SOCIAL LEAN LaunchPad

Course Approach Overview

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2014, Developed by Jorge Calderon, Managing Director, jorge@impactstrategyadvisors.com

Course Overview

The Social Lean LaunchPad course provides a real-world innovation simulation environment where student social venture teams discover and advance a business idea through a set of concrete innovation design and development steps – starting with concept ideation and prioritization, through several discovery and refinement phases, towards a final launch plan.

The course explores the distinct design and management challenges and opportunities inherent in creating and growing business ventures that intend to deliver measurable financial and social/environmental returns to a diverse set of stakeholders.

The curriculum approach is guided by a combination of theories and frameworks, including the *Lean Methodology* (a quality improvement methodology adapted for designing new businesses), the *Social Blueprint Business Design Framework* (an organizing principle recast for the purpose economy) and the *Social Entrepreneur Mindset* (a portfolio of leadership principles that serve to equip entrepreneurs to navigate the creative tensions inherent in social ventures and become an effective agent for social change). This "Social Lean" approach emphasizes the gathering and synthesis of direct stakeholder data to verify and refine a dynamic set of social venture business design hypotheses.

In a process best described as a "journey", each week student teams tests aspects of their business designs through alternating stakeholder primary research methods and then presents their findings, insights and refined business models to the class for feedback and coaching. Student teams then incorporate the guidance and encouragement received from the instructors, class members and expert guests into their set of business hypothesis for further testing. At the final class meeting, each team presents an actionable launch plan to the instructors and their peers, as well as to a guest group of accomplished social impact experts.

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Course Student Objective

Unlike an accelerator, the mastery of the approach in this class is a higher priority than building a successful company launch

- Arrive at a genuine scalable solution to a current social and/or environmental problem.
- Develop a firsthand perspective and appreciation for the demands and challenges, as well as the potential for social impact and sense of achievement, of developing and managing a social venture.
- Gain a strong grasp of industry best practices and business management tools that can be utilized to further their current/future social ventures and/or activated in other business innovation systems.
- Develop a deeper appreciation of the specific societal and environmental systems in which business solutions may operate to deploy scalable, impactful, social innovations.

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Weekly Pedagogy

"Learning while doing" involves parallel tracking between knowledge dissemination & reinforcement activities.

Presentation

- Weekly 15-20 minute presentation that summarizes areas they have tested and outputs they have created.
- Builds a narrative on how they arrived to the venture design

Lean Validation

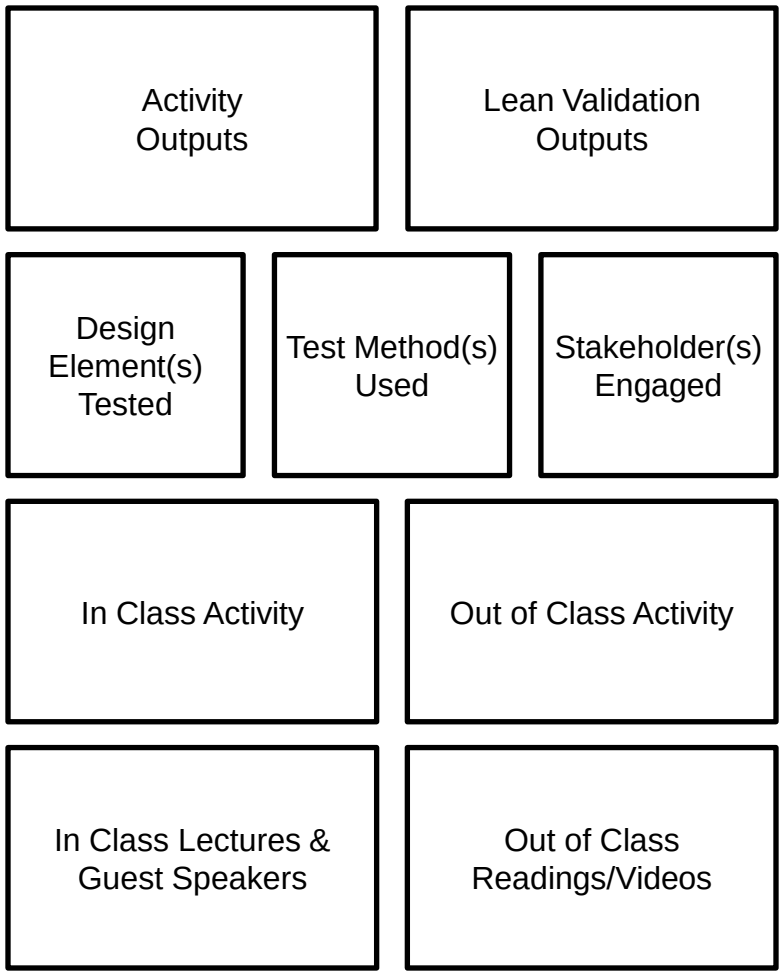
- Weekly primary research activities that test parts or the sum of the social venture design
- Data is analyzed to form insights and make changes to the venture design

