

ENTREPRENEURSHIP TO ADDRESS GLOBAL POVERTY

UGBA 195S

3 units

Spring, 2010

Thursdays, 3-6pm, with a 15-minute break

Haas C230

Lead Instructor: John Danner
danner@haas.berkeley.edu
Haas F457: office hours by appointment. I may also be available to have lunch with students occasionally, if you'd prefer that.
[NOTE: Other faculty members from across the UC campus will be invited guest lecturers throughout the semester]

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Course Description

Background: Global poverty continues to challenge the world's conscience, stress its resources, compromise its future, and—most importantly—confront billions of children, women and men with the harsh realities of sustaining their lives every day in unforgiving, even hostile, settings. Roughly one out of every two people in the world today exists on less than \$2/day; and almost a third of those do so on less than \$1/day. Although the percentage of the world's population living in these conditions has diminished, the absolute number of the global poor living under \$2/day has remained rather constant over the past generation—a daunting challenge economically, morally and politically. In some places it's even worse. For example, in sub-Saharan Africa the number of people living on less than \$1/day almost doubled between 1981 and 2004.

The ripple effects of poverty are themselves profound and pervasive. The poor lack safe water. They are hungrier than the rest of us. They are sick more often. They are most vulnerable to the effects of war, conflict and dislocation. And they die younger. Developing countries have tried various approaches to address this problem among their own citizens. The developed world has also pursued various strategies - including bilateral and multilateral international aid and loans to help developing countries build critical infrastructure and increase capacity, private philanthropic activities such as the Gates Foundation and google.org initiatives to improve health, religious outreach programs to provide educational and other services, and corporate social responsibility efforts, among others. Yet the problems persist.

More recently, new strategies and models have emerged that question traditional assumptions about the poor as primarily needy recipients of aid and services. Exemplified by Muhammad Yunus' pioneering work (for which he won the 2006 Nobel Peace Prize) offering small loans to Bangladeshi women, these initiatives look at the poor as potential customers and/or proprietors of profitable, innovative business ventures responding to their needs and wants. They require new ways of thinking about markets, organizing resources, developing solutions that people can afford, financing and marketing. In short, pursuing new opportunities in new ways. That's entrepreneurship, and its intersection with global poverty is the central focus of this course, "Entrepreneurship To Address Global Poverty" (E2AGP).

Course Design: Despite its UGBA number, E2AGP is designed as a campus wide course that takes an interdisciplinary look at poverty and its related challenges from an entrepreneur's perspective of designing sustainable venture solutions that can turn those challenges into opportunities—rather than that of a policy maker, advocate, researcher or professional service worker in the field. We will examine whether and how global poverty can be addressed through private sector

entrepreneurial initiatives that complement other, more traditional efforts such as government programs, private philanthropy and corporate social responsibility activities.

Following an introductory class session to orient you to the overall course and its objectives and structure, we will have two OVERVIEW classes on the landscape of global poverty and entrepreneurship. Then we will move to eight FOCUS class sessions which will address particular poverty-related challenges (housing, water, healthcare, energy, etc.), examining their characteristics, exploring technologies and other possible solutions, and showcasing promising examples of how entrepreneurs are converting those challenges into viable business opportunities. Ideally, these are ventures whose financial sustainability does not depend on government grants, private philanthropy or corporate altruism. We will end with three POSSIBILITIES classes on entrepreneurial business models, potential technologies, firsthand accounts of what it takes to launch a venture in these markets, and a look ahead at the prospects for E2AGP.

This course will highlight some of the most promising poverty-related research, technologies and insights emerging around the UC Berkeley campus, and involve relevant faculty as expert guides as the class moves its focus across disciplines. Although our primary focus is on poverty in the developing world, we will periodically discuss examples of American entrepreneurs who tackled challenges similar to those presented in today's global poverty market or whose ventures offer potential benefits to those living at the bottom of the world's economic pyramid. The course can be a type of "academic passport" across our campus to understand how exciting research and technology developed here - regardless of department - could support new venture creation elsewhere in the world. Throughout the semester, we will also have the chance to meet entrepreneurs involved in E2AGP ventures around the globe.

Class Framework: Classes will consist of a mix of lectures, guest speaker presentations and student discussion. A typical class might open with a brief explanation and examples of one aspect of entrepreneurial analysis or business model, followed by a guest faculty lecture/presentation on a particular dimension of global poverty with subsequent student discussion. After a brief 15-minute break, we would turn our attention to examine various case examples of ventures and business models active in this poverty domain around the world, complemented by an opportunity—either in person or by videoconference—to interact with individuals connected with one or more of those efforts. Time permitting, we may also explore other possible venture ideas in this same arena, or look at specific US and international resources available to support E2AGP entrepreneurs.

Some classes may be held in different locations around the campus to give students more opportunity to interact with faculty and others active in particular poverty-related endeavors relevant to the course's focus. We will also build upon a number of Lester Center-sponsored programs and activities already underway at Haas, including the Global Social Venture Competition, Entrepreneur's Forum and their associated network of graduate MBA and other students interested in E2AGP issues.

Instructor(s)

John Danner, the lead instructor, is a Senior Fellow of The Lester Center for Entrepreneurship and Innovation at the Haas School of Business. He teaches the core MBA course on entrepreneurship, as well as other graduate courses on business model innovation and strategies for startups. He also launched a similar E2AGP course at Princeton University in 2008 as the Dean's Visiting Professor of Entrepreneurship. He began his entrepreneurial career as an undergraduate at Harvard, and has since been involved in startups of various types as entrepreneur, advisor and investor. In addition, he has worked as a management consultant, lawyer or senior executive in the private, nonprofit and public sectors in fields from education and healthcare to telecommunications and energy. A frequent speaker at conferences and seminars around the world, he is also senior moderator with

the Aspen Institute's executive and global leadership programs. He received his J.D., M.P.H. and M.A.Ed. degrees from UC Berkeley.

GSI Backgrounds

Brianna Wolf is a second year MBA student who has worked in sustainability policy with an increasing focus on social enterprise. In 2006 she help found the Office of Sustainability within the New York City Mayor's Office and served as project manager for the creation of a groundbreaking Long-Term Sustainability Plan released in 2007. Brianna then transitioned to implementing water quality initiatives, primarily focused on wastewater infrastructure. This experience opened her eyes to taking a worldview towards finding ways to provide access to the 1 billion and 2.5 billion people who do not have access to safe drinking water and improved sanitation respectively. Last summer Brianna received the Dow World Challenges Fellowship to compile a case study on WaterHealth International, a social enterprise in India that provides low-cost clean water to rural poor. She also did a consulting project with Clorox focused on sustainable sourcing solutions for oleochemicals. Brianna received a BA in Urban Planning from New York University in 2004.

