



# THE GLOBAL

## SOCIAL BENEFIT INCUBATOR

Center for Science, Technology, and Society

## SANTA CLARA UNIVERSITY

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SUMMER 09



### Accelerating the Growth of Social Ventures

The signature program of Santa Clara University's Center for Science, Technology, and Society is the Global Social Benefit Incubator (GSBI™). This capacity-building program provides social entrepreneurs with the knowledge and skills to develop and execute strategies for achieving sustainability at scale. Though the most visible feature of this program is a two-week residential "boot-camp" on campus, this is only one of the factors contributing to the program's success and international recognition.

**ToughStuff '09** provides affordable, solar-powered products for low-income people in Madagascar. These products provide less expensive sources of light and power, enabling the poor to increase their productivity and live fuller lives.

### Key Success Factors of the Global Social Benefit Incubator

- A discovery and selection process that identifies an annual cohort of high-potential social enterprise leaders in concert with global partners;
- Intensive in-residence executive education, facilitated by leading-edge faculty and integrated with distance learning resources to accelerate learning prior to and following the in-residence program;
- A cadre of seasoned Silicon Valley executive mentors to provide ongoing coaching, validate business models, and develop tactical change management strategies;
- A process for facilitating network learning and best practices in overcoming barriers to sustainability, scale, and impact, with the related objective of building the field of social entrepreneurship.

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Social entrepreneurs are values driven. It is not the desire to maximize wealth, but the desire to address a fundamental human or societal concern in a systemic way that inspires their search for breakthrough solutions. They address barriers to literacy, sanitation, safe drinking water, basic healthcare, and global market access by rethinking product or service design and distribution to make access to vital services a reality for marginalized members of society. Through the discipline of business planning, the GSBI helps these entrepreneurs to understand the process of early and mass-market adoption in target beneficiary populations as well as the vital role of “business models” in generating the capital for accelerating growth. While recognizing the importance of philanthropic financing and cross-sector collaboration with government and NGO partners, GSBI places a particular emphasis on earned income and hybrid models for long-term financial sustainability.

Although the field of social entrepreneurship is young, the work of social entrepreneurs is signaling new possibilities for addressing some of the most daunting and seemingly intractable challenges of our time. Social entrepreneurs put a human face on the search for solutions to a more just and equitable world for all. The GSBI serves these resolute leaders, accompanying them on a journey of mutual discovery and transformation.

“The Center for Science, Technology, and Society is in a unique position to bring together the university’s commitment to Jesuit values, our expertise in education, business and technology, and our strong ties in the Silicon Valley community. Through the GSBI, these powerful resources support and empower the work of social enterprises that are making significant impact in real world problems.”

*Radha R. Basu and Jeffrey A. Miller  
Managing Directors, Center for Science,  
Technology, and Society*

## History of GSBI



**GSBI Project Locations 2003–2009**

The GSBI pilot program began in 2003, after co-founder Jim Koch and Raj Reddy of Carnegie Mellon were asked to consider the possibility of “incubating” promising ventures of young entrepreneurs. Pat Guerra, then director of the Center for Innovation and Entrepreneurship in the Leavey School of Business, took up this challenge with the support of Al Bruno professor of marketing, as well as Jim Koch, then director of the Center for Science, Technology, and Society. Reddy’s colleagues volunteered pedagogical models for online learning to develop e-learning protocols that could accelerate development of knowledge and skills beyond the boot-camp experience at SCU.

A CSTS visioning conference coinciding with the GSBI launch in 2003, together with accumulating evidence from the Tech Awards—Technology Benefiting Humanity, reinforced the concept that those marginalized by a globalizing world could benefit from an inclusive approach to development and technological change. The question, given the enormity of unmet human needs, was about scale and whether a capacity-building process for integrating social and business model innovation could catalyze progress beyond inspiring but isolated success stories. These questions, and the launching of the GSBI in 2003 with seven projects from Africa, India, and the Philippines, formed the foundation for a program that serves as a learning laboratory for bridging Silicon Valley acumen to the needs of social entrepreneurs around the world.



