SOCIAL INNOVATION: DESIGNING FOR CHANGE
KPPI 452

Fall 2018

Kara Palamountain, MBA

Class: TH 6:30pm-9:30pm
Office Hours: By appointment
OVERVIEW

**KPPI 452 Social Innovation: Designing for Change** immerses students into the dynamic world of social innovations through discussions, readings, guest lecturers, field trips and, most importantly, a team-based consulting project for a social innovation organization.

In this experiential lab course, students will explore - in class and through quarter-long consulting projects - innovation as a mechanism for social problem solving. The lab component of this course places teams of 4-5 Kellogg students with an organization that has an innovative product, service or business model. Teams will work with not-for-profit organizations with revenue-generating initiatives and for-profit companies working in: education; energy & sustainability; financial services; healthcare; and community development. This class will be beneficial for students who want to start, work for, advise or invest in an organization with an innovation that is designed to have a social impact.

Participants will learn about promising in local and global trends in social innovation while developing practical research and consulting skills. Innovation projects help build clients' organizational capacity and increase sustainability for entrepreneurial not-for-profit and for-profit companies seeking to have a social impact.

For innovation projects, students have a variety of innovator organizations to choose from. Each organization has a set of questions that are relevant to certain topics covered throughout the course. Here is a list of innovation projects for last year's class in the Fall of 2017.

- **Bempu Health**: Bempu Health is in Bangalore-based for-profit organization on a mission to improve maternal and child health outcomes in low- and middle-income countries by developing and commercializing life-saving health technologies. The Bempu Hypothermia Monitoring Device is the first such technology in the organization’s portfolio.

  To date, Bempu Health has focused on commercialized their hypothermia monitoring device in several states in India, but is now prepared to look beyond India. Students will help Bempu Health think about additional countries/regions to consider. Students would research and prepare a country selection plan for Bempu Health.

- **Global Strategies**: Global Strategies is a Bay Area nonprofit that developed NoviGuide, a tablet-based training and decision-support tool for nurses caring for newborns in resource-limited countries. NoviGuide aims to address current barriers to neonatal care improvement by offering increased fidelity to guidelines, efficiency with streamlined decision support algorithms, accuracy with automatic medication and fluid calculations, reinforcement of skills learned in standard training, and monitoring using seamless cloud-based usage data uploads.
While the need for the NoviGuide product is clear, Global Strategies is exploring how this need translates into customer demand. Will the product be paid for by large NGO’s, by device manufacturers, by local governments, or some other customer segment? Global Strategies is looking for students to help define the customer segments as well as potential revenue models for NoviGuide.

- **Grou**: Grou is a Bogota-based organization connecting smallholder farmers and buyers in Colombia. Since its founding in 2016, Grou has delivered 11 tons of produce to 23 restaurant customers in Bogota via its online portal.

  As Grou expands, the founders want to ensure that the organization is not only profitable but also has a social impact. Students will conduct a market scan of other organizations connecting smallholder farmers to buyers via technology sharing relevant business models and impact measurements (reduction in food waste, improving farmer income, etc) with the organization’s leadership.

- **Krishi Star**: Krishi Star is dedicated to improving incomes for small farmers in India. This Mumbai-based for profit is creating a network of profitable farmer-owned food processing units and selling their products through the Krishi Star brand.

  Krishi Star is looking for opportunities to sell their farmer’s products in the US market. What grocers or buyers would be good partners and what types of products are they looking for? Krishi Star is also looking for partnerships to help improve efficiency at their food processing plants. In exchange, Krishi Star can provide access to the Indian market. Krishi Star can also be a supplier to any grocer or buyer (in India or US) looking to source their food from small farmers in India. Students will explore these or other partnership opportunities for Krishi Star.

- **New Hope Ecotech**: New Hope Ecotech is a Sao Paulo-based for profit / nonprofit hybrid organization focused on the recycling industry in Brazil. Since its founding in 2014, New Hope Ecotech’s technology has grown rapidly and now coordinates the recycling of 50 tons of waste per month from 66 consumer packaged goods companies through 193 recycling organizations.