Nipun Mathur is a second year MBA student at Haas. He has undergraduate degrees in Computer and Electrical Engineering from the University of Nebraska. Prior to joining the MBA program, Nipun worked for 5 years as an engineer, product manager and marketing manager for National Instruments, a business-to-business technology company. Nipun has a strong interest in bottom-of-the-pyramid entrepreneurship and last year helped in organizing the Global Social Venture Competition, the biggest social venture competition with over \$100K in budget and over 300 business plan submissions.

Customer Expectations

If you enroll in this course, you should expect to achieve the following objectives:

- Develop a basic working familiarity with global poverty in a variety of domains and locations around the world
- Gain a fundamental understanding of what entrepreneurship is and some of the tools and frameworks entrepreneurs use in creating ventures
- Discover, and gain an appreciation for, a broad variety of existing and proposed entrepreneurial ventures and related business models in the poverty market
- Understand how entrepreneurial ventures focused on serving the global poor compare with other approaches to global poverty, such as foreign aid, philanthropy or corporate social responsibility initiatives
- Learn about technologies and other research insights from across the UC campus and elsewhere that might be the foundation for promising new ventures addressing global poverty, and be able to assess their potential
- Get to know some of the individuals and organizations active in this arena
- Experience some of the analytical, strategic and other challenges entrepreneurs face in designing new ventures in these poverty settings
- Learn what it takes to assemble a credible and convincing presentation of your analysis of a venture in a collaborative team environment
- Consider whether and how you might be interested in further exploring these types of issues and career paths during your time at Cal

Instructor Expectations

I will assume you come to every class (unless excused in advance) prepared to discuss the day's readings, actively engage in class dialogue about the topics du jour and hand in all assignments on time. We will review our policy on laptops in class, but be forewarned, I am not favorably disposed to them in a discussion-centric course like this and never allow them when we have guest speakers. Sometimes a laptop will be useful to take in-class electronic surveys, but otherwise they should

remain in your bag. If you have particular questions about assignments, readings or other course matters, I assume you will take the initiative and contact a GSI or me.

I am a firm believer in the power of many minds collaboratively tackling an important and complex issue. Our topic this semester certainly deserves the best we can each bring to this course. Accordingly, I will expect students to take an active role in expanding our collective awareness of useful resources and global poverty ventures that will strengthen this course for future colleagues here and elsewhere. For example, I may ask several of you to prepare an informal summary of an interesting campus program in this area, or help set up a class video conversation with a global poverty entrepreneur in South America or Africa. I don't expect this will take more than 2-3 hours from you during the semester, but want you to understand the spirit with which I approach things.

Prerequisites & Enrollment

There are no prerequisites for this course other than a curiosity about its focus, a willingness to do the work and engage actively in class discussions. Students from across the campus are welcome. Space is limited, but if there is a waiting list of interested students, we will try to find a way to accommodate them.

If you are interested in taking this class, please submit the following via BSpace no later than Jan 28: a 1-page synopsis of your background, including your class year, major (if you have one yet) or primary area of academic interest, a brief explanation of why you are interested in this class, and a bit about your personal background; if you have had any direct experience either in entrepreneurship or dealing with poverty-related issues, please also attach a 1-page summary of that as well. Nothing fancy required.

Students interested in exploring global poverty or specific related topics like micro-finance in greater depth should look at IAS115/CP115 (Global Poverty: Challenges and Hopes in the New Millennium) by Professor Ananya Roy or MBA 294.6 (Introduction to Microfinance) by Sean Foote, as well as other course offerings of The Blum Center for Developing Economies, The Haas Center for Responsible Business and other centers on campus, e.g., Center for Entrepreneurship in International Health and Development in the School of Public Health; The Center for Information Technology Research in the Interest of Society – CITRIS; or The Center for Global Metropolitan Studies.

Readings

I treat each week's readings as context for our class, and do not intend to discuss each reading per se. Similarly, the questions listed for each week are suggestions of things for you to think about while doing the readings, but we will not necessarily consider them explicitly in class. In short, I'll assume you've read all required selections and are prepared to reflect on what's in them. The first two books will be read in their entirety and will be the focus of a written essay-type test during the fourth class on February 11th.

- *Out Of Poverty: What Works When Traditional Approaches Fail*, Paul Polak, BK Currents, 2008 (hereafter referred to as **OOP**; see <http://paulpolak.com/> for more about Polak's work)
- *The Bottom Billion: Why the Poorest Countries are Failing and What Can Be Done About It*, Paul Collier, Oxford University Press, 2007 (hereafter referred to as **TBB**)

Excerpts will be drawn from a few other core sources that you may want to purchase or download, a copy of each will also be on reserve at the Haas library:

- *Portfolios Of The Poor*, Daryl Collins, Jonathan Morduch, Stuart Rutherford, and Orlanda Ruthven, Princeton University Press, 2009 (hereafter referred to as **POTP**)
- *Business Solutions For the Global Poor: Creating Social and Economic Value*, by V. Kasturi Rangan, John A. Quelch, Gustavo Herrero and Brooke Barton, Jossey-Bass, 2007 (hereafter

referred to as **BSGP**).

- *The Next 4 Billion: Market Size and Business Strategy at the Base of the Pyramid*, International Finance Corporation and World Resources Institute, 2007 (hereafter referred to as **TN4B**: see <http://rru.worldbank.org/features/thenext4billion.aspx>)
- *Innovative Approaches to Reducing Global Poverty*, edited by James A. F. Stoner and Charles Wankel, Information Age Publishing, 2007 (hereafter referred to as **IARGP**)
- *Note*: The readings listed next to each class in this 1/20/10 draft syllabus are illustrative; watch for emails and/or check BSpace for the latest week-by-week syllabus snapshot for the topics, assignment deadlines and all required and optional readings for the upcoming 2 weeks. For planning purposes, the course has a targeted average required reading load of roughly 60-100 pages per week. Also, if you notice any posted links are out-of-date, please see if you can find a better one and let Brianna or Nipun know so we can share the fruits of your diligence with everyone.

