

Social Enterprise and Management

2016 Spring (3 Credits)

[Purpose of Lecture]

This course introduces the basic principles of management and deals with the management of social enterprises.

The characteristics and types of social enterprises, the nature of creating social values and the management principles of social enterprises will be studied. We also study how to implement the business model needed for the management of social enterprise, success factors of strategy and sustainability.

[Professor]

Prof. Dae-Chul Jang (3391, nozajang@gmail.com)

TA: TBA

[References]

1. In this class, we use various materials such as articles and newspaper report, including basic textbooks and reference materials.

2. Books

- A. CCTV Documentary Production Team (2014), *The age of Enterprise*, Dasan Books
- B. Joan Magretta (2002), *What Management Is: How It Works and Why It's Everyone's Business*, Free Press
- C. Crutchfield, Leslie and Grant, Heather McLeod (2008), *Forces for Good: The Six Practices of High-Impact Nonprofits*
- D. Goldman, Seth and Nalebuff, Barry J. (2014), *Mission In a Bottle: The Honest Guide to Doing Business Differently and Succeeding*
- E. Osterwalder, Alexander and Pigneur, Yves (2010), *Business Model Generation*

3. References

- A. Mikitake Nobu (2014), *Why do I focus on opportunity*, Son, Jungui's challenges
- B. Roy F. Baumeister, John Tierney(2011), *WILLPOWER: Rediscovering the Greatest Human Strength*, The Penguin Press
- C. Peter Drucker (2003), *The Effective Executive*
- D. Arie De Geus (2002), *The Living Company*

E. Johnson, Steven (2010), *Where Good Ideas Come From*

F. Timothy Clark, Alexander Osterwalder, and Yves Pigneur (2012), *Business Model You*

G. Matthew Stewart (2009), *Management Myth*

H. Bob Doherty, et al. (2009), *Management for Social Enterprise*

[Assignment]

1. There are two types of assignment: pre and after class assignments.
2. The topic of mid-term report is 'Business Models'; and the final report is for the management issue analysis and its solutions: Please refer to below the schedule, week 8 and week 16.

[Notice]

1. There will be special lectures by invited lecturers.
2. Schedule and content of the lecture are subject to change.

[Grade]

Mid-term report	30%
Final report	30%
Assignment	30%
Participation	10%

[Schedule]

Week	Date	Theme	Remark
1	2.1/3	- Introduction - Meaning of social enterprise	
2	2.8/9	- The success and failure of small start-ups - Decision making and willpower for management	Lunar new years
3	2.15/17	- Decision making and willpower for management (Continued) - Sustainable 100-year-old company conditions	
4	2.22/24	- Success factors of social enterprises (1) - Success factors of social enterprises (2)	
5	2.29/3.2	- Success factors of social enterprises (3) - Business model and foundation of management: Theory	
6	3.7/9	- Business model and foundation of management (Continued)	
7	3.14/16	- Business model and foundation of management: Cases	
8	3.21/23	- Prepare for mid-term presentation	
9	3.28/3.30	- Practice for business model presentation (1)	
10	4.4/6	- Practice for business model presentation (2)	
11	4.11/13	- Social enterprises, innovation and strategy	

12	4.18/20	- Social enterprises, innovation and strategy (Continued)	
13	4.25/27	- Social enterprises and Leadership	
14	5.2/4	- Social enterprises and management issues	
15	5.9/11	- Social enterprises and management issues (Continued)	
16	5.16/18	Final: Presentation	

[Contents]

<01> Lecture introduction

Introduce lectures in general and discuss why we should focus on 'chances'.

[Assignment]

Read the following books, submit a brief summary and write your own opinion.

- CCTV Documentary Production Team (2014), *The age of Enterprise*, Dasan Books

Read the following books, submit a brief summary and write your own opinion. (Deadline: Monday, Feb. 23rd)

- Seth Goldman, Barry Nail Buff, *"The miracle of Honest Tea, inspired by Coca-Cola"*

<02> Meaning of social enterprise

Discuss the meaning of social enterprise and its role.

[Pre-Lecture Assignment]

Briefly summarize contents and write your own opinion after watching below the video clip.

SBS Documentary (E73, Nov-24, 2010): *"The power to live together – Social Enterprise"*

Documentary (E384, Jan-18, 2015): *"The second step: Big issue Korea"*

[Discussion]

"What is social enterprise? Discuss the meaning of social enterprises and social values.

[Lecture] The meaning and role of social enterprises

- Dae-chul Jang, *The concept of social enterprise and its strategic meaning*, Wage Research, Vol.70, 2010 9 Month fall), pp.84-96

<03> The success and failure of small start-ups

Social enterprises are similar to small-scale start-ups in the early days. Therefore, analyzing the success and failure factors of general small businesses (including self-employed enterprises) can give a lot of implications to the management of early social enterprises.

