



COURSE.....: SOCIAL ENTREPRENEURSHIP AND BASE OF THE PYRAMID
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SYLLABUS

COURSE OBJECTIVES

The Base of the Pyramid (BoP) is a large market in emerging economies. In Brazil most of the population is from BoP. Most large consumer companies recognize not only the huge economic potential of this market, but also the need to well understand the aspirations and peculiar needs of this segment in order to develop successful company strategies to market to this consumer segment.

More than a market, BoP offers a possibility to rethink traditional capitalism, with a lens of more inclusivity and less social inequality. Various movements have emerged in recent years guided by the vision of rebuilding the foundations of capitalism in force, looking to innovative ways of doing business, balancing social impact and profit. This is not a new debate, since organizations have long been seeking a greater purpose, focusing on the market vision and the results logic. Whereas some of these views are in tune with the core of the business, others advocate for a new way of doing business. Different aspects, nomenclatures and concepts address and direct these issues, such as: sustainability, corporate social responsibility, social performance of organizations, shared value, conscious capitalism, and the B Corporations.

One of these trends is the concept of social business / social enterprises (SB/SE) that are organizations that offer access to basic services and reduces vulnerability of poor people, using market mechanisms. Here, social enterprises are considered in a broader view and are understood as business models that create social impact and are financially sustainable. A social entrepreneur is an entrepreneur that has as a primary objective the creation of social value and the improvement of the well-being for the society as a whole. Driven by some inspirational individuals such as Muhammad Yunus, the founder of Grameen Bank, social entrepreneurs have become more common all over the world and represent now a reality, which is impossible to ignore.

The objective of this course is to offer a better understanding about the opportunities and characteristics of BoP markets and to explore the strategies adopted by organizations in this market. Moreover, it will be discussed the concepts, challenges and opportunities of social enterprises in emerging markets, mainly in Brazil.

LEARNING / TEACHING

- Lectures, readings, discussions, cases, in-class activities, exercises, and projects.
- Class discussion is considered to be very important. It is expected that you will attend all classes. Conceptual materials will be presented through formal lectures and class discussions. Participants are expected to complete reading assignments prior to the associated sessions, and to actively participate in all discussions.



PROGRAM CONTENTS

Session 1 – 17/01 (8:00 AM – 11:00 AM – Brazil Time - GMT-3:00) Base of the Pyramid (BoP)

This session has as main objective to understand the characteristics and relevance of the Base of the Pyramid (BoP) and the consumer behavior of the low-income population. The theory of the Base of the Pyramid has evolved in the last years. From a perspective of selling to the poor (BoP 1.0), the concept has evolved to co-creation with the poor (BoP 2.0) and more recently to a more sustainable development approach to poverty alleviation (BoP 3.0). This session will discuss the evolution of this concept.

Required Reading:

Prahalad, C. K., & Hart, S. L. (2002). The fortune at the bottom of the pyramid. *Strategy and business*, 54-54.

Karnani, A. (2006). Misfortune at the Bottom of the Pyramid. *Greener Management International*, (51).

Complementary Reading:

Barki, E.; Parente, J. (2010) Consumer Behaviour of the Base of the Pyramid Market in Brazil. *Greener Management International*. Issue 56. May 2010.

Dembek, K., Sivasubramaniam, N., & Chmielewski, D. A. (2020). A systematic review of the bottom/base of the pyramid literature: Cumulative evidence and future directions. *Journal of Business Ethics*, 165(3), 365-382.

Collins, D.; Morduch, J.; Rutherford, S.; Ruthven, O. (2009) *Portfolios of the Poor: How the world's poor live on \$2 a day*. Princeton University Press: Oxford.



Session 2 – 18/01 (8:00 AM – 11:00 AM – Brazil Time - GMT-3:00)
Businesses with Purpose

In recent years, different concepts have risen that identify a new way of doing business with more purpose (Shared Value, Conscious Capitalism, BCorporations, ESG, sharing economy, circular economy). The aim of this session is to discuss all these trends, their similarities, differences and limits.

Required Readings:

Porter, M.; Kramer, M. (2011). Creating Shared Value. *Harvard Business Review*.

Complementary Reading:

Kim, S., Karlesky, M. J., Myers, C. G., & Schifeling, T. (2016). Why companies are becoming B corporations. *Harvard Business Review*, 17.

Crane, A., Palazzo, G., Spence, L. J., & Matten, D. (2014). Contesting the value of “creating shared value”. *California management review*, 56(2), 130-153.

Sisodia, R. S. (2013). Understanding the performance drivers of conscious firms. *California Management Review*, 55(3), 87-96.

O'Toole, J., & Vogel, D. (2011). Two and a half cheers for conscious capitalism. *California Management Review*, 53(3), 60-76.

Session 3 – 19/01 (8:00 AM – 11:00 AM – Brazil Time - GMT-3:00)
Social Enterprises – concept and challenges

Social enterprises are organizations that aim to solve socio-environmental problems, efficiently and with financial sustainability, through market mechanisms. Many theoretical and empirical studies have been carried out in order to understand the multiplicity of concepts, their variations and divergences. This session aims to discuss the potential, challenges and limits of Social Enterprises.