Brilliant ideas/technology surprises/etc.

If the past is prologue, we can expect our share of in-class technological glitches as we hook up with various resources and speakers around the world. So be prepared and ready to pitch in if you are a techie (or at least more of one than Brianna, Nipun and most definitely me). Better yet, if you have specific ideas on how we can creatively tap into the wonders of the web and/or other technologies, don't be shy about sharing them with any of us . . . we are SO techno-savvy.

Grading [for details on the major assignments, see separate Assignment Description handouts that will be distributed by Brianna/Nipun during the semester]. Grading will be based on a mix of individual and collaborative assignments, with both peer-to-peer* and faculty feedback as follows:

- 5% Attendance. Out of sight is not out of mind.
- 15% Class participation. We learn by listening, reading, thinking, doing AND speaking. You wouldn't be a student at Cal if you didn't have a questioning mind and pretty good ideas of your own. Your classmates and I expect to benefit from both during our semester together, as will our guest speakers. I love cold calling, too.
- 15% Pop quizzes on the required readings. There will be one written essay-style **test on 2/11 (WEEK 4)** that will cover two of the readings: *Out Of Poverty* and *The Bottom Billion*; and at least 3 **unannounced** short multiple-choice quizzes covering the readings required for those days. Just to make sure we're staying on track.
- 20% Country Focus Research portfolio. This will give you both an opportunity and challenge to understand how E2AGP applies to a specific country and its circumstances. Each enrolled student will be randomly assigned one of the group of countries whose population comprises the world's "next 4 billion"; each of you will also act as a consultant/adviser/2nd opinion to another student working on another continent. Over the course of the semester, you will act as a kind of scout on behalf of our class - learning about your new country, understanding its particular poverty challenges and opportunities, and getting to know the types of E2AGP ventures and individual entrepreneurs who are active there. There are three deliverables as part of this assignment:
 - Summary of country's poverty challenges (template will be provided) and list of 5 experts or sources that you could interview for more information. Include 3 specific questions you want to ask of your sources. During class you will meet with your class colleagues responsible for the other countries on your continent to compare notes on what you've learned so far, and share trans-border resources that have proved helpful. **DUE 2/4**
 - "Snapshot" 2-page written critique of an existing E2AGP venture *in your assigned country*, including your ideas for how it could improve and why. We will do a draft and final version of this exercise to give you feedback on your

writing, both from a grammatical and content perspective. (Written communication is essential for success in business—here is an opportunity to refine your skills). **DRAFT DUE 2/25; FINAL DUE 3/11**

- Interview summaries (1 page each) with 2 country experts, additional details TBA. **DUE 3/4**
- Poster Proposal for a specific E2AGP venture that you think would be a positive impact in your specific country if you could secure \$25,000 backing to get started; additional details TBA. **DUE 3/18**

- 5% Written evaluation of the E2AGP venture contestants in the Global Social Venture Competition hosted at Haas on April 22-23. Turn-in 1 paragraph/venture synopsis for half of the pitches, plus a 1-page description of the reasoning behind your forced ranking of the contestants; results may be shared with the GSVc contestants for their feedback. **DUE 4/29**
Note, information on how to volunteer to help the GSVc organizers will be shared later in the semester. This is a great opportunity to learn more about the contestant teams, get to know social-minded MBA students, and possibly network at an invite-only dinner for the conference, so keep it in mind.
- 20% Team 5-minute YouTube video presentation either assessing the strengths and weaknesses of an existing E2AGP-related venture, with your recommendations for its success or presenting an E2AGP idea of your own and why it could make a difference. Team size will depend on final class enrollment. You can form your own teams, or the GSIs will assist in that process so we have equal-sized groups. All presentations will be peer ranked and reviewed as well as graded by both GSIs and yours truly. - As we say at Haas, “entrepreneurship is a team sport.” **VIDEOS DUE 4/8; CLASS RANKINGS DUE 4/15**
- 20% Final Mini-Business Plan describing your team’s chosen specific E2AGP venture idea and strategy, and why it’s a good prospect for success. Teams will have 3-4 members. **DUE 5/13**

CLASS SCHEDULE

(Note: our class sequence is subject to change based on availability of guest lecturers and entrepreneurs)

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- 1. Jan 21 ORIENTATION: ENTREPRENEURSHIP & GLOBAL POVERTY**
Poverty is not new, nor are concerns about alleviating it. Over the past century, societies have tried various ways to address the problem - from religious missionary work, bilateral and multilateral foreign development aid, charitable giving, corporate social responsibility initiatives and a myriad of government programs to help the poor in their own countries. The UN Millennium Goals, set in 2000, express a global goal of reducing by half the proportion of people living on less than a dollar a day. (<http://www.un.org/millenniumgoals/>) Yet the problem and its human consequences persist for roughly three billion people worldwide. More recently, a growing cadre of entrepreneurs have begun to look at the challenge differently, viewing the poor as potential customers (cash-challenged, but customers nonetheless) of goods and services that can be offered profitably by those willing to adapt their ventures to the unique risks and rewards of this poverty “market.” Is global poverty entrepreneurship an oxymoron? How is it that people who have little money, can’t buy much, can’t always pay on time and can’t be easily reached can represent a potentially large and attractive market for entrepreneurs?

Topics:

- Course introduction: objectives, design, class format & deliverables
- Entrepreneurship: What is it? How does it differ from other efforts directed at global poverty-related challenges, e.g., philanthropy, public programs, corporate social responsibility initiatives, etc.?
- Why consider entrepreneurship to address global poverty? The limits and failure of aid and limits of corporate good citizenship.
- Bottom of pyramid opportunities: from "Village of 100" to "Market of 100" thinking - capitalism as a surface phenomenon: creating wealth and value for <20% of the potential world market
- Models and examples of entrepreneurship: need vs. opportunity entrepreneurship in different settings, with examples. A ventures framework for discussion: grassroots vs. linked (World of Good/remittances 2.0/ecotourism) vs. transplants (Grameen Phone/etc.) vs. tools (MIT's \$100 laptop/Bono's wire Ethiopia/etc.) vs. backscratchers (carbon swaps/environmental offsets) vs. bootstraps (US tax-deductible student loan pool for Indians) vs. CSR initiatives (fair trade/sustainability/etc.) - a broad keyboard of possibilities
- Who are entrepreneurs: what makes them different?
- Entrepreneurship at Berkeley: from MyPoints to Keyhole, from Ashesi University to World of Good
- Class introductions: personal "elevator pitch"

Guest Lecturer/Entrepreneur:

- Dr. Laura Stachel, MD, MPH

Note: Over the course of the semester, we will have the opportunity to hear from other Berkeley faculty working across various disciplines in areas relevant to our course, as well as entrepreneurs and others active in global poverty markets. We will confirm our roster and related topics as the semester unfolds, as far in advance of each class as our guests' schedules allow.