**The 2008 Technology Benefiting Humanity Award Laureates.** Many Laureates go on to participate in the GSBI program.

## Network Resources and the GSBI Ecosystem for Capacity Building

**Discovery Partners.** In addition to the Tech Museum Awards, the World Bank Development Marketplace is a strategic partner of the GSBI for identifying proof of concept social ventures with the potential to scale. Other organizations that serve as a source of GSBI candidates include the Grassroots Business Fund, Social Impact, Acumen Fund, Draper Richards, Ashoka, World Resources Institute, and the Skoll Foundation. All GSBI participants engage in an online application process through Social Edge, a website for social entrepreneurs sponsored by Skoll Foundation.

**Online Learning.** The online application process is unique to the field of social entrepreneurship. It provides mentor-facilitated development of value propositions, target market segmentation, and business models in an open model that establishes the norm of peer-to-peer learning for all phases of the GSBI program. The ongoing development of this platform by Eric Carlson, GSBI Associate Director, has extended the early development work of co-founder Pat Guerra and made the GSBI's online dimension a major contributor to overall program success.

**In-Residence Curriculum.** The curriculum has strengthened each year thanks to input from thought leaders like Geoffrey Moore in market creation, Regis McKenna in branding, Jeff Miller in vertical market strategy, Ted Moser in microfinance, IDEO in design for resource-constrained environments, and Radha Basu in social venture leadership. The work of earlier successful graduates provides valuable case study materials and taps the growing positive network externalities of the

GSBI. Al Bruno serves as Academic Dean for the in-residence program.

**Mentoring.** More than 20 successful Silicon Valley executives, many former founders of NASDAQ companies and venture capitalists, serve as one-on-one mentors in the GSBI. They bring knowledge of business models and market creation as well as the entrepreneurial ethos unique to this region. Their work with entrepreneurs begins with tailored online exercises two months prior to the in-residence program and extends for up to a year or more beyond the "boot-camp." (*See interview with Lead Mentor Bob Dench and Vicky Mattson, Page 8.*)

**Leavey School of Business MBA Program.** In the fall, following the August in-residence program, graduate students provide pro-bono consultation services to GSBI attendees under the direction of Eric Carlson. This work addresses gaps in business plans and provides a check on program outcomes and impact for use in refining the next stages of overall program design.

**Specialized Innovation Resources.** A number of resource partners also support the GSBI: Lex Mundi provides pro-bono legal services to GSBI alumni; Give2Asia coordinates U.S. funding for social enterprises in Asia; Social Impact provides access to on-the-ground mentoring follow-up in India; Net Suite offers pro-bono business process software to alumni; and Accenture has provided high value-added analytic consulting services on-the-ground for selected social ventures. This network of specialized resources continues to be developed based on the identified needs of alumni.

### Leavey School of Business MBA Class

The GSBI in-residence program has led to the creation of a Santa Clara University MBA course in social entrepreneurship. In this course, taught by GSBI Associate Director Eric Carlson, student consulting teams rigorously examine GSBI participant business plans—taking into account the unique social, political, economic, and environmental circumstances in which they are embedded. GSBI participants then receive assessments directly tied to defined gaps in areas such as fundraising, marketing, financial modeling, organization design, and partnering.

*"Working with GSBI organizations provides Santa Clara University MBA students a unique opportunity to apply their education to socially significant business problems."*

*Eric Carlson,  
GSBI Associate Director*





## GSBI Theory of Change

Conflict, injustice, poverty, and the marginalization of billions of people are unfortunate realities in our globalizing economy. Imagine the steps it would take to reduce or eliminate these problems for a specifically targeted population. Five factors can be used to describe a “logic model” for producing desired results—resources/inputs, activities, outputs, outcomes, and impact. These factors and how they apply to the GSBI are illustrated in the figure on the next page.