  As New Hope Ecotech continues its growth, the organization will need to invest in additional employees to drive customer acquisition. Students will develop a financial model that quantifies the social and financial impact associated with various investment levels.

- **PATH**: PATH is a Seattle-based nonprofit that, in collaboration with MSR Global Health, is developing a chlorine generator (SE Flow) for use in low-resource hospitals. Chlorine is a widely used, effective chemical disinfectant recommended for infection prevention and control in health care settings. However, despite its proven effectiveness, the lack of consistent access to chlorine limits the ability of health care facility staff to provide a safe and hygienic environment for patients. A recent World Health Organization survey of 26,824 health facilities across 11 countries revealed that 31% of these facilities did not have chlorine available.
As PATH develops beta prototypes of SE Flow, students will help PATH explore potential customer segments, including low-resource hospitals, for SE Flow. Customer segmentation decisions would not only fulfill PATH’s mission, but also consider the business model and global partnerships required to maximize the impact of SE Flow.

- **Resurrection Project:** The Resurrection Project is a Chicago-based nonprofit whose mission is to build relationships and challenge individuals to act on their faith and values by creating community ownership, building community wealth, and serving as stewards of community assets. The Resurrection Project is creating a for profit spin off organization in order to create janitorial job opportunities for women living in Chicago’s Pilsen neighborhood. The target employees for this organization face many barriers to employment including childcare, language, and transportation.

As the Resurrection Project considers the spinoff, students will help the organization understand the best in class services provided by other employers to remove these barriers for employees. Ideally, these examples would provide some sort of benefit not only to the employee, but to the employer as well. (e.g., providing childcare reduces turnover, etc)

**COURSE FORMAT**

Class meets Thursday evenings from 6:30pm-9:30pm in the Kellogg Global Hub. Class sessions combine lectures, discussions and visits from guests working at the forefront of social innovation. We will occasionally use class time for interactive workshops or for team projects.

Course readings and homework assignments draw on social innovation literature and media. You will emerge from class having considered critical questions in the field:

- How does one identify a need for social innovation through user-centered design?
- How does one move from identifying a need to developing an innovation to address that need?
- What organizational structures are available for social innovations? What are the pros and cons of these organizational structures?
- How do organizations raise capital and earn revenue for their social innovations? What business models are common, novel, outdated?
- How do organizations measure the impact of innovative products, services and business models?
- What impact does regulation have on an innovative idea? When is it appropriate to patent an innovation?
- How do organizations scale social innovations to other cities, states, and countries?
You will refine your ideas about these theories “from the inside out” through your experience with your team’s innovation client as well as other innovation projects in the class.

**COURSE EXPECTATIONS, ASSIGNMENTS & GRADING**

Grading is comprised of your weekly reports, class contribution, a peer evaluation, weekly assignments, and your final project presentation. Grading will be weighted to your work with your team.

Your final grade is comprised of the following:
- 30% Weekly Reports and Individual Reflection Assignments (team + individual)
- 15% Class contribution (individual)
- 15% Peer evaluations (individual)
- 40% Final project (team)

I know conflicts can emerge which may require you to miss class. Please let me know this might be the case at your earliest convenience. Assignments need to be handed in on time.

**Assignment Due Dates**
1. Weekly Reports (Weeks 1-4, 6-9)
2. Peer Evaluations (Weeks 5 and 10)
3. Final Project (Week 10)

**Weekly Reports (30%)**

Weekly Team Reports help keep the project on track and your team focused. Teams will submit a weekly progress report describing: current objectives, intended activities, upcoming interviews and outreach strategies, insights from the previous week and work to date, and anticipated goals for week ahead. Weekly reports minimally include information such as:

- The team’s next 3 steps and why are these the "right ones" now given the overall project.
- Concerns, challenges or obstacles your team is facing. Resources your team needs to complete your project.
- Your recent agendas from your most recent client meeting and your anticipated agenda for your next meeting.
Individual Reflection Assignments will help ensure this class is a successful experiential learning experience. Individual Reflection Assignments will be the mechanism that students will use to help them identify progress against their Personal Learning Objectives. Personal Learning Objectives may include “hard” skills (financial modeling, marketing experience, etc.) or “soft” skills (assertiveness, strategic thinking, leadership, etc.). Individual Reflection Assignments include:

▪ Responses to Individual Reflection Assignment prompts during weeks 2, 4, 7 and 11.
▪ Sharing your Personal Learning Objectives with your team.
▪ Evaluating your teammates for their progress against their Personal Learning Objectives during weeks 7 and 11.
▪ Providing a final thoughtful final assessment of your progress against your Personal Learning Objectives at the completion of the course.