Required Readings:

CASE STUDY: Veludo-De-Oliveira; T.M.; Barki, E.; Zambaldi, F.; Guissoni, L.A. (2020). Arredondar Movement: Expanding Micro-Donations in Brazil. University of Virginia: Darden Business Publishing. Harvard Product Number UV7980.

Dees, J. G. (1998). The meaning of social entrepreneurship.



Complementary Reading:

Barki, E.; Campos, J.G.; Lenz, A.; Kimmitt, J.; Stephan, U.; Naigeborin, V. (2020). Support for social entrepreneurs from disadvantaged areas navigating crisis: Insights from Brazil. *Journal of Business Venturing Insights* 14 (2020) e00205. <https://doi.org/10.1016/j.jbvi.2020.e00205>

Barki, E.; Rodrigues, J.; Comini, G. (2020). Impact business: a concept under construction. REGEPE: *Revista de Empreendedorismo e Gestão de Pequenas Empresas*. 9:4, p. 477-501. <https://doi.org/10.14211/regepe.v9i4.1980>

Barki, E.; Comini, G.; Cunliffe, A.; Hart, S.; Raj, S. (2015). *Social entrepreneurship and social business: retrospective and prospective research*. *Revista de Administração de Empresas*, 55:4.

Martin, R.L.; Osberg, S. (2007) Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*. Spring 2007.

**Session 4 – 20/01 ((8:00 AM – 11:00 AM – Brazil Time - GMT-3:00)
Theory of Change, Metrics and Impact Investing**

This session aims at discussing how to create a Theory of Change and to understand its objectives and limits. In this session it will be also discussed social innovation. Moreover, one of the challenges of social enterprises is to evaluate their impact. This session will discuss tools and possibilities for social entrepreneurs to evaluate and manage their impact

Required Readings:

CASE STUDY: Acumen Fund: Measuring in Impact Investing

Complementary Reading:

Khander, S.R.; Koolwal, G.B.; Samad, H.A. (2010). Handbook on impact evaluation: quantitative methods and practices. Washington: The International Bank for Reconstruction and Development / The World Bank.

Theory of Change Review,” Cathy Jones, A report commissioned by Comic Relief, 2011

Brest, Paul (2010). The Power of Theories of Change, *Stanford Social Innovation Review*.

Mulgan (2006). The Process of Social Innovation. *Innovations*.



Session 5 – 21/01 (8:00 AM – 11:00 AM – Brazil Time - GMT-3:00)
Conclusions & Presentation Final Project

In this session we will make the final remarks about the course, closing the discussions of the previous sessions. Moreover, students should present their final group project.

PERFORMANCE EVALUATION

Activities	Class Discussions & Cases	30%
Final Exam		35%
Final Project		35%

FINAL PROJECT

In groups of up to 5 people, students must prepare a project, which might be one of the three possibilities:

- 1- Create a **video documentary** with a maximum of 10 minutes with a critical view of the subjects discussed in class. Groups can select a specific point discussed in class, or have a broader discussion on all topics. The assessment will be based on the creativity of the group, the depth of analysis and references used.
- 2- Develop a **business plan** of a new social enterprise that will solve a social problem. The group should clearly present the problem, the value proposition and how it will monetize the product/service. *One possible structure* of the business plan is:
 - a. Definition of the Social Problem and size of the problem
 - b. Idea of the product/service to face the problem
 - c. Value Proposition
 - d. Communication Strategy
 - e. Sales Strategy
 - f. Monetization/Price Strategy
 - g. How to evaluate the impact
- 3- **Case Analysis:** The students might study a social enterprise from any country. This case analysis has to be based on secondary and/or primary data. This analysis should have *at least*:
 - a. History of the social entrepreneur **and** the social enterprise
 - b. Business Model & Value Proposition
 - c. Organizational Structure
 - d. Main Challenges
 - e. Future Perspectives



INSTRUCTOR RÉSUMÉ

EDGARD BARKI

Professor of Social Entrepreneurship and Marketing at FGV EAESP. Head of the Entrepreneurship Center at FGV EAESP. Invited Professor at Saint Gallen University. Member of Advisory Board of several social enterprises in Brazil. Professor Barki holds a PhD and a Master from Fundação Getúlio Vargas and an MBA from University of São Paulo. Former Associate Dean of the Master in International Management FGV EAESP. His research interests are in the areas of social entrepreneurship and entrepreneurship in disadvantaged areas. Barki is the author of numerous articles and co-author of the books “Negócios de impacto socioambiental no Brasil” (Business with social and environmental impact in Brazil), “Negócios com Impacto Social no Brasil” (Business with social impact in Brazil), “Varejo no Brasil” (Retail in Brazil) and “Varejo para Baixa Renda” (Retailing for Low Income).