The GSBI is a capacity-building program that provides social entrepreneurs with the knowledge, skills, and network resources that they need to have a measurable impact on poverty or social justice relative to targeted beneficiary populations. Three resources or inputs are critical points of leverage in the GSBI model of change: scalable social ventures; a world-class education program that integrates in-residence and distance learning to overcome geographic barriers; and seasoned mentors to provide tacit knowledge and coaching.

The primary output of the GSBI is a sustainable social venture. Through the GSBI program such ventures develop a total solution that takes into account target market needs and the augmented product or service elements required to serve those needs as well as a business plan that specifies a path to financial sustainability.

In for-profit incubators, 10 percent of ventures scale and an additional 30 percent will manage to survive, while 60 percent will fail. With its focus on scaling, the GSBI targets an outcome or scaling success rate that is three times greater than that of for-profit incubators. The GSBI goes beyond financial metrics to include the social impact of venture clients (e.g., increases in health access, incomes, social well-being) as program criteria.

“The mentors and the social entrepreneurs both have their own unique perspectives. It is in the successful blending of the two where the results really come to life. I always come away from the sessions learning so much more than I’ve contributed.”

*Anthony Bettencourt, CEO,  
Autonomy Interwoven*

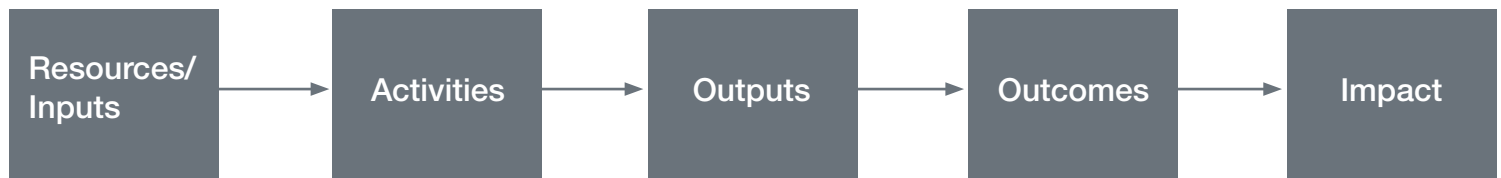


**SAHAJ '09** is dedicated to developing entrepreneurship in the tribal population of Eastern Gujarat in India by providing a complete package for creating income-generation from home-based craft industries.



GSBI Class of 2007 Business Plan Presentations—Mohammed Abba, Mobah Rural Horizons

## GSBI Logic Model



### Theory of Leverage

- Selecting scalable ventures, blended delivery of best of breed business planning education, Silicon Valley mentors, and access to innovation resources

### Sustainable Social Ventures

- Total solutions for target beneficiaries
- Scalable business plans

### Theory of Scale

- More than 30 percent will *scale* (growth in beneficiaries served, earned income growth > expense growth, cost/beneficiary). Social impact, poverty alleviation, etc.

Best practice case studies, new business models, capital access

Transformative sector models, government and corporate/CSR investments

## Demonstrated Outcomes

“We like to consider the in-residence portion of the GSBI to be our pedagogical laboratory. Every year, we change content and delivery. This year is no different. We moved a major portion of the in-residence work to pre-arrival, online preparation in conjunction with mentors. We have a ‘hit the ground running’ goal for this effort. In addition, we have added a major financing component. The latter reflects the rapidly-changing social mission financing marketplace.”

*Albert Bruno,  
GSBI Co-founder*

“There are those who look at things the way they are and ask why...I dream of things that never were and ask why not?”

*Robert F. Kennedy*

The persistence and organizational progress achieved by GSBI alumni is high. Over the seven year history of this program, nearly 90 percent of alumni are still working in their social ventures: 40 percent of all alumni are scaling as measured by growth in beneficiaries served with a positive cash flow, and an additional 44 percent are sustaining, half of whom are experiencing beneficiary growth albeit with variable or unpredictable cash flows. The percentage of alumni that are scaling currently stands at more than three times the rate in conventional for-profit incubators.

