10 TOP TRENDS IN SOCIAL INNOVATION
selected issues on capital, scale and impact

Spring 2013

Meeting time: Saturday April 12 10am-4pm
Saturday April 19 10am-4pm
Saturday April 26 10am-4pm

Location: TBD

Instructor: Laura Callanan
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Office Hours: By appointment

Application requirements: Please email the instructor at lpcallanan@gmail.com with your resume and one paragraph describing your interest in taking this course.

BACKGROUND AND DESCRIPTION

Over the past 15 years, the social sector has sought new approaches to old problems. New information and communications technology, new perspectives on investment and value creation, new forms of partnerships with government and the private sector, and a new understanding on what true social impact looks like and how it can be measured have all driven the discussion.

Through three all-day sessions, we will review ten of the most important current trends in social innovation -- understanding their origins, the problems they are intended to address, some of the key actors involved, and their benefits. In addition, will ask: What are the unintended consequences of these popular social innovations?

We will explore this question together, with an emphasis on student-led discussion and peer learning.
Objectives

This course is designed as a survey on social innovation. We will intentionally introduce a range of social sector vocabulary and core concepts, introduce students to leading tools and data resources, highlight thought leaders in the field, and cover a range of key issues including: impact, performance measurement, scaling, and impact investing.

Upon completion, students can expect to have a working knowledge of key innovations in the social sector, a critical perspective on the hype and hope of these new approaches, and be better prepared to work in the social sector where these topics are driving daily design and implementation decisions.

Course Content and Structure

The bulk of the course involves reading and class discussion. Extensive readings provided for each class include websites, blogs, articles and reports. Students are expected to review all of the assigned reading, just as they would on-the-job if they are getting up to speed on a new topic.

Students will bring their analysis and reactions to our conversation each week. We will take extensive time for student-led discussion as the basis for developing the well-rounded understanding of these issues which is required to successfully complete the course’s individual project (described below).

Before the first class, the instructor will assign all students a topic to cover in the Conversation Kick-off (described below).

Student Responsibilities & Grading

Student responsibilities include:

(1) Conversation kick-off. Each week, students will kick off the class with a quick factual summary of the innovations to be discussed, raise 1-2 provocative questions regarding the innovations, and express their personal viewpoint on its pros and cons. This response will be submitted in writing (2 pages) prior to the class session at which it is discussed, as well as shared orally in class. 25% of grade
(2) **Class Participation.** Students will be expected to attend all classes and contribute to classroom discussion. Quality of contribution to the discussion is more important than quantity, though all students are expected to be active participants. Participation consisting of **questions** and **reactions** which build on comments from classmates and the instructor are especially encouraged. **25% of grade**

(3) **Individual project.** For the final project of the semester, students will submit a 5 page single spaced paper or a 15 page powerpoint presentation which explores the unintended benefits and negative consequences of one of the innovations discussed during the semester. The paper/deck should cover the history and context of the innovation, describe how the innovation works, review case examples of the innovation in action, outline the intended goals and benefits of the innovation (and it's success to date as available) -- and then deeply explore what inequities, bad incentives, or other negative outcomes are triggered by the innovation. Students are encouraged to form discussion groups to discuss the innovations, and debate the pros and cons -- but the written projects must be an individual work product. Individual projects are due by May 5, 2014. **50% of grade**

Given the significant portion of the grade which depends on class participation and the fact this is a 3 week course, full attendance is mandatory.

About the Professor:

**Laura Callanan** is an independent consultant, author and teacher in the field of social innovation. She is currently Scholar in Residence at UC-Berkeley/Haas School of Business, a Visiting Fellow at New York University/Wagner School of Public Service, and a Senior Fellow with The Foundation Center. She is completing research on *Social Sector Leaders Who Scale What Works* and *What Artists Can Teach Social Entrepreneurs*.

From 2008-2013, Laura was a consultant with McKinsey & Company’s Social Sector Office where she led work on foundation strategy and social innovation, as well as sustainable capitalism and social investing. Laura was the lead author of *From Potential to Action: Bringing Social Impact Bonds to the US*, the most comprehensive report on this new public-private approach to scaling social services. Working on social impact assessment, Laura developed the Learning for Social Impact initiative, and authored *Learning for Social Impact: What Foundations Can Do*. She also was the primary investigator on a study *Supporting*
Leaders Who Scale What Works, which looks at the capabilities and opportunities social sector leaders need to succeed.

Prior to joining McKinsey, Laura was an independent consultant working with The Synergos Institute, a non-profit organization addressing global poverty and social injustice and E-Line Ventures, a double bottom line investment fund focused on video games with social impact.

She served as Senior Adviser at the United Nations Development Programme in the Bureau for Crisis Prevention and Recovery where she was chief of staff with additional responsibilities for resource mobilization and external communications.