Reinforcement Activity

- Tool based activities whose outputs inform venture design elements.
- They can map to one or many design elements.

Concept Introduction

- Key social venture design and management concepts discussed or shared by instructors, guest speakers and/or archived media



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Course Timeline

The course is carefully orchestrated each week

	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12	Week 13	Week 14	Week 15	Week 16
Knowledge Sequence	**Introduction**		**Social Venture Design**						**Social Venture Management**						**Culmination**	
	Social Entrepreneur's Mindset															
Project Stages	**Ideation**		**Discovery**										**Pre-Launch Prep**			
Project Activities	**Team Formation and Brainstorming**		**Validation 1**				**Validation 2**				**Validation 3**				**Launch Plan Presentation**	
Topics																

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Sequence Described

Learning and project activities follow a specific order that builds on itself

Venture Development Phases:

The class will progress through five venture development phases. Each step has been carefully structured to build on skills and project knowledge from previous phases.

Phase 1 – Ideation	Concept identification and prioritization in advance of testing an initial business model.
Phase 2 – Validation 1	Testing the business case hypotheses, with an emphasis on refining the stakeholder need and the fundamental business case building blocks. Primary research will include interviews and surveys.
Phase 3 – Validation 2	Testing both the business case and root strategy hypotheses, this discovery phase focuses on validating the overall harmony of the business concept. Primary research will also include observation and focus groups.
Phase 4 – Validation 3	Final discovery phase focuses on doing a deep dive on overall concept, using testing methods that each team believes will provide them with the data to finalize their business model.
Phase 5 – Operationalize	Taking the knowledge gained from the three validation cycles, teams will develop a launch plan to operationalize their final concepts.

Knowledge Stages:

To support each venture development process, the lectures and readings have been sequenced into four stages:

Introduction	Overview of frameworks and theories that will guide the social venture design.
Social Venture Design	Deep dive into the social venture design frameworks, theories and best practices emphasized in this course.
Entrepreneurial Mindset	Leadership tools and constructs that empower social entrepreneurs to lead with confidence and clarity
Social Venture Mgmt	Introduction of critical pre-market and operational social venture leadership and management activities and best practices.