In the most recent alumni survey, 80 percent of scaling organizations reported that the GSBI had a “high” or “very high” impact on the success of their organization. One graduate, Christopher Benz, managing director of 2009 GSBI participant CraftNetwork, said:

*GSBI has changed the way I operate my organization on a daily basis and CraftNetwork’s overall strategy for goal achievement. I feel what limits social organizations the most is access to finance—whether it be investment, grant, or working capital. Understanding funding mechanisms, how they operate, if we fit the criteria, and how we should approach particular funding sources is very important. GSBI does an excellent job of training participants to develop a business plan and pitch their organization to potential investors, as well as on the basics of running an organization in motion.*

The GSBI measures itself by the impact of our alumni on the lives of the beneficiaries they serve. GSBI alumni organizations such as Fundación Paraguaya, Anudip, Gram Vikas (India), Kiva (global), Naandi and VisionSpring (previously Scojo Foundation, India) are now serving thousands or even millions of beneficiaries. Many are growing or scaling at the same time that income (earned and/or contributed) is growing faster than expenses. Five fast-growing GSBI “success stories” are profiled here to illustrate the broadening impact of alumni who are utilizing business plans as a roadmap for success.



**Collins Apuoyo '06** of Enterprise Professional Services with his mentor **Tim Haley '81**



# Case Studies



**B2Bpricenow.com** (GSBI-2006;  
Attendee: Edgardo Herbosa)

[www.b2bpricenow.com](http://www.b2bpricenow.com)

B2Bpricenow.com provides an accredited mobile e-commerce ("m-commerce") platform that supports "cashless" buying and selling of goods for rural farmers using cell phones. The online system is implemented through partnerships, which include cooperatives, agricultural and commercial banks, microfinance institutions, and corporations, particularly Unisys (a part-owner of the business). The system has grown rapidly to become prevalent among rural farmers in the Philippines, with more than 10,000 users. The company is profitable, and is reinvesting its surplus in growing the business within the Philippines and into Vietnam with consideration being given to growth in other regions, including Africa.



**Digital Divide Data** (GSBI-2004;  
Attendee: Mai Siriphongphanh)

[www.digitaldividedata.com](http://www.digitaldividedata.com)

Digital Divide Data (DDD) provides data processing and high school equivalency training for disadvantaged youth in Laos and Cambodia. The data processing training is used as part of an outsourcing business for the school that provides

earned income. The program also provides job placement for its graduates with pay rates more than six times the national average. The company's rapid growth in the number of beneficiaries (from less than 100 to nearly 1,000 in four years) and their success in job placement (over 95 percent) has helped DDD gain significant funding from the Skoll Foundation.



**Naandi Foundation** (GSBI-2008;  
Attendee: Amit Jain)

[www.naandi.org](http://www.naandi.org)

Naandi utilizes community scale reverse osmosis technology to provide safe water for rural areas in India at a cost of \$18 per year for a family of five. It has developed effective partnerships with government, technology providers, and local village communities to leverage its organizational and social marketing competencies. It plans to serve more than 15 million people by 2012, a tenfold increase with internally generated funds from operations supporting this growth.



**IDE-India** (GSBI 2006; Attendee:  
Suresh Subramanian)

[www.ide-india.org](http://www.ide-india.org)

IDE-India provides drip irrigation systems, which have helped empower more than 200,000 poor rural families, enabling them to progress from subsistence agriculture to small-scale commercial farming, thus beginning an upward spiral out of poverty. With an average family size of five, IDE has helped to lift more than a million people out of poverty. Families that use its low-cost system can increase their incomes tenfold. Its two-tier incentivized distribution model was refined in the GSBI.



**Thamel.com** (GSBI-2006; Attendee:  
Bal Joshi)

[www.thamel.com](http://www.thamel.com)

Thamel.com (TDC) is a Nepal-based marketing and development company focused on enabling online transactions between the 1.2 million Nepalese diaspora and Nepalese retailers. TDC has five mutually reinforcing business divisions. The most lucrative and well known is the Gift Shoppe, an online portal that sells gifts to the Nepalese diaspora that are then procured and delivered locally to family and friends still living in Nepal. The IT Chemist division helps local entrepreneurs start their own e-commerce sites, while the export division helps them sell items overseas. Thamel Remit provides remittance, insurance, and other financial services, and Thamel International replicates TDC's successes globally. With 10 percent of the Nepalese diaspora as customers, Thamel.com has had a significant impact on Nepalese retailers. With over 50,000 transactions in 2008, it represented 5 to 10 percent of participating retailers' total annual revenue (as much as 50 percent of holiday gift revenue) in 2007. Using a percentage fee-based model, Thamel.com is profitable.