As Executive Director of The Prospect Hill Foundation, Laura led all aspects of the Foundation’s strategy development and grant making. The Prospect Hill Foundation’s funds primarily in the areas of environmental conservation, reproductive health and rights, and nuclear non-proliferation.

As Associate Director at The Rockefeller Foundation, Laura had general management responsibility for all activities related to the $3 billion endowment, and investment responsibility for the Foundation’s venture capital and private equity portfolio. Laura was also a member of the Foundation’s Program Venture Experiment (ProVenEx) commitment committee and oversaw investment decisions for program-related investments and similar public-private activities.

Prior to joining Rockefeller, Laura was Associate Treasurer for the Wallace Foundation. After graduating from Columbia University with a Master of Public Administration degree, she worked in public finance investment banking serving universities and other large endowed non-profit organizations on behalf of Lehman Brothers, JP Morgan and Moody’s Investors Service. Laura’s undergraduate degree is from Barnard College of Columbia University.

Laura is a frequent speaker at leading social sector conferences including the Skoll World Forum, SoCap, the annual Independent Sector conference, and the Social Impact Exchange. She is an adjunct professor at New York University’s Stern School of Business where she teaches on the nonprofit capital marketplace.

Laura is a past member of the board of directors of Signature Theater Company, the New York Foundation for the Arts, and Rhizome.org, and of the audit committee for the International Women’s Health Coalition. Laura was a founding investment committee member and audit committee member for the American Academy of Arts and Letters.
April 12, 2014 morning: INTRODUCTION AND OVERVIEW

The first class will lay out basic facts about the social sector, define terms and set the stage for a detailed inquiry into specific topics throughout the semester. We’ll also go over the course logistics and assignments.

To consider:
• What is the “social sector”? As government, business, and nonprofits, along with donors, investors and consumers find more and more ways to interact, what defines social change work?

Readings:

April 12, 2014 afternoon: SOCIAL IMPACT ASSESSMENT AND IMPACT INVESTING

SOCIAL IMPACT ASSESSMENT

Measuring social impact is difficult and elusive – but it is important to understand what works and why in order to direct limited resources where they can do the most good. On the wave of impact investing, a number of new assessment tools and standards have been developed (PULSE, IRIS, GIIRS). At the same time, learning-focused assessment and storytelling techniques are gaining prominence, and the importance of constituent voice is increasingly recognized by program designers and implementers who realize the perspective of end users is key to successful development and delivery of social goods and services.

To consider:
• If most donors give from their hearts, does measuring impact matter?
• How can social innovators use assessment to plan, manage and improve?

Websites:
iris.thegiin.org/
giirs.org/

Readings:
• Coalition for Evidence Based Policy, “Rigorous Program Evaluations on a Budget: How Low-Cost Randomized Controlled Trials Are Possible in Many Areas of Social Policy”, 2012.
IMPACT INVESTING

An “impact investment” generates a financial return plus a social or environmental return. The excitement about impact investing and its potential to bring massive resources to support social change has been growing for the last decade. While the number of conference sessions, printed pages and blog posts on the topic of impact investing has never been greater, there are still very few examples of double bottom line companies or funds with significant track records. We have yet to see the Google IPO of impact investments. Will we ever? When will impact investing be deemed a valiant experiment that failed?

To consider:

- Is it possible to optimize for two different – often opposing – outcomes?
- How should a social enterprise use assessment to balance doing well and doing good?

Websites:

http://www.blendedvalue.org
www.thegiin.org/

Readings:

In the last 10 years, individuals looking to achieve social change have been a powerful, disruptive force. Many social entrepreneurs seek to scale their ideas by harnessing markets through for-profit social businesses, but some are using a traditional nonprofit approach. The term “social entrepreneur” doesn’t specify whether what’s new is the intervention/product/approach or the use of an enterprise model. Muhammad Yunus has coined the term “social business” which focuses on shifting business ownership to the community, and B Corps have introduced the idea that businesses in a wide array of sectors following a range of corporate forms can all work for social and environmental benefit.

To consider:
- Which social sector issues can be best addressed through market mechanisms? Which cannot?
- How does the path of the social entrepreneurs differ from the path for-profit entrepreneur?

Websites

http://www.youtube.com/watch?v=gCLOrbgCzkw

http://www.bcorporation.net

philanthropy.blogspot.com/2007/11/buzzword-6-embedded-giving.html

philanthropy.blogspot.com/2008/07/embedded-giving20.html

Readings

- Dees, The Meaning of Social Entrepreneurship, 2001
  http://www.uic.edu/sph/phtpg/Content/Reading%20Room/Articles/Dees%20Enterprising%20Nonprofits.pdf

April 19, 2014 afternoon: INNOVATIVE FINANCING INSTRUMENTS AND SCALING

The impact investing movement -- coupled with the desire to scale solutions to reach all who need them -- has given rise to new financing instruments. Advanced Market Commitments and microfinance seek to match supply with demand by addressing timing and size mismatch. Social Impact Bonds focus on scaling proven new approaches and -- along with other Pay for Success models -- shift the risk from the government which only pays if pre-determined performance targets are achieved.