Required Readings (Note: check latest syllabus for final list for this week):

- TN4B, Executive Summary/Data Guide, pgs 1-11. [11 pgs]
- BSGP, Foreword, pgs xv-xvi; Introduction, pgs 1-11. [13 pgs]

2. Jan 28 **OVERVIEW: GLOBAL POVERTY - ITS LANDSCAPE, DEMOGRAPHICS AND ECONOMICS**
Poverty looks differently around the world. Its geography ranges from remote rural villages in inaccessible mountains and nomadic desert enclaves to shantytown slums in the world's megacities on virtually every continent. Its demography cuts across traditional racial, ethnic and religious boundaries. Its face is most often female and/or very young. One of the most important tools of any entrepreneur is that of market segmentation, the ability to disaggregate large markets into discrete groups of customers who behave and buy differently. This is a big reason why entrepreneurs can often discover a new way to define, reach and sell to customer "segments" ignored by others. So how can we begin to define and understand this global poverty marketplace? How big is its potential relative to today's market economy? This class will consider the "Fortune at the Base of the Pyramid" (BOP) argument, put forth by C.K. Prahalad. How are entrepreneurs rethinking our traditional assumptions in tapping this market, estimated in TN4B at \$5 Trillion? In this regard, we will discuss a vital task in entrepreneurship: opportunity recognition.

Topics:

- What do we mean by "global poverty"? Absolute (ex: \$2/day) vs. relative (ex: Gini coefficient disparity) definitions; global vs. local contextual definitions
- Who's poor?
- Where are they? From high altitude to close-in views of the global poor

- Becoming a 50% urbanized planet: what are the implications?
- Why are the poor poor?
- What are the ripple effects of poverty?
- Is the problem of global poverty getting better or worse?
- What do we mean by “solving” poverty? More \$ vs. fairer distribution vs. skill empowerment vs. quality of life improvement vs. other?
- Why should we care?
- Is there a “fortune at the base of the pyramid”?

Guest Lecturer/Entrepreneur:

- TBD

Required Readings (Note: check latest syllabus for final list for this week):

- Overview, “Understanding Poverty”, World Bank, 2007:
<http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/EXTPOVERTY/0,,contentMDK:20153855~menuPK:373757~pagePK:148956~piPK:216618~theSitePK:336992,00.html> [-4 pgs]
- “Top Ten Global Economic Challenges: An Assessment of Global Risks and Priorities:”
<http://www.brookings.edu/reports/2007/02globaleconomics.aspx> [-2 pgs]
- “Globalization, Inequality, and Poverty: An Overview,” by Pranab Bardhan, University of California at Berkeley, May 2005:
<http://emlab.berkeley.edu/users/webfac/bardhan/papers/BardhanGlobalOverview.pdf> [35 pgs]
- C.K. Prahalad, *The Fortune At The Bottom of the Pyramid*, Wharton School Publishing, 2006, chapter 1, pgs 3-22 (hereafter referred to as **FBOP**). [19 pgs]
- “The Mirage of Marketing to the Bottom of the Pyramid: How the Private Sector Can Help Alleviate Poverty” by Aneel Karnani:
<http://www.wdi.umich.edu/files/Research%20Initiatives/Bottom%20of%20the%20Pyramid/Mirage%20at%20the%20bottom%20of%20the%20pyramid.pdf> [23 pgs]
- TN4B, Chapter 1: Introduction and Market Overview, pgs. 1-33. [33 pgs]

Other Readings:

- “Poverty as Capability Deprivation,” pgs 87-110, Chapter 4, in *Development as Freedom* by Amartya Sen, Oxford University Press, 1999. [23 pgs]
- Income and Poverty 2005, World Resources Institute EarthTrends:
http://earthtrends.wri.org/pdf_library/data_tables/ecn3_2005.pdf [6 pgs]
- David S. Landes, *The Wealth and Poverty of Nations: Why Some Are So Rich and Others So Poor* (New York: W.W. Norton, 1998), chapters 1 & 2, pgs 1-28. [28 pgs]
- *The White Man’s Burden*, William Easterly: Chapter 1. pgs 3-33 [30 pgs]
- *The End of Poverty*, Jeffrey Sachs, Chapters 1 and 3. [44 pgs]
- “The Five Mysteries of Capital,” Chapter 1, pgs 1-14 in Hernando DeSoto, *The Mystery of Capital*, Basic Books, 2000. [14 pgs]
- “Village of 100”: www.youtube.com/watch?v=kiUCTbi_XZs [3:15 min]
- Kofi Annan’s Facts:
http://www.countdown.org/end_articles/fam_kofi_annans_astonishing_facts.htm [1 pg]

3. Feb 4

OVERVIEW: ENTREPRENEURIAL BUSINESS MODELS

A business model expresses the fundamental logic of a venture. Who sells what to whom? Why and how do they buy from you? What will make them buy more from you in the future? How will you make money? Answers to these questions contain the strategic building blocks of any business. A key skill of many entrepreneurs is the ability to not only identify new business models in markets, but also to make them agile enough to survive in changing circumstances.

The global poverty market, almost by definition, requires new thinking about business models. In this class, we will consider an array of existing and emerging E2AGP models, with parallels from developed economies as well.