*For additional case studies, see:  
[www.scu.edu/sts/gsbi](http://www.scu.edu/sts/gsbi)*



Global Partnership Consultant  
Vicky Mattson and Lead  
Mentor Bob Dench

“The GSBI leverages Silicon Valley resources to support social entrepreneurs with the vision and courage to change the world. Our knowledge and capacity to serve the base of the economic period needs continues to grow through hands-on experience with an expanding network of global alumni.”

Jim Koch,  
GSBI Co-founder

## Developing Effective Mentors

This year marks the seventh year anniversary of the GSBI. The program’s success can be attributed to people—social entrepreneurs, guest lecturers, a committed leadership team, and experienced volunteer mentors. Much of the strength and long-term sustainability of GSBI has been built on the reservoir of experience, passion, and good will of GSBI mentors—a unique program feature.

Bob Dench, the 2009 lead mentor, has built on the work of predecessors Brad and Vicky Mattson to develop the mentoring process as an integral component of the GSBI program. Lead Mentors play a pivotal role in the GSBI, infusing the program with the expertise and tacit knowledge of Silicon Valley’s unparalleled environment for innovation and entrepreneurship.

We have featured the opinions and reflections of Bob Dench and Vicky Mattson, distilled from a recent 2009 interview.

### Interview with Bob Dench and Vicky Mattson, June 2009

**What do you feel that the GSBI contributes to the challenges of overcoming poverty and increasing the life choices of those in the developing world?**

**B:** By supporting social entrepreneurs through education, mentoring, and connections to resources, the GSBI is able to leverage their efforts. We have evidence that these entrepreneurs’ projects have impacted many underserved beneficiaries by addressing social needs. In a more indirect way, I believe that through the GSBI’s participation in the broader community of enterprises addressing worldwide social issues, we have helped build momentum for serving the underprivileged.

**V:** Social entrepreneurs working in developing countries have so many innovative ideas and a really deep understanding of the challenging ‘on-the-ground’ realities. The GSBI helps them use the analytical tools of business to better understand markets and business models, and to measure and improve their financial sustainability and social impact. Combining those business skills with the innovation and expertise of the social entrepreneurs leads to some powerful solutions to the world’s most urgent problems.

**Can you provide an example of how the GSBI has helped to strengthen the sustainability and impact of a social entrepreneur that you have mentored?**

**B:** In 2007, I mentored Suresh Subramanian of the GEWP low-cost drip irrigation project of IDE (India). It was an emerging enterprise, and Suresh is an excellent and experienced executive. Frankly, they would have become successful with or without GSBI, but I believe we were able to impact the rate at which they were able to grow. Since I have agribusiness experience, I was able to relate to their issues and could anticipate some of the obstacles to reaching critical mass and sustainability. The GSBI helped Suresh become aware of business practices to accelerate his managerial skills. The result is that the endeavor gained timely funding and is very successful.

**V:** Last year, my co-mentor (and husband) Brad and I facilitated a leadership retreat with Mathias Craig (blueEnergy) and his team from France and Nicaragua. Their work-to-date had given them proof of concept in their mission to bring sustainable energy to marginalized people in remote areas of Nicaragua, but they lacked the systems and business processes to be able to scale up this work. The outcome of the retreat was a refined mission, objectives, and a list of systems and processes to develop



and document, with assigned ownership and timelines for completion. They are doing a remarkable job executing on this plan, and we felt privileged to be part of what they have referred to as the “rebirth” of blueEnergy.

