

# 15.S43: Building The Social Impact Organization

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Wednesdays, 1-4pm

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*Innovations in technology, finance, and business models are fueling an explosion in social impact organizations. MIT alum Jeff Shames, a leader in the non-profit field, is a former corporate CEO and lifelong expert in investments. Learn from his experience through interactive conversations that draw on insights from collaborators and colleagues representing the leadership of a wide range of organizations. Our goal is to equip you to identify opportunities to design and build a social impact organization that could address the world's biggest challenges.*

Social responsibility has a long history: Some of the world's oldest companies provided housing, healthcare, and support to communities. But the past decade or so has seen an explosion of organizations dedicated to social impact. Innovations in technology, finance, and business models have helped to fuel this growth and enabled everyone from ordinary citizens to business leaders and non-profit innovators to design and grow their efforts to meet social needs.

What have we learned about building a social impact organization? In which domains does a focus on social impact deliver greater value than traditional companies would? How do for-profit firms generate returns for their investors and simultaneously address unmet needs? What are the market failures that social enterprises are best suited to address—and how can social impact efforts orchestrate new forms of collaboration with governments and other stakeholders?

In seven weekly classes, you'll meet experts from the field, discuss innovative case examples, and shape a conversation with fellow students and the teaching team to uncover the broad issues that are giving rise to new solutions to global challenges.

1. 9/6: **Defining a world-changing idea and choosing how to get there**  
For-Profit Companies, Not-For-Profits, and Social Good Organizations;  
Mission and Vision Statements, Organization Structures, Financial Measurements, and Impact  
Focus: Online education  
Watch: CBS News. 2012. *Khan Academy: The future of education?* [13:26]  
<https://www.youtube.com/watch?v=zxJgPHM5NYI>  
Daphne Koller: *What we're learning from online education* [20:41]  
<https://www.youtube.com/watch?v=U6FvJ6jMGHU>  
Peruse: Websites for Coursera and edX  
<https://www.coursera.org/>  
<https://www.edx.org/>  
Read: Kristoff & WuDunn, pp. 3-18, *A Path Appears* [16]  
Guest: Sanjay Sarma, Vice President for Open Learning, MIT (as is the case for all guests: he is invited, but not yet confirmed)

2. 9/13 **Building a large company that does good**  
 Can for-profit companies be a positive force for change?  
 How do you start, manage, and grow into a large organization?  
 Focus: Retail and consumer products with a social mission  
 Watch: *John Mackey, Whole Foods: TedMed talk* [16:10]  
<http://www.youtube.com/watch?v=I-qO82yjiBg>  
 Read: Loten, “Can firms aim to do good if it hurts the bottom line?” [3]  
<http://www.wsj.com/articles/SB10001424127887324010704578414830487038240>  
 Haid, “Want to beat your competitors? Embrace profitable good” [2]  
<http://business.financialpost.com/entrepreneur/want-to-beat-your-competitors-embrace-profitable-good-2>  
 Martin & Osberg, “Social entrepreneurship: The case for definition” *SSIR* [10]  
 Prepare: Cases on Whole Foods [20]; Patagonia [29], Seventh Generation [14]  
 Watch in class: Michael Porter, Why business can be good at solving social problems [16:28]  
[https://www.ted.com/talks/michael\\_porter\\_why\\_business\\_can\\_be\\_good\\_at\\_solving\\_social\\_problems?](https://www.ted.com/talks/michael_porter_why_business_can_be_good_at_solving_social_problems?)  
 Guest: John Repogle, CEO, Seventh Generation  
 Dave Blundin, Founder/CEO, Cogo Labs, Founder-Vestmark, EverQuote, and Vestigo
  
3. 9/20: **Designing a social impact enterprise**  
 How do you start a social impact organization? What does it mean to be a social impact organization?  
 Focus: How do you start a new company and get funding  
 Watch: Alice Chun, SolarPuff: Our Story [2:27]  
<https://www.youtube.com/watch?v=UFjxthY24iI>  
 Readings to be added  
 Cases: Solight Design, Practice, Infinite MD  
 Guest: Josh Cohen, Founder, City Light Capital- Social Impact Venture Fund  
 Alice Min Soo Chun, Founder, Solight Design  
 Chris Kryder, Founder D2 Hawkeye, Chairman-Infinite MD  
 Matt Smith/Sam Shames, Co-Founders, Embr Labs
  