Topics:

- What are the key elements of a business model?
- How can entrepreneurs make their business models compellingly distinctive yet resilient?
- Picking the entry: remote solutions (\$ transfer from US, Indian village scholarship bootstraps, etc. to in-country grassroots ventures)
- What's the value to focus on creating: \$, time, skills, attitudes, other?
- Treating the poor like customers: What do they need? What do they want? What can they afford? What will they buy? How do they decide? - the TV vs. new cart dilemma
- "Long Tail" opportunities and the importance of creative segmentation
- Do you have to make a profit to be an entrepreneur?
- Case studies:
 - Amul: <http://www.amul.com/story.html>;
<http://www.rediff.com/money/2005/sep/23spec.htm>
 - E-Choupal: http://www.itcportal.com/ruraldevp_philosophy/echoupal.htm; case:
http://www.nextbillion.net/lib/assets/documents/eChoupal_Case_Study.pdf
 - Dabbawallas: <http://www.mydabbawala.com/>
 - Hindustan Unilever Limited: <http://www.hll.com/>;
http://mba.tuck.dartmouth.edu/cgl/downloads/20011_hindustan_lever.pdf (pgs 2-4)

Guest Lecturer/Entrepreneur:

- TBD

Required Readings (Note: check latest syllabus for final list for this week):

- "Unleashing Entrepreneurship: Making Business Work For The Poor," Report by the Commission on the Private Sector and Development, UN Development Programme, 2004, Chapter 4-5 (pgs 29-42). [13 pgs]
- BSGP, Chapter Twenty-Four, "How Social Entrepreneurs Enable Human, Social, and Economic Development," pgs 271-278. [7 pgs]
- Alex Osterwalder Business Model Template:
<http://www.businessmodelalchemist.com/2006/11/business-model-template-designing-your.html>
- "Profitable Business Models and Market Creation In The Context of Deep Poverty," Christian Seelos and Johanna Mair, IESE Occasional Paper OP no 07/6:
<http://www.iese.edu/research/pdfs/OP-07-06-E.pdf> [12 pgs]
- BSGP, Chapters 1 & 2, pgs 15-39 [24 pgs]
- "Decoding the Next Billion Consumers," Boston Consulting Group:
http://www.bcg.com/impact_expertise/publications/files/Decoding_Next_Billion_Consumers_Nov_2007.pdf [3 pgs]
- "The Entrepreneurial Mind: Crafting A Personal Entrepreneurial Strategy," Chapter 1 in *New Value Creation: Entrepreneurship For The 21st Century*, by Timmons & Spinelli, McGraw-Hill Irwin, 7th Edition, 2007 (hereafter referred to as *NVC*). [23 pgs]
- IARGP, Chapter 1: Social Venture Business Strategies for Reducing Poverty, *Lisa Easterly and Paul Miesing*, pgs 3-25. [22 pgs]
- David Bornstein *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, ch. 1, pgs 1-10:
http://books.google.com/books?id=aprgAZP5hz8C&dq=&pg=PP1&ots=bIS_0cjx3t&sig=Ag0cCI511vSRKELu5R-YmUaJYdM&prev=http://www.google.com/search%3Fq%3Dbornstein%2Bhow%2Bto%2Bchange%2Bthe%2Bworld%26start%3D0%26ie%3Dutf-8%26oe%3Dutf-8%26client%3Dfirefox-a%26 [10 pgs]

4. Feb 11 OVERVIEW: EXAM AND CONTINENT MEETINGS

Topics:

- Reading exam (*Out Of Poverty* and *The Bottom Billion*)
- Share country research in groups by continent
- Participate in team exercise

Guest Lecturer/Entrepreneur:

- TBD

Class 5-12 E2AGP FOCUS: DOMAINS

This eight-class series will look in more detail at various domains of global poverty that may be susceptible to effective entrepreneurship. The scheduling of the domains will be based on speaker availability as the semester unfolds. Each domain topic and weekly readings will be emailed at least a week in advance and posted on BSpace. The range of domain topics include:

HEALTH: The poor are sicker longer than the rest of the world's population. They die younger and live with more threats to their physical and mental wellbeing than the rest of us. They are also least able to withstand the economic and other ripple effects sickness has on their family. But global poverty entrepreneurs are experimenting with various venture approaches to address some of these challenges in a market estimated in TN4B to be worth \$158B.

WATER: 1.2 billion people lack access to safe water and 2.6 billion have no access to sanitation (<http://hdr.undp.org/hdr2006/>). Additionally, competition for water as a productive resource is intensifying. Symptoms of that competition include the collapse of water-based ecological systems, declining river flows and large-scale groundwater depletion. Conflicts over water are intensifying within countries, with the rural poor losing out. The potential for tensions between countries is also growing, though there are large potential human development gains from increased cooperation. TN4B estimates the bottom-of-pyramid water market at \$20.1B worldwide.

HOUSING: Currently one in seven people globally lives in a slum or refugee camp. As the poor move into cities, finding safe, affordable and secure housing becomes a Herculean task. The explosion of urban slums and shantytowns is stark evidence that we are failing in that task. But there are entrepreneurial ventures underway to confront this challenge and the property rights issues that often underlie it. The potential bottom-of-pyramid housing market, by TN4B's estimates, is worth \$332B.

COMMUNICATIONS: This is one of the brightest spots in our tour of potential global poverty markets being opened up with new technologies. The explosive growth of cell phones has not only linked the world like never before, it has created entirely new platforms for venture development. Other types of wireless communication and the Internet itself have similarly broadened the keyboard of possibilities for entrepreneurs interested in exploring the global poverty market. TN4B estimates the potential bottom-of-pyramid communications and information market at \$51B.

TRANSPORTATION: The global poor have a very hard getting themselves and their goods around in both rural and urban settings. TN4B estimates the potential bottom-of-pyramid transportation market at \$179B.

ENERGY: All of this global poverty entrepreneurship will be of cold (or perhaps warm) comfort if ours becomes a less habitable planet along the way. Is there a role for creative entrepreneurs in helping the global poor while saving the planet? This class will look at some of the no-, low- and high-tech technologies that might be candidates for such ventures in an energy market TN4B estimates is worth \$433B.

FOOD: According to the World Resources Institute, almost 800 million people in the developing world are still chronically undernourished; two-thirds of them reside in Asia and the Pacific. The UN's Millennium Goal is to reduce by half the proportion of people who suffer from hunger. But solving hunger and eliminating poverty is not necessarily the same thing. The political, economic and environmental aspects of the food business are complex; but some entrepreneurs are active in addressing them on behalf of poor customers. The potential is enormous: TN4B estimates the bottom-of-pyramid food market at \$2,895B.

FINANCE: This just in: the poor don't have much money. But "not much" can often be "enough" to sustain a global poverty entrepreneurial venture. The entire field of micro-finance is built on this premise, as are many other initiatives around the world. In this class, we will look primarily at two aspects of money and the poor that have entrepreneurial significance: micro-finance itself and the \$350B/year remittance economy.

