



DEPARTAMENT.....: MARKETING
COURSE.....: LOW INCOME POPULATION AND SOCIAL BUSINESS - MPGI
PROFESSOR.....: EDGARD BARKI – edgard.barki@fgv.br

SYLLABUS

COURSE OBJECTIVES

The rapid growth of emerging economies like Brazil, Russia, India, China and South Africa (BRICS), and so many other poor nations, is encouraging a growing interest in the study of the Base of the Pyramid (BoP) market. 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.

Another important trend is the concept of social business / social entrepreneurship (SB/SE) that offers access to basic services and reduces vulnerability of poor people, using market mechanisms. Here, social businesses 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 low income 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 the world, that have the main objective of diminishing vulnerabilities and poverty.

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

- Dimension and Characteristics of Low Income Markets
- Consumer Behavior of Low Income Consumers (LIC): Characteristics and Peculiarities
- Global Strategies x Local Strategies
- Shared Value
- Social Businesses / Social Entrepreneurship (SB/SE)



BASIC REFERENCES

YUNUS, M. *Building Social Business*. Philadelphia. Public Affairs. 2010.

OTHER REFERENCES

Austin, J. (2002) *The collaboration challenge: how non profits and businesses succeed through strategic alliances*. San Francisco: Jossey-Bass.

Austin, J.; Stevenson, H.; Wei-Skillern, J. (2006) Social and Commercial Entrepreneurship: Same, Different, or Both? *Entrepreneurship Theory and Practice*. 30:1.

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

Barki, E. (2014) Challenges and opportunities of the last mile for the base of the pyramid: the case of Brazil. *Field Actions Science Reports*, v12.

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.

Borzaga, C., Galera, G. (2009) Social enterprise: an international overview of its conceptual evolution and legal implementation. *Social Enterprise Journal*, 5 (3).

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Brugmann, J.; Prahalad, C.K. (2007) Co-Creating Business's: New Social Compact. *Harvard Business review*.

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Comini, G.; Barki, E.; Aguiar, L. (2012) A three-pronged approach to social business: a Brazilian multi-case analysis. *R.Adm.*, São Paulo, v.47, n.3, p.385-397.

Crane, A., Matten, D., Palazzo, G., & Spence, L. J. (2013). Contesting the value of the shared value concept. *California Management Review*, 56(2), 130–153.

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Grayson, D.; McLaren, M.; Spitzack, H. (2014) *Social Intrapreneurism and all that jazz: How business innovators are helping to build a more sustainable world*. Sheffield: Greenleaf Publishing.

Hart, S. (2010) *Capitalism at Crossroads*, Upper Saddle River: Pearsons Education Inc. 3rd edition.

JP Morgan Report (2014) Spotlight on the Market: The Impact Investor Survey.

Karnani, A. (2007) The Mirage of Marketing to the Bottom of the Pyramid: how the private sector can help alleviate poverty. *California Management Review*, Vol. 49 Issue 4, p90-111.

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.



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

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

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

Prahalad, C.K.; Hart, S. (2002) The fortune at the bottom of the pyramid. *Strategy+business* issue 26.

Sen, A. (2000) *Development as Freedom*. Anchor.

Simanis, E.; Hart, S. (2009) Innovation From The Inside Out. *MIT Sloan Management Review*, 50:4, p77-86.

Yunus, M. (2007) *Creating a World without Poverty*. Philadelphia. Public Affairs.

Yunus, M.; Sibieude, T.; Lesueur, E. (2012) Social Business and big business: innovative, promising solutions to overcome poverty? *Field Actions Science Reports*. Special Issue 4.

PERFORMANCE EVALUATION

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|---------------|----------------|-----|------------|
| Final Project | Report 1 | 5% | 65% |
| | Report 2 | 5% | |
| | Report 3 | 15% | |
| | Report 4 | 15% | |
| | Report 5 | 10% | |
| | Presentation | 15% | |
| Final Exam | Take home Exam | | 35% |



CONTENT

| Class | Date | Subject | Readings / Assignment |
|-------|------|--|--|
| 1 | | Low Income Markets | Barki and Parente (2010) |
| 2 | | Strategies for BoP | Prahalad and Hart (2002) Karnani (2007) |
| 3 | | Strategies for BoP | Porter and Kamer (2011) Crane et al (2014) Deliver 1st Report |
| 4 | | Social Business Concepts | Simanis and Hart (2009) Comini et al al (2012) Yunus et al (2012) Deliver 2nd Report |
| 5 | | Social Entrepreneurship | Dees (2001) Martin and Osberg (2007) |
| 6 | | Social Intrapreneuship and social innovation | Brest (2010) Mulgan (2006) Deliver 3rd Report |
| 7 | | Metrics and Impact Investing | JP Morgan Report (2014) Khander, S.R.; Koolwal, G.B.; Samad, H.A. (2010) Chapters 1 and 2. Case Acumen Fund Deliver 4th Report |
| 8 | | Group Presentation | Deliver 5th Report |



FINAL PROJECT

OBJECTIVES OF THE FINAL PROJECT

The learning objective of this final project is to think about opportunities to tackle the problem of poverty through a social business.

Therefore, the groups should identify a social problem of the base of the pyramid, think of a solution and develop a business plan to solve partially the problem. The business created has to be scalable and profitable.

The work should be done in groups of **5 students**.

REPORTS OF THE COURSE PROJECTS

All reports should be delivered **by email** (edgard.barki@fgv.br).

FORMAT:

Font: Times New Roman

Space: 1,5

1st Report

The group should present:

- Names of the participants of the group
- Description of the problem to be tackled
- Description of why it is important to solve this problem

It is estimated that this report will have around 2 pages, including references.

The main question to answer is “*What problem your social business is going to solve?*”

2nd Report

The group should present:

- 1st report revised
- Benchmarks around the world that try to solve the problem defined by the group

The main question to answer is “*Who and how is trying to solve the same or similar problems in the world?*”

It is estimated that this report will have around 5 pages.



3rd Report

The group should present:

- Summary of 2nd report
- Definition of the potential of your social business
- Description of the product and/or service that will be offered

It is estimated that this report will have around 8 pages.

The main question to answer is “*What is the value proposition of your social business and how are you going to deliver this value?*”

4th Report

The group should present:

- Summary of 3rd report
- Description of the operations and structure of the social business

It is estimated that this report will have around 10 pages.

The main question to answer is “*How are you going to capture value and scale your social business?*”

5th Report

The group should present:

- 4th report revised + Financial Analysis

It is estimated that this report will have around 15 pages.

The main question to answer is “*Is this social business financially sustainable?*”

Presentation

The group should present in ten minutes the entire project. The presentation **has to be creative** and should let clear the social problem, the social impact, the value proposition, the operation of the business and its scale and financial sustainability. All students have to present at least one part of the project.

INSTRUCTOR RÉSUMÉ

EDGARD BARKI

At FGV-EAESP, he is academic director of MPGI. Professor of Social Business, Marketing and Retailing, and also is a researcher of GVCenn, Center of Entrepreneurship and New Businesses. Professor Barki holds a PhD and a Master from Fundação Getúlio Vargas and an MBA from University of São Paulo. His research interests are in the areas of strategy and low income retailing. Barki is the author of numerous articles and co-author of the books “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).