4. 9/27: **Tackling climate change**  
 What is so challenging about climate change? Why are novel solutions needed? What is the role of government and policy, as opposed to companies and nonprofits?  
 Watch: James Hanson, *Why I must speak out about climate change* [17:44]  
[http://www.ted.com/talks/james\\_hansen\\_why\\_i\\_must\\_speak\\_out\\_about\\_climate\\_change](http://www.ted.com/talks/james_hansen_why_i_must_speak_out_about_climate_change)  
 Lee Patrick Sullivan, *Energy 101: Solar Power* [3:23]  
<https://www.youtube.com/watch?v=NDZzAicCQLQ>  
 Read: National Climate Assessment, “Overview” [11]  
<http://nca2014.globalchange.gov/highlights/overview/overview#intro-section-2>  
 Readings to be added  
 Case Studies: Nature Conservancy [25]; BrightSource [24]; Water International [23]  
 Guest: Tom Middleton, Nature Conservancy [skype]
  
5. 10/4 **Meeting global health needs**  
 Intro: What is Global Health? How is it funded? How do you measure it? Why can’t markets meet the needs?

Watch: Paul Farmer, *I believe in health care as a human right* [3:26]  
<https://www.youtube.com/watch?v=xJpZnUjtorI>  
 Hans Rosling, *Let my dataset change your mindset* [22:29]  
<https://www.youtube.com/watch?v=KVhWqwnZ1eM>

Read: Koplan et al, 2009. "Towards a common definition of global health" [3]  
[https://www.globalbrigades.org/media/Global\\_Health\\_Towards\\_a\\_Common\\_Definition.pdf](https://www.globalbrigades.org/media/Global_Health_Towards_a_Common_Definition.pdf)  
 United Nations, "The Millennium Development Goals Report" ["50"]  
<http://www.un.org/millenniumgoals>  
 Kim, "Are we prepared for the next global epidemic?" [3]  
[http://www.huffingtonpost.com/jim-yong-kim/are-we-prepared-for-the-n\\_b\\_7939812.html](http://www.huffingtonpost.com/jim-yong-kim/are-we-prepared-for-the-n_b_7939812.html)

Case Studies: Partners in Health [31], Aravind Eye Hospital [17] {104},  
 Guest: Gary Gottlieb, CEO of Partners in Health

Watch in class: *10 Questions for Paul Farmer* [3:58]  
<http://www.youtube.com/watch?v=ZfbM8hjXwgo>

6. 10/11 **Innovative partnerships, novel collaborations, and nontraditional non-profit models**

What if the most effective way to create change is to enable other organizations, including the public sector, other nonprofits, firms, and charities, to overcome challenges they could not address on their own?

Watch: Peter Diamandis, *Abundance is our future* [16:14]

<http://www.youtube.com/watch?v=BltRufe5kkI>

Dan Pallotta, *The way we think about charity is dead wrong* [18:47]

[http://www.ted.com/talks/dan\\_pallotta\\_the\\_way\\_we\\_think\\_about\\_charity\\_is\\_dead\\_wrong](http://www.ted.com/talks/dan_pallotta_the_way_we_think_about_charity_is_dead_wrong)

*Social Finance's Tracy Palandjian at BSR Conference 2012* [9:02]

[https://www.youtube.com/watch?v=64kMi\\_BcRzg](https://www.youtube.com/watch?v=64kMi_BcRzg)

Read: Diamandis, *Abundance*, chapters 1-2 [12]

Foster & Fine, "How nonprofits get really big" [13]

[https://ssir.org/articles/entry/how\\_nonprofits\\_get\\_really\\_big](https://ssir.org/articles/entry/how_nonprofits_get_really_big)

Peruse: Social Finance website: [www.Socialfinanceus.org](http://www.Socialfinanceus.org)

Case Studies: X Prize [31]; Social Finance [24]; Give Directly

Guests: Peter Diamandis, Founder of The X Prize

Tracy Palanjian, CEO, Social Finance

7. 10/18 **Wrap Up: Critiques and Defenses of Social Impact Organizations**

Further discussion of all topics. What did we learn?