**Many have described the GSBI as a “transformational” program. In your experience, how are mentors and social entrepreneurs changed by the GSBI?**

**V:** It is impossible to meet these social entrepreneurs and not be filled with inspiration and hope. For the entrepreneurs, transformation might come from listening to a talk on hybrid business models and recognizing a more effective way to structure their business, discovering a solution to a common problem with another entrepreneur, or spending a long evening with a mentor figuring out how to increase their earned income to become less reliant on donations.

**B:** Social entrepreneurs become much more aware of business procedures, the need to focus their scarce resources on attainable goals, and how best to influence the adoption rate of their product or service. On the other hand, the mentors gain an appreciation for the real obstacles that many of these social entrepreneurs face in developing countries, obstacles that just do not exist here where we take our infrastructure for granted. It’s a learning experience for all of us.

**Bob, the GSBI utilizes the experience of each year to make continuous improvements to the program. What are the most significant changes that you have sought to influence this year?**

**B:** This year we’ve added seven great new mentors, including two from Mexico. We formed mentoring teams with a broad mix of complementary experience and skills, and assigned them based on the needs of the entrepreneurs. We have also included mentors’ suggestions in decisions about the GSBI program. We are building a mentor base that can supply even greater support to GSBI in the future, and the mentors’ high level of early engagement with the entrepreneurs this year has been gratifying.

**Vicky, in your new role you are leading efforts to expand the reach and impact of the GSBI through global partners. What excites you about these possibilities and what are the most significant challenges to addressing the growing interest of others in partnering with the GSBI?**

**V:** It’s exciting that there so much interest in our unique and successful program, and we want many more entrepreneurs to be able to benefit from it. But, like the entrepreneurs we serve, we also face the challenge of how to scale up our work in a financially sustainable way. We need strategic global partners who share our mission

and who are able to put together the financial and human resources to collaborate with us, creating programs that are specifically suited for their local requirements.

**What is your vision of what the GSBI might become in five years?**

**B:** In order to make quantum changes in our impact, we will need to leverage this continuously improving Santa Clara-based program to other geographical areas, presumably through partnerships and the use of Web-based remote learning techniques. Also, I think we should and will become more involved in the process of facilitating funding for the most deserving projects. I’d expect that in the next five years we will have solved how to scale the GSBI and that the GSBI will increasingly be recognized as a true leader in this field.

**V:** I see us as THE recognized leader in enhancing the ability of social enterprises to create measurable, sustainable change. We will be actively engaging the academic, philanthropic, and business communities to discover, develop, and support successful social business models, and utilizing global partners and internet technology for learning, sharing and collaborating. The investments we make in the GSBI will be even more highly leveraged by serving larger numbers of entrepreneurs worldwide.



**GSBI Class of 2008 Mentoring Team**

**Global Social Benefit Incubator  
2009 Mentors**

**Robert “Bob” Dench**  
(Lead Mentor)  
Private Investor

**Carlos Baradello**  
Managing Partner  
*Iter Domus Inc.*  
Associate Dean, *Corporate and International Programs*  
*School of Business and Management*  
*University of San Francisco*

**Anthony Bettencourt**  
CEO  
*Autonomy Interwoven*

**Teresa (Christenson) Zimmerman**  
Brand Strategist  
*Marketing and Communications Leader*

**Arvind Deogirikar**  
Founder  
*ATMA Consulting Services, LLC*

**Wilson Farrar**  
Founder & CEO  
*ASK Silicon Valley*

**John Hagerman**  
Consultant  
*Marketing and Business Development*

**Tim Haley**  
Founding Partner  
*Redpoint Ventures*

**Don Higgins**  
Retired Executive  
*Hewlett-Packard*

**José R. Flahaux**  
Senior Vice President  
*Worldwide Operations*  
*Corsair Memory*

**John Kohler**  
Managing Partner  
*Redleaf Venture Management*

**Michael A. Looney**  
Consultant/Entrepreneur

**Brad Mattson**  
Partner, *CleanTech Group*,  
*VantagePoint Venture Partners*  
Founder, *Novellus Systems*  
and *Mattson Technology*