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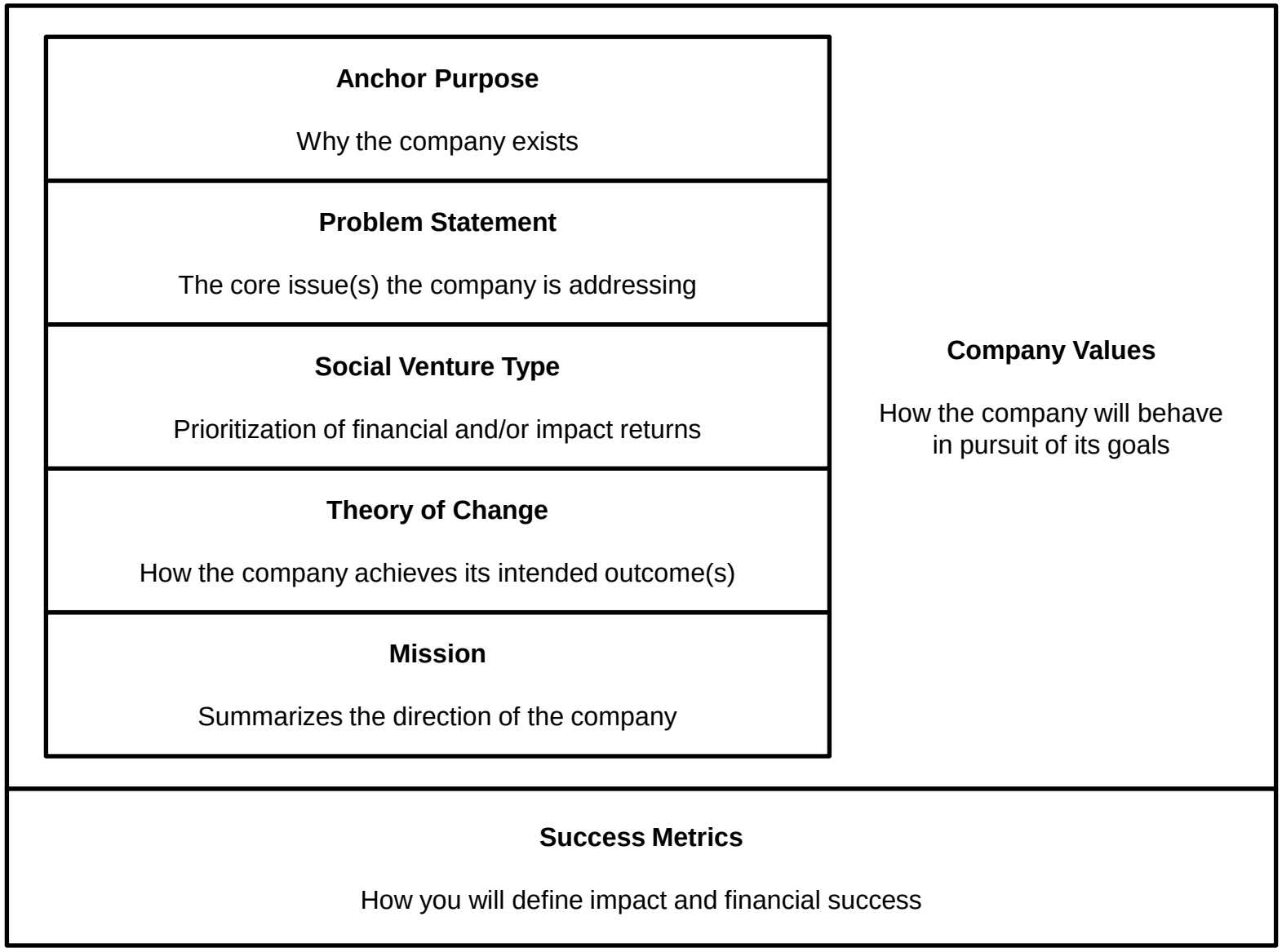
Business Profile Framework Summary

One of the tools & activities introduced to the students that focuses on evaluating the consistency and articulating the "essence" of their social ventures



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Example Social Venture Design Profile

Anchor Purpose	To help economically challenged families become healthier
Problem Statement	Low-income families in the US have 40% more poor diet related diseases than affluent families.
Social Venture Type	Dolphin: Optimized for Impact
Theory of Change	Reduce the health risk factors in LMI communities by providing affordable healthy food products & creating awareness campaign that together result in greater consumption of healthy foods & knowledge of their benefits.
Mission	We provide affordable food products & services that improve the health of families in the United States whose economic challenges have limited their consumption of organic foods.