[Pre-Lecture Assignment 01] View the following three videos and summarize their contents briefly and post their opinions on the bulletin board.

- TV Show – Relaxed (Jan-02, 2013), "**Everyone, be rich**"
- Jae-yong Lee, Kim Sung-kyung, and Kim Han-suk's happy day (Jan-08, 2013) "**Zarin Gobi**"
- Healing Camp (E78, Jan-21, 2013) "**The God of Changsha, President Baek Jong-won**"

[Pre-lecture Assignment 02] Read the following three pieces of information and briefly summarize them and submit their opinions on the bulletin board.

- Lee, Jae-hyung (2012), **Actual Conditions of Minor Businesses**, KDI Focus, No. 20 (Aug-9, 2012)
- Hyundai Economic Research Institute (2012), '**self-employed compete with self-employed – 10 Problems of Self-employed**', Weekly Economic Review, Vol. 27, No. 498 (Jul-27, 2012)
- Kim, Sun-Bin (2012), '**Self-Employment's Third Phenomenon and Mitigation Plan**', SERI Business Focus, Vol. 399 (Nov-6, 2012)
- **2010 National Report for Small-scale business** (Jul-2010), Small Business Administration / Small Business Development Agency / Media Research / Research Lab

<04> Decision Making and Will-power for Management

[Pre-Lecture Assignment] List your own consumption standards and principles on the bulletin board

[Lecture] Lecture on 'Rediscovering the Greatest Human Strength'.

- *Recommended Reading:* Roy F. Baumeister, John Tierney(2011), **WILLPOWER: Rediscovering the Greatest Human Strength**, The Penguin Press
- *Recommended Reading:* Peter Drucker (2003), The Effective Executive

<05> Sustainable 100 Year Company Conditions

[Lecture] Lecture and discussion on "The age of Enterprise"

- Required Reading: CCTV Document Production Team (2014), '**The age of Enterprise**', Dasan Books

[Lecture] Discuss the following 'Miracle of Honest Tea'.

- Required Reading: Goldman, Seth and Nalebuff, Barry J. (2014), **Mission In a Bottle: The Honest Guide to Doing Business Differently and Succeeding**
- Special Lecture: Ga-young Kim

[Lecture] Lecture and discussion on 'The Living Company, 100 year-old Company'

- Required Reading: CCTV Document Production Team (2014), *The age of Enterprise*, Dasan Books

[Video clip] Lecture and discussion on below the video clips

- Wonderful TV Surprise E643, *"Time to Say Goodbye"*
- Wonderful TV Surprise E643, *"The Portrait of Marie Antoinette"*
- 100 year-old Store (Jan-13, 2013, E61), *"100 years' Dream, Korea's Store, For another century"*
- 100 year-old Store (Jan-20, 2013, E62), *"100 years' Store, its Success Story"*

<06> Success factors of social enterprise 1

[Pre-lecture Assignment 1] Please read the following information and briefly summarize each item and submit your opinion on the social enterprise's success factors on the bulletin board; We will discuss it in class.

- Required Reading: Hyundai Economic Research Institute (2011), *'Social enterprise is also business – its success and failure and key success factors'*, Weekly Economic Review, Vol. 27, No. 498 (Jul-27, 2012)

[Pre-lecture Assignment 2] 6 success factors of non-profit organizations and social enterprises

- Recommended Reading: Crutchfield, Leslie and Grant, Heather McLeod (2008), *Forces for Good: The Six Practices of High-Impact Nonprofits*

<07> Success factors of social enterprise 2

[Pre-lecture Assignment 1] Please watch the following video clip and briefly summarize and write your opinion on the bulletin board.

- Docu-10 (Jun-6, 2008), *"i-pod story, Think like Steve Jobs"*

[Lecture] *"Success factors of social enterprise through Apple's case"*

<08> Business model and foundation of management: Theory

[Pre-lecture Assignment] Discuss the following reading material.

- Recommended Reading: *"How markets and Firms Work"*

[Pre-lecture Assignment] Please read the following materials and briefly summarize and write your opinion on the bulletin board.

- Required Reading: Osterwalder, Alexander and Pigneur, Yves (2010), *Business*

Model Generation

[Reference 03] Please refer below the thesis about business model.