**Vicky Mattson**  
Executive Fellow GSBI  
Global Partners  
*Santa Clara University*

**Paul Meissner**  
Chief Executive Officer  
*Santur Corporation*

**John Micek**  
Managing Director  
*Silicon Prairie Partners*

**Jeff Miller**  
Managing Director  
*Center for Science, Technology, and Society*  
CEO  
*JAMM Ventures*

**Lee Ng**  
Director  
*Venture Technology, Siemens Technology-to-Business Center*

**Dennis Reker**  
Retired Executive  
*Intel Corporation*

**Luis Alberto Rodriguez**  
BYR Consultores Integrales  
Partner  
*Instituto Tecnológico y de Estudios Superiores de Monterrey*  
Business Incubator  
Consultant

**Pamela Roussos**  
President and CEO  
*PSR Strategies*

**Hardika Shah**  
Executive  
*Accenture*

**Juris Silkans**  
Founder and President  
*Life Network, HGTV Canada and Atlantis Broadcasting*

**Veronica Tena**  
Business Incubator  
Consultant  
*Instituto Tecnológico y de Estudios Superiores de Monterrey*

**Bret Waters**  
Founder and CEO  
*Tivix*

## Skoll Grant to Increase GSBI Reach and Impact

Michael Porter’s classic *Harvard Business Review* article argues that strategy is really about choosing the activities on which you will focus your efforts to create unique value in a target market. While there is continuous attention on the GSBI’s four key success factors, efforts to foster network learning and provide access to resources across a global landscape are especially important to the future of the GSBI.

Thanks to a grant from the Skoll Foundation, the GSBI is embarking on the following three strategic initiatives to further increase its research and impact.

### A New Online Onramp to the GSBI

The GSBI’s geographic outreach strategy will leverage core competencies in the development and effective implementation of mentor-facilitated online knowledge and skill development. These strengths are based on successful adaptation of a methodology developed at Carnegie Mellon University. This robust methodology has been tested through work with more than 500 entrepreneurs on Social Edge. Using a formally structured “concept-example-exercise” protocol, each module is tied to critical facets of business plan development.

Current online content includes exercises on value propositions, market segmentation, business models, elevator pitch and social venture visions, target market analysis and competitive analysis. Other topics—on financials, critical success factors, value chains, and tactical plans—are developed during the in-residence phase of the GSBI. The STS Center is currently piloting an online collaboration platform to strengthen global reach of Center programs and GSBI’s ability to facilitate the growth of alumni ventures.



**Group to Promote Educational and Sustainable Development (GRUPEDSAC) '09** has been working for over 20 years to educate, train, and carry out activities to promote the development of sustainable societies for low-income, small farmers in Mexico.



## Vertical Sector Strategy

In 2008, we launched a sector-based analysis in collaboration with the World Resources Institute and Dr. Allen Hammond of Ashoka, a Senior Research Fellow in the CSTS. This effort integrates sector research with the experience of social entrepreneurs to create insights that can benefit a whole class of enterprises. Community-based clean water solutions were the initial focus for the GSBI sector strategy. CSTS research is addressing the geographic distribution of challenges and implications for different solutions, the relative advantages of available and potential technologies, business models that work in the field, and financing mechanisms.

The GSBI theory of change makes reference to transformative sector models and implies an analytic level that considers such questions as: What technologies, supplier network partners, business models, and financing mechanisms can lead to large-scale breakout solutions to the crisis in access to safe drinking water? In addressing these questions, the vertical sector strategy seeks to catalyze innovation and impact across community-scale water treatment enterprises. For example, in collaboration with Acumen and IDEO, Pat Guerra and Hardika Shah are leading on-the-ground follow-up efforts in India and increasing use of online resources and GSBI networks is being developed to facilitate social venture scaling.