GoodNature Life

Company Values

1. Be healthy
2. Quality always
3. Be passionate
4. Respect and empathy for all stakeholders
5. Be a life learner
6. Be positive
7. Be inclusive
8. Innovate with urgency

Metrics

Financial		Impact	
Outputs	Outcomes	Outputs	Outcomes
• # Items sold/segment • $ Revenues/segment • Overall % profit margin	• # Prospective investors • $ Valuation • Current investor feedback • $ Cash available for growth	• # Beneficiaries reached • Ave. $ spent on products • Ave. # of visits/transactions • Health knowledge score	• Decrease in health risk factors (self-reported) • Decrease in health risk factors (care-reported)

Note: data illustrative only, not based on current information

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Business Design Framework Summary

A summary view of the social venture design elements that teams test each week

Anchor Purpose

Long term company objective, including permanent values and intentional purpose. Could be a mixture of mission, vision and goals. Why does this company or program exist? What do you want to achieve?

Key Partners	Key Activities	Value Propositions	Stakeholder Relationships	Stakeholders
What types of partnerships are necessary to start and grow your business? Who are current or possible key partners?	What are the key processes and activities that enable your value proposition(s)?	What value do you bring to your stakeholders? What type of service or product are you offering to the customers?	In what manner do you want to interact with your stakeholders?	What is the profile of your stakeholders? What stakeholder problems need to be addressed?
	Key Resources What are the key assets and resources necessary to start and grow your business?	How do your beneficiaries, partners and investors benefit?	**Channels** How will you reach your customers and beneficiaries?	

Costs	Revenue Streams
Describe your key cost drivers. Which are fixed and which are variable?	Describe your key revenue streams. What type of margin is important for long-term sustainability?
Differentiation	**Magnitude**
How is your business design unique and better than current competitive offerings?	How big are the economic and impact market opportunities? How much of it can you capture?

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Business Design Framework Example

Anchor Purpose

- To help economically challenged families become healthier

GoodNature Life

Key Partners

- Community based organizations
- Retail associations
- Local organic farmers
- Technology partners for platform

Key Activities

- Developing the brand
- Design the education/knowledge
- Making adoption viral
- Business development/sales with Grocery and Corner Stores

Key Resources

- Below market produce
- Simple inexpensive food formulas
- Inexpensive manufacturing

Value Propositions

- Peace of mind
- Affordable healthy food
- Better health
- Greater awareness
- Impact
- Financial returns

Stakeholder Relationships

- Loyalty from trust
- Perception of care and great customer service
- Respect among ownership
- Inclusive and stable
- Responsive to guidance

Channels

- Direct-Online
- Direct-Farmers Market
- Indirect-Grocery
- Indirect-Corner Store
- Word of Mouth
- Service Providers

Stakeholders

Customers
- LMI Mothers 25-45

Beneficiaries
- LMI Families
- LMI Communities

Employees
- Founders
- Staff

Investors
- Impact Investors focused on LMI or Food/Health
- Traditional Investors focused on CPG

Costs

- Primarily variable costs, almost all outsourced
- Packagers
- Farmers

Revenue Streams

- Primarily in-direct sales through retail outlets
- Online sponsored education

Differentiation

- Affordable
- Quality and familiar taste
- Education packaging
- Brand awareness

Magnitude

- IROI: 40 million low-income individuals in the US are at risk for chronic illness
- FROI: The US LMI grocery market is $250 billion a year

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Typical Class Agendas

Lecture First

6:10-6:20 pm	Instructor Updates
6:20-7:00 pm	Instructor or Guest Lecture(s)
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7:00-7:15 pm	Break
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7:15-8:50 pm	Weekly Presentations
8:50-9:00 pm	Instructor Wrap-up

Presentations First

6:10-7:45 pm	Weekly Presentations
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7:45-8:00 pm	Break
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8:00-8:50 pm	Instructor or Guest Lecture(s)
8:50-9:00 pm	Instructor Wrap-up

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