These eight classes will run from Feb 18 though April 15. Note, March 25th is Spring Break, NO CLASS

13. Apr 22 E2AGP POSSIBILITIES: THE STARTUP EXPERIENCE

All entrepreneurs confront risk in pursuing their vision for success. They encounter both obstacles and opportunities bigger than the resources they control. They have to wear many hats simultaneously as their ventures evolve. And that's just in developed free markets. Their E2AGP counterparts also have to deal with corruption, operate against the backdrop of conflict and violence, and cope with natural disasters that afflict their markets more than others. In this class, we will hear the personal stories of several E2AGP entrepreneurs, who will share what it's like to start this kind of venture.

Topics:

- What's it like to start a bottom-of-pyramid venture?
- How does the experience vary from model to model?
- What tactics do entrepreneurs use in working with corruption, conflict and/or catastrophe?
- How do entrepreneurs adapt technologies to fit their particular cultures?
- Why do people do these ventures? What are the rewards?
- How do you get started?
- What kinds of pressures do you face?
- How do you sustain your commitment in the face of setbacks?

Guest Lecturer/Entrepreneur:

- TBD

Required Readings (Note: check latest syllabus for final list for this week):

- "How to Use Technology to Spur Development," Renee Kuriyan, Isha Ray and Dan Kammen, Issues In Science and Technology, Winter 2008, pgs. 70-74 [4 pgs]

- Transparency International: <http://www.transparency.org/>
- “The economist’s approach to the problem of corruption,” by Pranab Bardhan: <http://emlab.berkeley.edu/users/webfac/bardhan/papers/number5.pdf>
- Bixby Conference on “War, Poverty, and Population”: http://webcast.berkeley.edu/event_details.php?webcastid=19235
- *How to Change the World: Social Entrepreneurs and the Power of New Ideas*, David Bornstein, Ch. TBD.
- World Bank Report on Conflict & Poverty
- “An Entrepreneur Tackles the Logistics of Disaster”: <http://www.globalenvision.org/library/5/931/>

note Apr 22-23

Assignment: Global Social Venture Competition at Haas School of Business

This is one of the premier events in social entrepreneurship, started by Haas students and now co-sponsored by a consortium of other universities around the world. It is a rare opportunity to see some of what we are focusing on in class in action. Students will be expected to attend key portions of this event as their schedules allow, meet selected entrepreneurial teams involved from around the world and participate as “virtual judges” of the contestant ventures. The details of this assignment will be distributed later, based on the mix of social ventures attending and the size of our class. Also, if you are interested in volunteering to help the organizers of this event, please let any of the GSIs know. In past years, your counterparts have found that a very rewarding opportunity to meet teams from around the world, get to know judges and generally hobnob with pretty interesting people.

14. Apr 29 E2AGP POSSIBILITIES: TECHNOLOGY

Many entrepreneurs start ventures based on technologies or inventions and then try to find markets for them. In this class, we’ll look at an array of intriguing technologies from around the UC campus that may have important potential in global poverty market applications. The track record of technology transfer is decidedly mixed. Many technologies, such as the discoveries behind the “Green Revolution,” have transformed millions of lives; while others, have never gotten traction or even backfired. What lessons should entrepreneurs take away from that history in shaping successful venture strategies?

Topics:

- Case studies:
 - Biotech: Prosetta/Tom Higgins, President
 - Construction: [Small-Scale Sustainable Infrastructure Development Fund \(S3IDF\)](#): Dr. Russell deLucia, President
 - Energy: [Humdinger Wind Energy](#)
 - Food: EID Parry: summary & video
<http://www.bus.umich.edu/FacultyResearch/ResearchCenters/ProgramsPartnerships/IT-Champions/default.htm#Serving>; case
<http://www.bus.umich.edu/FacultyResearch/ResearchCenters/ProgramsPartnerships/IT-Champions/EIDParry.pdf>
 - Design For The Other 90%:
http://video.on.nytimes.com/index.jsp?fr_story=15f568b60ac9c568d21a17fafca72c6f26afde32

Guest Lecturer/Entrepreneur:

- TBD

Required Readings [NOTE: check latest syllabus for final list for this week]:

- *The Design of Everyday Things*, Donald Norman (2002). Basic Books. ISBN: 0465067107
- <http://www.thinkcycle.org/>
- <http://www.sristi.org/cms/>
- <http://www.nif.org.in/>
- <http://www.designthatmatters.org/>
- Chyau C., and Raymond, J-F. (2005, October). "What works: First Mile Solutions' Daknet takes rural communities online." What Works Case Study. Washington, DC: World resources institute: www.firstmilesolutions.com/documents/FMS_Case_Study.pdf
- C.K. Prahalad, Scott Macke, Ruchi Misra, Ajay Sharma. "Jaipur Foot: Challenging Convention." University of Michigan, 2003. (In FBOP, and online at: <http://www.bus.umich.edu/FacultyResearch/ResearchCenters/ProgramsPartnerships/IT-Champions/JaipurFoot.pdf>)

15. May 6 E2AGP POSSIBILITIES: A LOOK AHEAD (READING PERIOD)

Our final class will be a panel discussion on the prospects for E2AGP entrepreneurship, with entrepreneurs, funders and other observers. We will look back across the territory and concepts we've considered during the semester, and consider several overarching themes. Finally, we will identify a number of ways in which those of you who are interested in delving further into this area might do so, e.g., other courses, fellowships, summer programs, ventures, etc.

Topics:

- Where is E2AGP entrepreneurship headed?
- What challenges must it overcome?
- What kinds of impacts can it have on global poverty?
- How can interested students get involved?

Guest Lecturer/Entrepreneur Panelists:

- TBD

Required Readings [NOTE: check latest syllabus for final list for this week]:

- TBD

16. May 13 FINAL ASSIGNMENT DUE

Congratulations on an excellent semester!

OTHER POLICIES

Name Tents/Seating/Absences/Etc.

I will assign seating in order to get to know your names faster and make it easier for the GSIs to track attendance. Speaking of which, I expect you to notify Brianna via email in advance if you cannot make a class due to illness or family emergency, and get confirmation that you are excused (remember to include “UGBA 1965” in the subject line). Your absence will always be regretted; but if not excused, it will also be noted.