Individual Reflection Assignment will be graded on a Full/No Credit basis. If you provide thoughtful responses to each assignment, you will receive Full Credit. If not, you will have an opportunity to revise your responses in order to receive Full Credit. Otherwise, you will receive No Credit.

Class Contribution (15%)

Regular participation in class is expected and you will be graded on your class contribution. Please come to class having completed required readings and be prepared to participate in constructive discussion of readings and interactive workshops. On occasion I may also assign homework related to a reading/resource. You should expect readings and assignments serve as foundations for this class. Again, if you need to miss a class please let me know in advance.

Peer Evaluation (15%)

Each team member will provide confidential feedback to me on how each member of your team contributed to weekly reports and the final project. This feedback will be taken into account in your grade. This team member feedback will be in addition to and separate from the feedback provided to your team members based on their Personal Learning Objectives.

Final Project (40%)

Each team will make a final presentation and deliver a final printed project binder. Final projects will be evaluated in terms of whether:
• the final presentation is effective as evidenced by factors such as: clarity, flow, use of time allotted, ability to answer questions thoughtfully;
• you’ve made recommendations that take the organization’s mission and capacity into consideration;
• deliverables are aligned with the scope and goals agreed upon with the client innovator;
• there is enough information to understand your team’s methodology, findings and rationale for recommendations.

Each team must prepare two copies of the report in binders and prepare one flash drive with all materials. One binder is for the client innovator. The other binder, along with the flash drive, is for me. The final report binder should include:

• signed cover page;
• copy of the final presentation;
• supplemental information to ensure your client understands your methodology, analysis, findings and can implement your recommendations;
• appendices including detailed write-ups of the interviews, surveys or bibliography of related research, etc.

OFFICE HOURS
I will be available for office hours on Thursday between 3:00pm-5:00pm or by appointment.

NON DISCLOSURE
This class operates under an assumed non-disclosure agreement with our clients. Please ask your client to be specific regarding what information is considered proprietary or confidential.

HONOR CODE
The Northwestern University Honor Code applies to this course.

ACKNOWLEDGEMENTS
I would like to thank Megan Kashner and Jordan Elizabeth Hughes for guidance with this course.

FALL 2016 SCHEDULE OVERVIEW

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<tr>
<th>Week</th>
<th>Date</th>
<th>Topic</th>
<th>Key Activities</th>
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Palamountain-KPPI 452-Fall 2018
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<tr>
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<th>Date</th>
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<tbody>
<tr>
<td>0</td>
<td>Sept. 10</td>
<td>Innovation Projects Posted</td>
<td>Rank innovation project preferences; submit resume for team composition</td>
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<tr>
<td>1</td>
<td>Sept. 27</td>
<td>Defining Needs and Social Innovations / Client Innovator &amp; Innovation Project Team Introductions</td>
<td>Guest: David Gatchell, Director, MaDE Program</td>
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<td>2</td>
<td>Oct. 4</td>
<td>Legal Structures for Social Innovations</td>
<td>Guest: Darren Green</td>
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<td>5</td>
<td>Oct. 25</td>
<td>Impact Investing</td>
<td>Guest: Jamie Jones, co-founder of Impact Engine</td>
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<td>6</td>
<td>Nov. 1</td>
<td>Bringing Social Innovations to Scale</td>
<td>Guest: Placeholder for USAID’s Center for Accelerating Innovation and Impact</td>
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<td>7</td>
<td>Nov. 8</td>
<td>Impact Measurement</td>
<td>Guest: Dean Karlan, Global Poverty Research Lab and the Nemmers Distinguished Professor of Economics and Finance at the Kellogg School of Management</td>
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FALL 2018 SCHEDULE DETAIL

WEEK 0: INTRODUCTIONS & PROJECT ASSIGNMENTS
Client innovators and innovation projects will be posted by September 10th (if not earlier). Once projects are posted I will send you a survey asking you to rank your preferences for client innovator projects, submit your resume and answer a few informational questions. I will consider students’ preferences and professional experiences when I assemble teams. I will let you know about a week before class starts, which team you have been assigned to.