- Timothy Clark, Alexander Osterwalder, and Yves Pigneur (2012), *Business Model You*
- Joan Magretta(2002), *What Management Is: How It Works and Why It's Everyone's Business*, Free Press
- (Team project) Sayan Chatterjee (2013), "Simple Rules for Designing Business Models," California Management Review, Vol. 55, No.2, pp.97-124
- Matthew J. Eyring, Mark W. Johnson, Hari Nair (2011), "New Business Models in Emerging Markets", Harvard Business Review
- Mark W. Johnson, Clayton M. Christensen, Henning Kagermann(2008), "Reinventing Your Business Model", Harvard Business Review
- Ramon Casadesus-Masanell, Joan E. Ricart(2011), "How to Design A Winning Business Model", Harvard Business Review
- Chris Zook(2007), "Finding Your Next Core Business", Harvard Business Review
- Vijay Govindarajan and Chris Trimble (2011), "The CEO's Role in Business Model Reinvention", Harvard Business Review
- Paul Nunes and Tim Breene (2011), "Reinvent Your Business Before It's Too Late", Harvard Business Review
- Steve Blank (2013), "Why the Lean Start-up Changes Everything", Harvard Business Review

[Reference 04]

- "Design for the Market: Practical examples": A perfect strategy for the technology: A perfect analysis on the market
- Analyze companies from the perspective of analysts in the capital market (stock market): David Watson (2004), Business Models

<09> Business model and foundation of management: Case Study

[Team project] This project aims to analyze and practice business model. A team is freely composed of four people and present in the class. Each of the following two cases is analyzed and further compared to analyze differences and similarities.

- Case 1: Baycat
- Case 2: Artists for Humanity

[Team Project] Please read the following passage and analyze it. A team is freely composed of four people.

Organize presentation materials (PPT) including the questions below to present and discuss in class.

- Case: Fundación Paraguaya (A): The San Francisco School

Question 1) What are the key elements of the San Francisco Model? How easily can each of these be replicated?

2) How successful is the San Francisco School?

3) What are the greatest challenges you see in the Mbaracayu? How should Martin proceed?

<10> Social enterprise, innovation, and Strategy

[Pre-lecture Assignment] Please watch the following video clips and submit your opinion on the bulletin board.

- [KBS Wednesday Documentary] **Hope Revolution from Bangladeshi (060201) .avi**

- [Arabind Ophthalmology Hospital] **'Experiment to change the world, Alternative entrepreneurs'**
The 2nd Part: Ethics is competitiveness (21'24'' – 36'08'')

- VJ Commando (120511) **Two stores in One building** (ending at 45'18'') (45'18'' – 61')

[Lecture] Social enterprises, innovation and strategy

- Garrett and Karnani(2010), **"Challenges in Marketing Socially Useful Good to the Poor"**, CMR
- Christensen, Baumann, Ruggles, Sadtler(2006), **"Disruptive Innovation for Social Change,"** HBR
- Gordon(2012), **"Is US Economic Growth Over,"** NBER
- Prahalad and Mashelkar(2010), **"Innovation's Holy Grail,"** HBR
- Kim Jae-gu (2012), **"Innovative frontier of improving quality of life by making profit, Raising social enterprise"**, DBR
- Bae Sung-ju (2012), **"\$100 high-tech hearing aid, \$40 for under-privileged people"**, DBR
- Immigration (2012), **"Transfer McDonald's system to ophthalmology clinic, lowered surgery cost from USD1,800 to USD18"**, DBR
- W. Chan Kim and Renée Mauborgne (2005), **"Blue Ocean Strategy"**, Harvard Business School Publishing Corporation
- Stuart L. Hart (2010), **Capitalism at the Crossroads: Next Generations Business Strategies for a Post-Crisis World**, Pearson Education, Inc.
- Jeanne, B., Jan, M., Steve, Z. (2010), **Nonprofit Sustainability: Making Strategic Decisions for Financial Viability**, Jossey-Bass.

[Lecture] The source of innovative idea

- Recommended Reading: Johnson, Steven (2010), **Where Good Ideas Come From**
- Recommended Video Clip: The World is now (E39, Dec-01 2012), **"Save the Coral"**, 29'38''~end

- Ludwick Marishane (2012), **“Shower without Water”**

<11> Business Model Case Study

[Individual Assignment] Select two social enterprises that are related to each other (you can also select the business that you own or want to start). (*Deadline will be announced later.*)

<12> Social Enterprise and Leadership

[Pre-lecture Assignment 01] Please watch the following video clips, summarize and submit your opinion on the bulletin board.

- MBC Special (2006), **“2006 New Year’s Planning – Jack Welch, the emperor of leadership and CEOs”**
- MBC Special E.277 (Jul-28, 2007), **“President Yamada – Make a heaven for salary-men”**

[Lecture 02] Social enterprises and Leadership

<13> [TBC] Social Enterprises and Business issues

[Lecture 01] Various issues on social enterprises

- Recommended Reading: Bob Doherty, et al. (2009), ***Management for Social Enterprise***.

[Lecture 02] Problems directly faced by founders

- Recommended Reading: Noam Wasserman (2012), ***The Founder’s Dilemmas***, Princeton University

[Lecture 03] Skepticism of the Business Administration

- Recommended Reading: Matthew Stewart (2009), ***Management Myth***

<Final Presentation>

[Individual Assignment] Identify important management issues related to these companies and present solutions for those companies that were selected during the midterm exams. Compare the two companies and present their conclusions.