Class Reps and Feedback

Depending on the size of our class, I’ll ask for 1-3 volunteers to act as your class reps. In addition to earning your undying gratitude, they will receive at least two all-expense-paid lunches at the Faculty Club with Brianna, Nipun and me to give us their/your unvarnished feedback about how the course is going and suggestions for improving our collective journey this semester. Thanks in advance to whomever of you volunteer; and the rest of you should feel free to contact him/her/them with any confidential feedback you’d like them to share with us; although you should feel free to also communicate with us directly if you’d like. We have pretty thick skins and are eager, given the urgency and magnitude of what we’re discussing, to make this course one of the best on campus.

Peer-to-Peer Feedback, Fairness and Accountability

In addition to my grading and feedback from our GSIs, you will both give and receive three flavors of peer-to-peer assessment that will be shared as well with Brianna, Nipun and me. The first will be your client’s assessment of your helpfulness as his/her consultant for the Country Focus Research portfolio effort; and vice versa as a client yourself. The second will be your classmates’ forced ranking, comments and suggestions on your team’s YouTube video. Third will be your own teammates’ assessment of whether you played a notably exceptional role on your teams (YouTube and final project), carried your weight fairly vis-à-vis the rest of your team or simply failed to do your share of the work. The first two will not affect your formal grade, but the last one can on either the upside and downside extremes. So you can expect a fair amount of commentary on your work throughout the course.

Assignment Logistics

Please submit all written assignments in 2 forms: via the “Assignments” section on BSpace, and a printed version (if possible, copied on both sides) to yours truly, with your autograph to confirm that your work complies with UC’s Academic Integrity standards. Make sure your papers are proofed thoroughly and cite your sources appropriately in an attachment if necessary. All papers: Helvetica/Ariel/comparable 11-point font, space-and-a-half spacing, 1” margins all around. Page limits [and the 5:00 minute YouTube limit] are not just guidelines; they’ll be strictly enforced. The deadlines, unless otherwise noted, are beginning-of-class on the designated day.

Extra Credit Opportunities

There is one formal opportunity, but if you have another idea, please discuss it with a GSI first. No guarantees, but I’m open to the possibility based on their recommendation.

- Attend an on-campus event related to a topic discussed in class and participate in some way: ask a question of the panelists, network with other attendees before or after, get a business card and follow-up with an email, etc. In whatever space you want to work, it is important to be involved in the community of like-minded folks. Going to events is a great way to network and may even lead to a job (ask Brianna about her experience!). Topical events happen almost everyday around campus. Good resources to find an event are:
 - Berkeley Energy and Resources Collaborative (BERC) calendar:
<http://events.berkeley.edu/index.php/calendar/sn/berc.html>

- Blum Center for Developing Economies calendar:
<http://events.berkeley.edu/index.php/calendar/sn/blum.html>
- CITRIS calendar: <http://www.citris-uc.org/events/upcoming>
- Campus-wide calendar: <http://events.berkeley.edu/index.php>

Please email the GSI before attending (or before doing the write-up) to confirm the event is appropriate. To receive credit, turn in a 1-page brief of the event: tell us your impression of the crowd, the caliber of speaker(s), detail your participation, and any other observations. Your lowest quiz score will be replaced if you demonstrate your effort to engage and reflection in your write-up.

Late Assignments/Extensions

The best advice here is don't. Talk to a GSI about it if you must.

Questions?

If you don't ask, we can't tell. Just speak with any of the GSIs or me if you have any other questions or suggestions about the course along the way.

We're looking forward to a great class! Thanks for making it so.

John Danner
Senior Fellow
The Lester Center for Entrepreneurship and Innovation
F457
Haas School of Business
University of California, Berkeley
danner@haas.berkeley.edu

OTHER RESOURCES (list to be expanded by students and faculty as semester unfolds):

UNIVERSITY RESOURCES:

- Center for Sustainable Global Enterprise at Cornell's BOP Learning Lab: <http://www.johnson.cornell.edu/sge/boplaboratory.html>
- University of Michigan Base of Pyramid Conference: <http://www.bop2007.org/>
- Stanford Social Innovation Review: <http://www.ssireview.org/>
- Harvard's Social Enterprise Initiative: <http://www.hbs.edu/socialenterprise/resources/>
- Center for the Advancement of Social Entrepreneurship (CASE): <http://www.caseatduke.org/knowledge/>
- NYU's Catherine B. Reynolds Foundation Program in Social Entrepreneurship: <http://www.nyu.edu/reynolds/resources/>

BOOKS

- *Emerging Markets, Emerging Models:* <http://www.monitor.com/Expertise/BusinessIssues/EconomicDevelopmentandSecurity/tabid/69/L/en-US/Default.aspx>
- *The Power of Unreasonable People:* http://www.sustainability.com/aboutsustainability/article_previous.asp?id=1316
- *The Fortune at the Bottom of the Pyramid:* <http://knowledge.wharton.upenn.edu/article.cfm?articleid=1020>
- *The Bottom Billion:* <http://bottombillion.com/>
- *The End of Poverty:* <http://www.earth.columbia.edu/pages/endofpoverty/index>
- *White Man's Burden:* <http://www.amazon.com/White-Mans-Burden-Efforts-Little/dp/1594200378>
- Chris Anderson, *The Long Tail*. (Anderson's blog: <http://www.thelongtail.com/>)
- *Enterprising Nonprofits: A Toolkit for Social Entrepreneurs* by J. Gregory Dees, Jed Emerson, and Peter Economy
- *Strategic Tools for Social Entrepreneurs* by J. Gregory Dees, Jed Emerson, and Peter Economy
- *Social Entrepreneurship: The Art of Mission-Based Venture Development* by Peter C. Brinckerhoff
- *How to Change the World: Social Entrepreneurs and the Power of New Ideas* by David Bornstein

BOOKS - by Social Entrepreneurs

- *Three Cups of Tea:* <http://www.threecupsoftea.com/>
- *The Blue Sweater:* <http://www.thebluesweater.com/>
- *Banker to the Poor:* <http://www.bankertothe poor.com/bankertothe poor/>
- *Creating a World Without Poverty:* <http://www.muhammadyunus.org/Publications/creating-a-world-without-poverty/>
- *Leaving Microsoft to Change the World:* <http://www.leavingmicrosoftbook.com/>