Due by Week 1 (9/27)
• Read When Will Design Get Serious About Impact? (SSIR, 12/8/14)
• Read about Human Centered Design Process and Offerings

WEEK 1 (9/27): DEFINING NEEDS AND SOCIAL INNOVATIONS / INNOVATION TEAM INTRODUCTIONS
I will start with a broad overview of social innovation and the goals for this class. I will review overall course expectations, the scope of the team projects, and critical considerations for your work as consultants. We will also have an exciting workshop on human-centered design where you will learn the process for identifying needs and innovations to address those needs.

Due by Week 2 (10/04)
• Reach out and introduce yourself to your teammates. Share your Personal Learning Objectives with your teammates.
• Reach out to client innovator and set up first meeting.
• Site visit or phone meeting with your client innovator.
• Weekly Team Report. At the end of your weekly report please describe your client’s innovation, what need this innovation addresses, and how your client identified this need.
• *Foundation-Owned Social Enterprises: A New Way Forward? (SSIR, 8/4/2014)*
• *In Search of the Hybrid Ideal (SSIR, Summer 2012)*
• Individual Reflection Assignment #1: Set 2-3 Personal Learning Objectives and share these with your teammates at your first internal team meeting.

**WEEK 2 (10/04): LEGAL STRUCTURES FOR SOCIAL INNOVATIONS**
What are the similarities and differences amongst the private, nonprofit, public and philanthropic sectors? Some people argue the boundaries around these institutional types are increasingly blurred by social entrepreneurship and social return on investment. Why do these sectors matter when designing for social impact? What is a mission-driven endeavor? What are the difference between an investor and a funder? Understanding the differences, similarities and overlap of these sectors will provide a foundation for the rest of the class.

By the time we meet for Week 2 teams will have met with clients to finalize the project scope and will have begun the investigation phase of the innovation project. All teams will be expected to give a 5-minute report on key insights and challenges. Each team will need to sign up for a mandatory check in time with the professor to take place prior to Week 3.

Note: Special guest Megan Kashner will join us to share her experience and thought process setting up Benevolent, a social impact not-for-profit organization with a for-profit subsidiary.

**Due by Week 3 (10/11):**
• Weekly Team Report. At the end of your weekly report, please describe your client’s legal structure, why your client picked that legal structure and if your client has ever considered other legal structures.
• Sign up for team check in with Professor in Weeks 3 or 4. In class meeting possible.


**WEEK 3 (10/11): BUSINESS MODELS**

What makes an entrepreneurial endeavor social? How does an organization “create, deliver, and capture value?” In this class we will discuss strengths and weaknesses of the business template from a social enterprise standpoint. How might the canvas need to be modified for a social enterprise endeavor? How might a business canvas be useful in your client projects?

**Due by Week 4 (10/18):**

• Weekly Team Report. At the end of your weekly report map your client organization onto the Business Model Canvas. Be prepared to discuss your map.

• Individual Reflection Assignment #2: Respond to the following Reflection questions:
  o What progress have you made against your Personal Learning Objectives?
  o What challenges have you encountered relative to your Personal Learning Objectives or in your team interactions?
  o What will you do differently in the next few weeks?

• View 5 pitches and come prepared to discuss which pitch you liked the best and why.
  o **USAID Saving Lives at Birth** Pitches (Grant Funding)
  o **SOCAP 2016 Pitches** (Impact Investor)
    - Education and Technology
    - Energy and Environment
Community Development and Health

WEEK 4 (10/18): BUSINESS PLANS FOR SOCIAL INNOVATIONS
What are the key elements to pitching a social innovation and how do you know what level of detail your pitching audience can handle?

Due by Week 5 (10/25):

• Draft final presentation outline or PowerPoint.