But capital alone is not enough to solve problems at scale. Nonprofit service providers need to be “scale-ready” with clear strategic plans; demonstrated programs which have been measured, shown to work,
codified and tested in a range of settings; and a menu of options (including movement building and regulatory change) on how to scale.

To consider:
- What are the problems (capital access, risk mitigation, cashflow management, etc) that innovative financing instruments need to address to bring capital to social goods and services?
- When is it better to scale broad or scale deep when addressing a persistent problem?
- Why has it taken the sector so long to demand proof that a program works before bringing it to scale?

Websites

http://nonprofitfinancefund.org/pay-for-success

http://mckinseyonsociety.com/social-impact-bonds/

http://www.who.int/immunization/newsroom/amcs/en/

http://www.grameen-info.org/index.php?option=com_content&task=view&id=796&Itemid=763

http://www.socialimpactexchange.org/exchange/si-100

http://www.emcf.org/our-strategy/

Readings:
- “Grant and Crutchfield, Creating High Impact Nonprofits”, 2007
  http://www.ssireview.org/articles/entry/creating_high_impact_nonprofits/
April 26, 2014 morning: ICT FOR DEVELOPMENT AND CROWDSOURCING

Technology is being harnessed by the social sector: hackathons develop civic applications that use government data; the ubiquity of mobile phones enable reminder messages for people with chronic health conditions; social impact video games are bringing new information and experience to support behavior change; platforms like Kiva and GlobalGiving facilitate individual philanthropy on a global scale.

Rapid advances in technology have disrupted all industries, and nonprofits are no exception. Social media creates more opportunities for collaboration and new ways of working, and demands greater transparency. As a result, social media is transforming grantmaking, problem solving, and assessment in the social sector.

To consider:

- How should the risk of creating a larger divide for people lacking digital literacy be factored into decisions about optimizing the potential of technology to make social change?
- What are the implications of taking decision-making and program design out of the hands of the few and harnessing the wisdom of the crowd?
- Social media speeds things up. What are the implications for social innovators? For constituents?

Websites:

Ratings and reviews: www.charitynavigator.org; www.myphilanthropedia.org; www.guidestar.org; www.greatnonprofits.org


Readings:

BIG DATA

Big data—giant datasets amassed by companies, governments, and others—can be used by social innovators to better understand problems and formulate responses. To take full advantage, though, organizations will have to identify or develop appropriate datasets and develop critical analytical skills, currently in short supply.

To consider:

- What is the place for qualitative data and constituent voice in a Big Data world?
- Will the social sector’s fragmentation and heterogeneity prevent social innovators from benefiting from Big Data?

Readings:

- Smith, “Philanthropy’s Data Dilemma”, 2012
- Bays and Davis, “Harnessing big data to address the world’s problems”, 2012
  http://voices.mckinseyonsociety.com/harnessing-big-data-to-address-the-worlds-problems/
  http://www.marketsforgood.org/661/

ECOSYSTEMS

Increasingly, funders, social impact gurus and social entrepreneurs recognize that addressing complex and multidimensional problems requires a number of actors to cooperate together relatively altruistically. “Putting the problem first” and “contribution vs attribution” are talked about as crucial to “ecosystem-level change”. These conversations overlap with discussions of scaling, but in this case it is scaling the solution to a problem rather than growing an individual organization or single model of intervention.

To consider:

- Are sector leaders really walking the talk of putting the problem at the center and collaborating? Or are they still putting their own organization first?
- What role can funders, government and others play to encourage more cooperation and cohesion among social sector actors?
- Does the current spotlight on social entrepreneurs help or hurt the chances for true ecosystem level cooperation?
Readings:

- Bloom and Dees, “Cultivate Your Ecosystem”, 2008
- Dees, “Planning for Scaling Social Impact: Our Work at CASE”, 2010
  www.socialimpactexchange.org/sites/www...org/files/webfm/.../dees.ppt
  http://www.ssireview.org/blog/entry/in_a_changing_ecosystem_whither_nonprofits/
- Bannick and Goldman, “Sectors not just Firms”, 2012
  http://www.ssireview.org/blog/entry/sectors_not_just_firms
- Bannick and Goldman, “Embracing the Full Investment Spectrum”, 2012
  http://www.ssireview.org/blog/entry/embracing_the_full_investment_continuum
- Synergos Institute, “Ten Lessons on Multi-Stakeholder Partnerships”, 2012