Watch: Bryan Stevenson, *We need to talk about an injustice* [23:41]

[http://www.ted.com/talks/bryan\\_stevenson\\_we\\_need\\_to\\_talk\\_about\\_an\\_injustice](http://www.ted.com/talks/bryan_stevenson_we_need_to_talk_about_an_injustice)

Nancy Frates: *Meet the mom who started the Ice Bucket Challenge* [18:53]

[http://www.ted.com/talks/nancy\\_frates\\_why\\_my\\_family\\_started\\_the\\_als\\_ice\\_bucket\\_challenge\\_the\\_rest\\_is\\_history](http://www.ted.com/talks/nancy_frates_why_my_family_started_the_als_ice_bucket_challenge_the_rest_is_history)

Read: Mananzala & Spade, "The nonprofit industrial complex and trans resistance" [17]

Reich, "Repugnant to the whole idea of democracy? On the role of foundations..." [5]

[http://journals.cambridge.org/download.php?file=%2FPSC%2FPSC49\\_03%2FS1049096516000718a.pdf&code=2f86666f94431f0c4c8f885f98070afa](http://journals.cambridge.org/download.php?file=%2FPSC%2FPSC49_03%2FS1049096516000718a.pdf&code=2f86666f94431f0c4c8f885f98070afa)

Solomon, "Questions for Dambisa Moyo, the anti-Bono" [2]

Rogers, "The 'Ice-Bucket Challenge' helped scientists discover a new gene tied to ALS" [3]

[http://www.nytimes.com/2016/07/28/health/the-ice-bucket-challenge-helped-scientists-discover-a-new-gene-tied-to-als.html?\\_r=0](http://www.nytimes.com/2016/07/28/health/the-ice-bucket-challenge-helped-scientists-discover-a-new-gene-tied-to-als.html?_r=0) {27}

Peruse: Walmart Foundation website: [www.Foundation.walmart.org](http://www.Foundation.walmart.org)  
Starbucks Foundation website: <http://www.starbucks.com/responsibility/community>  
Google Foundation: [www.google.org](http://www.google.org)  
Guest: Linda Mason, Co-Founder, Bright Horizons  
Michael Brown, CEO, City Year  
Fred Goff, CEO, JobCase

#### Note

ALL SPEAKERS LISTED IN THE SYLLABUS ARE TENTATIVE AND ARE NOT YET CONFIRMED

#### Assignments

1. 1 - 2 page reaction to one or more of each class session's case studies assigned for classes 2-6. Due by 5PM the Tuesday before every class (on Sept 12, 19, 26 and Oct 3, 10).
2. 10 page final paper: Design or refine a social impact organization. Explain: What issues are you trying to address? What would be the hard challenges? Would you start a new organization or redesign an existing one? How would you fund it, market it, get people to work for it? What would it look like in year 1? What would it look like in year 5? How would you measure its success and why did you pick those metrics? Due last day of class (October 18)

Since there are only seven classes with lots of speakers and topics to cover, attendance is mandatory and absences will affect your grade.

Final grade based on equally on five reaction papers, 10-page final paper, and classroom participation.

#### **About Jeff Shames:**

Jeffrey Shames is an Executive in Residence at the MIT Sloan School of Management where he lectures in Finance, Leadership and Global Health Management.

He is the retired Chairman and CEO of MFS Investment Management® and the Board of Trustees of the MFS Funds.

He joined MFS in 1983 as an Industry Analyst and was named a Portfolio Manager in 1985, Chief Equity Officer in 1987, President and a member of the board in 1993 and Chairman and Chief Executive Officer in 1998. In September 2002 he retired as CEO and retained the Chairman title until his retirement in February 2004.

From 2010-2013 he was a Senior Advisor at Morgan Stanley where he advised the President of Morgan Stanley Investment Management and Morgan Stanley Smith Barney Wealth Management.

He graduated from Wesleyan University in 1977 and Massachusetts Institute of Technology's Sloan School of Management in 1983. In between college and graduate school he served as a U.S. Peace Corps volunteer in Fiji and with the U.S. Department of Agriculture in Washington, D.C.

He is a member of the Board of Trustees of the X Prize Foundation, City Year, Summer Search, Tufts Medical Center, Wesleyan University and is Chairman of the Board of the Berklee College of Music.

He also serves as a member of the Advisory Boards of the MIT Sloan School of Management, MIT Masters of Finance Program and on the Board of Directors of several new start ups.