The results of the community-based water sector analysis and the planned 2009 sector focus on ICT and mobile content services are being shared through NextBillion ([www.nextbillion.net](http://www.nextbillion.net))—the most widely accessed website for knowledge sharing on “bottom of the pyramid” solutions. In addition, a case study is being written on Naandi. By identifying best practices and strengthening insight into market analytics and social impact, the GSBI’s sector work will benefit not just enterprises in a given

cluster, but many present and potential social entrepreneurs along with the investor and funding communities that support them. Future GSBI class cohorts may focus on a cluster of enterprises in the clean energy sector—off-grid energy, improved cook stoves and other efficiency innovations, and second generation, locally produced biofuels.

## Generating Knowledge and Advancing the Practice of Social Entrepreneurship

By various estimates, the unmet market for goods and services for the world’s bottom four billion people exceeds \$5 trillion. If, as Hernando DeSoto, Al Hammond, C.K. Prahalad, and others have documented, there are ways to address these unmet needs in a sustainable manner, why is this not happening? Why, if top-down solutions by multilateral agencies and the charitable work of NGOs have failed to produce sustainable solutions, is there not a third way?

We believe that there is a third way—through capacity building that supports the indigenous work of social entrepreneurs. We have now worked with over 100 social entrepreneurs who are challenging assumptions and breaking down the barriers and obstacles to lasting change. From their deep empathy with the beneficiaries they serve, they are designing breakthrough solutions. Their work can provide guideposts for new financing mechanisms, for the design of enabling government policies, and for disruptive private-sector solutions to growing global crises. Capturing this “collective intelligence” and making it readily accessible to the growing global network of GSBI alumni as well as the broader field of social entrepreneurship is a key program priority of a pilot program to foster online collaboration.

“The most exciting aspect of the GSBI is its potential for leverage. By training dozens of social entrepreneurs in the last six years, we have positively impacted the lives of thousands of underprivileged people. As we increase the number of trained entrepreneurs and improve the scaling of their enterprises, this will translate to millions served.”

*Radha R. Basu and  
Jeffrey A. Miller*



**The Smallholders Foundation '09** provides rural poor farmers living in remote isolated communities of Nigeria with sustainable agricultural development information in local languages through the establishment of rural radio stations and access to financial services.





**Meds and Food for Kids '08** saves the lives of Haiti's malnourished children and HIV positive adults by providing Ready-to-Use Therapeutic Food (RUTF) produced by Haitians, using the country's raw materials whenever possible.

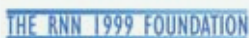
## Center for Science, Technology, and Society The Global Social Benefit Incubator

### The GSBI Application Process

Each year, supported by the Social Edge network ([www.socialedge.org](http://www.socialedge.org)), the GSBI conducts an open application process. The application process consists of three "business planning exercises:" (1) Target Market Statement; (2) Value Proposition; (3) Business Model (income and expense drivers, critical success factors). The application process is "mentored" with each applicant receiving online feedback on each of the three exercises. Several hundred organizations express interest in the GSBI—of these, more than 100 complete the exercises and are invited to provide additional organizational information; and of these 30 to 40 are interviewed (via phone) to select the 18 to 20 who are invited to continue in the year-long program. Scholarships (up to the full cost of \$25,000) are available for this program, which includes online learning, executive mentoring, and a two-week in-residence program.

### Sponsors

We would like to acknowledge the following sponsors for their generous support of the GSBI:



Additionally, our thanks go to the following organizations for their ongoing partnership:

### Discovery Partners

Acumen Fund  
Ashoka Foundation  
Draper Richards Foundation  
Grassroots Business Fund

Monterrey Institute of Technology,  
Mexico  
Pop!Tech  
Schwab Foundation  
Social Edge  
Social-Impact, India  
The Tech Museum Awards –  
Technology Benefiting  
Humanity  
World Bank Development  
Marketplace

### Innovation Partners

Accenture  
Lex Mundi Pro Bono Foundation  
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NetSuite®  
SVT Group  
World Resources Institute

### Become a Partner?

To find out more about partnering with the GSBI please contact Sherrill Dale at 408-551-6027 or email [sdale@scu.edu](mailto:sdale@scu.edu).

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