PUBLICATIONS

- Good magazine: <http://www.good.is/>
- Social Entrepreneurship Abstracts: http://ssrn.com/update/erpn/erpn_social-entrepreneurship.html
- NextBillion.net--Development Through Enterprise (World Resources Institute Development Through Enterprise): <http://www.nextbillion.net/research>
- Base of the Pyramid Learning Lab Network: http://www.bopnetwork.org/front_page
- World Microfinance Forum: <http://www.microfinanceforum.org/en/p66000178.html>

COMPENDIA

- Ashoka compendium of social entrepreneurship resources: <http://usa.ashoka.org/resources>
- Social Enterprise (Social Entrepreneurship) compendium of resources: http://managementhelp.org/soc_entr/soc_entr.htm
- Skoll Foundation's Social Edge compendium of resources: <http://www.socialedge.org/resources/edge-wiki/SocialEntrepreneurship>
- "Social Entrepreneurship: Resources for 'Patient' Capital," April 3, 2009, BusinessWeek: http://www.businessweek.com/smallbiz/content/mar2009/sb20090330_647056.htm?chan=top+news_sr+---+sb+social+entrepreneurs+2009_special+report%3A+social+entrepreneurs+2009
- Sundance: www.sundance.org/pdf/2008-07-01-resource-guide-social-entrepreneurship.pdf
- Draper Richards Foundation list of resources: <http://www.draperrichards.org/resources/social.html>

OTHER ORGANIZATIONS

- Business In Development Network: <http://www.bidnetwork.org/>
- World Resources Institute Development Through Enterprise: <http://www.nextbillion.net/>
- IEEE/ACM International Conference on Information and Communication Technologies and Development (ICTD2007): <http://research.microsoft.com/workshops/ictd2007/>
- Acumen Fund
- Ashoka
- Echoing Green
- Fair Trade Certified
- FLOW
- Good Capital
- International Network of Social Entrepreneurs
- New Profit
- Nonprofit Finance Fund
- RSF Social Finance
- Schwab Foundation for Social Entrepreneurship
- Skoll Foundation
- Social Edge
- Social Enterprise Alliance
- Social Venture Network
- Center for Sustainable Global Enterprise at Cornell's BOP Learning Lab: <http://www.johnson.cornell.edu/sge/boplabs.html>
- Business In Development Network: <http://www.bidnetwork.org/>
- University of Michigan Base of Pyramid Conference: <http://www.bop2007.org/>
- World Resources Institute Development Through Enterprise: <http://www.nextbillion.net/>
- IEEE/ACM International Conference on Information and Communication Technologies and Development (ICTD2007): <http://research.microsoft.com/workshops/ictd2007/>
- Chris Anderson, *The Long Tail*. (Anderson's blog: <http://www.thelongtail.com/>)
- Stanford Social Innovation Review: <http://www.ssireview.org/>

OTHER RESOURCES

- "The New Heroes" hosted by Robert Redford, PBS miniseries on social entrepreneurship, available on DVD. Visit the site for stories and slide shows about social entrepreneurs around the world.
- Tweeps (recommended by <http://socialentrepreneurshipwork.blogspot.com/>)
 - Social Entrepreneurship: @socialedge @skollfoundation @poptech @civicventures @echoinggreen @ashokatweets @changemakers @AshokaGenV @acumenfund @nextbillion

- @UnLtd @UnLtdWorld @SchSocEnt @socialcitizen @casefoundation @thinkchangeind @socialearth @BeUnreasonable @socialentrprnr @ideablob
- **Social Entrepreneurs:** @socialedge (the source of these next 99 suggestions) @skollfoundation @poptech @civicventures @echoinggreen @ashokatweets @changemakers @AshokaGenV @acumenfund @nextbillion @UnLtd @UnLtdWorld @SchSocEnt @socialcitizen @casefoundation @thinkchangeind @socialearth @BeUnreasonable @socialentrprnr @ideablob
 - **Others in the field:** @global_x @tomjd @jnovogratz @rodneyschwartz @jongos @slboval @Montero @judechia @Kevindoylejones @AmiDar @emeka_okafor @trielly @tomwatson @dnbornstein @davepeery @peterdeitz @EncoreTerry @mdangear @stevecase @zyOzyfounder
 - **Philanthropy-related gurus:** @Philanthropy @OnPhilanthropy @p2173 @tactphil @Philanthropy411 @philosopher20 @pndblog @fdncenter @gatesfoundation @Grameen_Fdn @idealist @worldchanging @sustainablog @davos @takepart @e180 @startingbloc @atlascorp @dosomething @globalgiving
 - **“NP/VC/Tech/social media for social good geeks”:** @kanter @bbravo @afine @mashable @webb @jessicashortall @hildygottlieb @TechSoup @appafrica @afrigadget @socap09 @SVNetwork @newprofit @SVTgroup @nesta_uk @socialgood @Ventureneur @socialbusiness @socialactions @netsquared
 - **Name - Erik Hersman**
Twitter - @whiteafrican
Why You Should Follow - Founder of Ushahidi, blogger at AfriGadget and WhiteAfrican, all around smart guy and great tracker of the African technology and innovation
 - **Name - Guy Kawasaki**
Twitter - @guykawasaki
Why You Should Follow - Founder of Alltop, social media evangelist and best selling author on entrepreneurship, tweets regularly with practical advice for traditional and social entrepreneurs
 - **Name - Vanessa Mason**
Twitter - @vanessamason
Why You Should Follow - Blogger and tracker about all things global health, international development, and creative solutions to poverty and inequality
 - **Name - Marc Dangear**
Twitter - @mdangear
Why You Should Follow - Founder of Entrepreneur Commons and general advisor to social entrepreneurs
 - **Name - Joe Solomon**
Twitter - @engagejoe
Why You Should Follow - Social media consultant working with Social Actions, Joe's Twitter stream is a hub for all online social innovation
 - **Name - VCTips**
Twitter - @vctips
Why You Should Follow - An aggregator of great tips for those entrepreneurs who are pitching or looking to pitch to venture firms and angel investors
 - **Name - Jon Gosier / Appfrica**
Twitter - @appfrica
Why You Should Follow - Jon's Appfrica project does a phenomenal job keeping track of social technology innovations with ramifications for the developing world
 - **Name - Social Entrepreneurship at Change.org / Nathaniel Whittemore**
Twitter - @socialentrprnr
Why You Should Follow - Our official Socialentrepreneurship.change.org Twitter account - get updated about new posts and interesting projects