• Weekly Team Report. At the end of your weekly report describe the various documents your client innovator has that resemble a business plan or a verbal pitch. What audience were these documents designed for? Are there any missing components?

• Read “What You Need to Know About Impact Investing” https://thegiin.org/impact-investing/need-to-know/

• Skim Digital Storytelling for Social Impact

WEEK 5 (10/25): IMPACT INVESTING
What are the fundamentals of impact investing? How do organizations find investors that are a good fit for them, how do organizations get in front of these investors, and what is the best way to communicate an organization’s impact and financial return.

Due by Week 6 (11/01)

• Individual Reflection Assignment #3: (Meet with your team to discuss progress on your respective Personal Learning Objectives. Do not defend your behavior or your progress. Simply say “Thank you” and ask for clarification, as needed. Be as specific as possible when providing feedback to your teammates.)
  
  o Share the feedback from your teammates on your progress against your Personal Learning Objectives.

  o Do you agree with the feedback of your teammates?

  o How will you incorporate this feedback into the upcoming weeks?

  o Is the project team working together as expected? What will you do to improve your team process in the next two weeks?
• **Weekly Team Report.** At the end of your weekly report describe how your client innovator has or intends to raise money to scale their innovation. (e.g., debt, equity, grants, donations, impact investors, etc).


• Skim [USAID Pathways to Scale](#) guide


**WEEK 6 (11/01): BRINGING SOCIAL INNOVATIONS TO SCALE**

What are the benefits and risks associated with “going to scale?” We will look at cases – successful and otherwise – of organizations which have gone to scale and analyze the business structures, partnership components and local and national contexts in which scaling took place.

**Due by Week 8 (11/08)**

• **Weekly Team Report.** At the end of your weekly report describe if and how your client anticipates how your client innovator intends to scale their innovation.

• Read [Dean Karlan Wikipedia Page](#)

• Read [What Data Can Do to Fight Poverty](#)

• Read [The Next Stage of Financial Inclusion](#)

• Read [Chapter 1 of More than Good Intentions](#)

**WEEK 7 (11/08): IMPACT MEASUREMENT**

How are organizations doing and how do we know? In this class we’ll review tools for tracking and measuring outcomes and metrics for evaluating social innovations.

**Due by Week 8 (11/15)**

• Second draft final presentation outline or PowerPoint.

• Putting the Pieces Together presentation for Week 9 (see below)

**WEEK 8 (11/15): Putting the Pieces Together**

Each team will give a 7-10-minute discussion about the connections between the client and classes and readings to date. All teams will be expected to address the following: What is the need the client innovator is addressing with their innovation? What is the innovation? What is the innovator organization's legal structure? What is the business model and plan? What is
your team’s project and what tools or strategies have you used to implement the work? What recommendations do you anticipate making or important findings you anticipate sharing? What key lessons have you learned as a team about social innovation through your project? What key lessons have you learned as a team about social innovation through other projects in the class?

**WEEK 9 / 10 (11/29 and 12/6) - FINALS TEAM PRESENTATIONS TO CLIENTS**

Final team presentations to class will take place in class on November 29 and December 6. Teams will also present to their clients in a separately scheduled meeting with the client and the professor. Peer evaluations, final presentations to clients and the final project materials are due by 5pm December 7th.

**Due by Week 11 (12/6)**

- Final Individual Reflection Assignment: Submit an individual write up to assess your development against your Personal Learning Objectives over the quarter. Meet with your team to gather feedback (again, please accept the feedback graciously and thank your teammates for their contributions to your personal development) and incorporate this feedback in response to the following prompts:
  - What were your Personal Learning Objectives?
  - What actually happened during the course of the project with respect to your Personal Learning Objectives, team interactions and project deliverable? Include feedback from your teammates and provide specific examples, where possible.
  - What caused these results?
  - Upon reviewing the experience, identify and describe an example of a different approach (e.g., decision or action) you could have taken. What do you feel the impact such a change would have had?

**OTHER READINGS/RESOURCES**

If you find the class readings interesting here are some other readings and resources you might find interesting as well. Many of these are becoming part of the "cannon" of social enterprise literature.

