources of funding available.
 - Explore the pros and cons of pursuing different types of funding sources.
 - Learn about what diversified funding is and why it matters.
- *Pre-class readings:*
 - [Ten Nonprofit Funding Models](#), by William Foster, Peter Kim & Barbara Christiansen, *Stanford Social Innovation Review* (Spring 2009)
 - [Where Do Nonprofits Get Their Revenue?](#), by Joanne Fritz, about.com
 - [What is impact investing?](#), The Global Impact Investing Network website
 - [Impact Investing vs. Venture Philanthropy](#), by Dan Moskowitz, Investopedia (June 9, 2015)
 - [Deviating from the Standard: Funding and Supporting Emerging Social Entrepreneurs](#), by Echoing Green
 - [Crowdfunding 101: The Basics](#), by Chance Barnett, *Forbes* (Aug. 2, 2012)
 - [Pros and Cons: Earned Income](#), Society for Nonprofits website
 - [Start-up Capital for For-Profit Social Entrepreneurs – Where the heck is it? Part 1](#) and [Part 2](#), by Rachael Chong, *Huff Post Impact* (3/18/2010)
- *Post-class assignments:*
 - Journal Q10: What sources of funding do each of the 3 organizations you are examining rely on or draw from? Cite evidence.

- Journal Q11: In your opinion, are each of these organizations relying on appropriate funding sources? Appropriately diverse sources? What does each organization's set of funding sources suggest about each organization's health and/or sustainability?

Week 8 (3/28): Getting the Money: Fundraising for Social Impact Organizations (part 2)

- *Goals & Objectives:* Grasp the basic skills for how to generate revenue for social impact work. In this session, students will:
 - Learn what donor/funder prospecting is and how to do it effectively
 - Learn what donor cultivation is and how to do it effectively
 - Craft and practice a fundraising elevator pitch
- *Pre-class readings:*
 - [*Cultivating Lifelong Donors: Stewardship and the Fundraising Pyramid*](#), by Frank Barry, Lawrence Heinze, David Lamb & Katherine Swank (2010)
 - [Fundraising Fundamentals, Section 7.10](#), Council for Advancement and Support of Education website
 - [Fundraising Best Practice Series: Volume 8, Cultivating Major Donors](#), by Andrew Olsen
 - [5 Strategies to Increase Customer Lifetime Value](#), by Ross Beard, Client Heartbeat (Nov. 25, 2013)
- *In-Class Materials*
 - [How to Create an Elevator Pitch](#), by Jody Greene, *Forbes* (Feb. 5, 2013)
 - [6 Tips for Perfecting Your Elevator Pitch](#), by Dwight Peters, *Entrepreneur* (Aug. 27, 2013)
- *Post-class assignments:*
 - Journal Q12: How did it feel to give your funding elevator pitch? Did it feel different sharing it with an individual vs. the entire class? What would you do the same or differently next time?
 - Journal Q13: Identify the organization you plan to focus on for your case study.

** at the end of this class, instructor will distribute the case study template. Students will also sign up for their preferred case study presentation slot. Any student who does not attend this class session will be assigned to leftover slots.

Week 9 (4/4)

-- part 1: Getting the Money: Fundraising for Social Impact Organizations (part 3)

- *Goals & Objectives:* Government and foundation grants (and/or government contracts) are often the largest single source of funding a social impact organization has. They also typically come with the most onerous restrictions and reporting requirements. In this session, students will:

- Be introduced to the basics of prospecting, applying for, and managing sizeable grants
- Understand how grant reporting differs from IRS-required reporting
- Explore the pros and cons of pursuing sizeable government or foundation grants or government contracts
- *Pre-class readings:*
 - [Managing the Grant](#), by Barbara Floesrch, The Grantsmanship Center website
 - [4 Keys for Successful Grant Management](#), GrantChat website (Aug. 28, 2014)
 - [10 Top Tips for Grant Management](#), by Robin Toal, fundsforNGOs website (Sept. 26, 2013)

– part 2: Program Design: Lean Start-Up & Impact Measurement

- *Goals & Objectives:* Organizations take a long time to build; achieving lasting social impact takes even longer. Because of inertia – exacerbated by funder requirements or expectations – social profit organizations can easily get stuck in a rut doing what they already do, without regard to whether that is actually creating the social impact they were founded to create. In this session, students will:
 - Learn about the lean start-up model and how it can help social impact organizations quickly test new programs
 - Become acquainted with the basics of impact measurement, what it is, and why it matters to keeping social profit organizations on track and focused on the social impact they were founded to bring about

(*Note:* A deep dive into problem identification, program design, and impact measurement are beyond the scope of this course. Those topics are explored in great detail in Foundations of Social Innovation, NCLC 595-002. However, the instructor will suggest further reading on those topics if the class is interested.)

- *Pre-class readings:*
 - *Leap of Reason*, by Mario Morino (instructor will provide the book)
 - [The Lean Start-Up Methodology](#), by Eric Ries (since I’m not requiring you to purchase Ries’ book, please don’t just stop on this landing page. Instead, I expect you to click on & read through all of the “read more” links on this page so that you develop a fulsome grasp of this methodology in practice.)
- *Post-class assignments:*
 - Email the instructor your completed & updated journals (Q1-Q13) by midnight after class this week. Instructor comments will be provided before the next class.

Week 10 (4/11): All the Other Stuff Social Entrepreneurs Ought to Know But Never Think About (part 1)

- *Goals & Objectives:* Social entrepreneurs launch social venture organizations because they are passionate about a cause, believe they have a solution, and feel compelled to act on it. No one gets into this space because they like puzzling through

the details health insurance options for employees, managing an audit, handling HR/payroll, or negotiating office leases. Yet, is the day-to-day nuts and bolts of running a business that typically takes up most of a social entrepreneur's time and energy in the early days. In this session, students will:

- Be introduced to the administrative requirements of starting a new venture
 - Learn about ways to manage the administrative burdens
 - Develop a construct and context to think about the trade-offs of starting a new organization vs. implementing your social impact program as part of a related existing organization and of going it solo vs. under the auspices of an incubator
- *Pre-class readings:* (most of the assigned reading links take you to a simple checklist with multiple links to more detailed info; I expect you to select and read through a significant subset of those follow-on links before class)
- [Checklist for Starting a Business](#), IRS website
 - [10 Steps to Form a Business](#), The Company Corporation infographic
 - [Establishing a Nonprofit Organization](#), Foundation Center
 - [What is a PEO?](#), National Association of Professional Employer Organizations website
 - [Types of Business Insurance](#), U.S. Small Business Administration
 - [Business Incubation FAQs](#), International Business Innovation Association website
- *Post-class assignment:* None

Week 11 (4/18): All the Other Stuff Social Entrepreneurs Ought to Know But Never Think About (part 2)

- *Goals & Objectives:* A social profit organization's human capital – the people working for it – is critical to its success. Frequently people who choose to work for social profit organizations trade income for mission. They typically work very long hours for far less money than they could make in the traditional private sector. While they do it because they care, they also deserve to be properly taken care of. Building on last week, in this session, students will:
- Be introduced to the many HR obligations of running a social profit business
 - Explore when it is appropriate to rely on volunteers vs. hire regular employees vs. hire independent contractors, and the legal risks to be mindful of
 - Understand the most common challenges faced by and trade-offs made by social profit sector employees
 - Learn about best practices in personnel management and resources for learning how to manage people effectively.
- *Pre-class readings:*
- [2015 UST Nonprofit Employee Engagement & Retention Report: A Survey of Nonprofit Executives, Supervisors, and Staff](#)

- [The Nonprofit Leadership Development Deficit](#), by Libbie Landles-Cobb, Krik Kramer, and Katie Smith Milway, *Stanford Social Innovation Review* (Oct. 22, 2015)
- [Independent Contractor \(Self-Employed\) or Employee?](#), IRS website
- [Employee or Volunteer: What's the Difference?](#), by Melanie Lockwood Herman, Nonprofit Risk Management Center
- [7 Management Practices That Can Improve Employee Productivity](#), by Victor Lipman, *Forbes* (June 17, 2013)
- *In-Class Materials*
 - The Management Center [tools](#)
- *Post-class assignment*: None

Weeks 12-14 (4/25-5/4): Case Study Presentations

- *Goals & Objectives*:
 - Each student's case study builds directly from and expands upon his/her journaling
 - Student-driven peer-learning reinforces the principles and practices of social change work, and how they apply in the real world
 - Students practice communication skills critical for social entrepreneurs
- *Pre-class readings*: None
- *In-class assignments*:
 - Each student will present their case study of an existing social enterprise / venture using a slide deck as a visual tool. Each presentation lasts 10 minutes. Each student must be prepared to field up to 15 minutes of questioning from instructor and classmates.
 - You MUST email the instructor your deck BEFORE class begins on the day you are assigned to present.
- *Post-class assignments*:
 - Journal Q14: What did your case study teach you about running a social profit organization? In your opinion, is the social endeavor you profiled well-run? Why or why not? If you were the founder or leader of that organization, what would you do the same? What would you do differently? Why?
 - Journal Q15: What did your classmates' case studies teach you about the running of social profit organizations? If you were the founder or leader of those organizations, what would you have done the same? What would you have done differently? In your answer, refer specifically to at least 3 different case studies presented by your classmates.
 - Respond to questions the instructor raised regarding your earlier journal entries.

Week 14 – part 2 (5/4): Reflections on Leading a Social Profit Organization

- *Goals & Objectives:*
 - Use active, reflective discussion techniques to bring coherence to and reinforce the course lessons
 - Help students understand how to take the lessons from this course into their degree and career
- *Pre-class readings:* None
- *Post-class assignments:* None

Exam Day (5/9)

In lieu of an in-class exam, on or before this date, please turn in via a single email:

- 1) Your final, updated journal (Q1-Q15)
- 2) Your case study. (*Note:* The case study you turn in should incorporate and reflect your understanding of questions asked or feedback you received during your oral presentation.)