

“Aligning Profit and Purpose”

Spring Seminar, 2022

M 9:25-11:15

Instructor: Blair Miller

COURSE DESCRIPTION

There is increasing pressure on business not only maximize profits but also to serve the greater good. While there has been much progress in integrating social value into a company's mandate, the pandemic has shed light on the enormous tension businesses face [between prioritizing profit or purpose](#). This course will explore what it will take to reimagine business to serve the greater good. We will look at the current evolution of the industry touching on key areas such as benefit corporations, shared value, social entrepreneurship, impact investing, and social bonds, which are playing key roles in driving change. We will also ask students to explore their own personal journeys around aligning profit and purpose through discussions, readings, and self reflection. At the completion of this course students will have asked themselves tough questions about their own careers, discussed the complexity and opportunity of this effort, learned the tools and methodologies of the industry, and had the opportunity to hear from key leaders in the field.

PROFESSOR BIOGRAPHY

Blair Miller is venture investor supporting companies addressing the opportunities and challenges related to the future of work. She is dedicated to reimagining business to address social issues with a particular focus on access and inclusion. Throughout her career she has held positions in both philanthropy and business including as co-founder of Blue like an Orange Sustainable Capital, an emerging markets sustainable investment fund, Vice President at the office of philanthropist and businessman, Ray Chambers, and she began her career at Acumen, a global impact investment fund. She is also a sought-out advisor on talent and impact investing working with leading companies such as Andela, Learn Capital, McKinsey's Generation Initiative, Reservoir Capital, and Roundtable Investment Partners.

Blair serves on numerous boards including as a Trustee of The Africa Center, and an Advisory Board Member of JUV Consulting and Venture for America. Blair is a senior fellow at Yale University lecturing on “Aligning Profit and Purpose” and is a term member at the Council on Foreign Relations. Blair holds an MBA from the University of Michigan's Ross School of Business and BA in English Literature from the University of Virginia. Her most recent Op-ed's is on [building purpose resilient companies](#).

COURSE ASSISTANT

The Course TA will be Rona Beresh who can be reached at rona.beresh@yale.edu.

GRADING & ATTENDANCE

I will meet or speak by phone with each student individually during the term in order to provide evaluations, assistance on reporting, writing or the final project. I also hope to get feedback from the students as the course proceeds on what is valuable to you--the readings, writing assignments, and class discussion. Some assignments may change based on this feedback.

Since this is a seminar course, attendance and active participation are expected and critical. This will count for 20% of the final grade. The other parts of the grade will be based on the Mid-Term and Final paper/assignment.

ASSIGNMENT DESCRIPTIONS

Students should do all the readings and assignments for each week in advance of the respective discussion section and come prepared to contribute to class discussion during the sections by bringing questions that stem from the readings. Participation does not mean just attendance. Please strive to be an active participant in the section discussion.

- **Class Participation (20%)**
 - This will include in class discussion, preparation of reading, presentation of case studies, and assignments.
- **Mid-Term Paper (35%)**
 - “What is your model of doing well and doing good?”. Write a 3-5 page, single-spaced paper describing your personal metrics for success and service. I would like you to explore where you hope to be in 5 years through the lens of the topics we cover in the first half of the class.
- **Final Paper (45%):** This will be a group exercise. All groups will present their proposals and receive feedback from other students, the professor, and any guest speakers to incorporate into their final submission.
Choose one of the following.
 - You are philanthropist/investor with \$100M to solve a pressing issue in the world. With the learning you have from this class, please write a business plan that you think would allow the money to have the greatest impact.
 - Write an analysis of an organization (company/nonprofit/investment fund) that you think has had the greatest impact in the last 50 years. Explore questions like: Did they use their capital effectively? Did they build the right team? How did they measure their impact?

COURSE POLICIES

POLICY ON PLAGIARISM. Please read these elements of the university’s policy on plagiarism. • You need to cite all sources used for papers, including drafts of papers, and repeat the reference each time you use the source in your written work. • You need to place quotation marks around any cited or cut-and-pasted materials, IN ADDITION TO footnoting or otherwise marking the source. • If you do not quote directly – that is, if you paraphrase – you still need to mark your source each time you use borrowed material. Otherwise you have plagiarized. • It is also advisable that you list all sources consulted for the draft or paper in the closing materials, such as a bibliography or roster of sources consulted. • You may not submit the same paper, or substantially the same paper, in more than one course. If topics for two courses coincide, you need written permission from both instructors before either combining work on two papers or revising an earlier paper for submission to a new course. It is the policy of Yale College that all cases of academic dishonesty be reported to the chair of the Executive Committee.

POLICY ON ABSENCE. If you miss one class, you are required to write a 2 page reflection paper on the readings and key takeaways from the class.

POLICY ON LATE PAPERS. There will be no acceptance of late papers.

POLICY ON ELECTRONIC DEVICES: I reserve the right to ban the use of electronic devices in the classroom if it appears that they are serving purposes other than taking lecture notes. All cell phones must be turned off during lecture and section.

While all these policies will be strictly enforced, I know that emergencies and illnesses might arise during the term. If that happens to be the case, please let me know as early as possible so that we can work out alternative arrangements for you to complete your work within a reasonable period of time. In emergency cases, you will

need to present a “dean’s excuse” in order to be allowed to turn in late work or justify a series of absences from class sessions.

REQUIRED BOOKS

- “How much land does a man need”. Tolstoy, Leo. First published 1886.
- The Base of the Pyramid Promise”. London, Ted. Stanford University Press. January 2016.
- “The Value of Everything. Making and Taking in the Global Economy”. Mazzucato, Marianna. Public Affairs. Hachette Book Group. September 2018.

COURSE OUTLINE

January 28: How do you think about your role in society?

Students will explore what "doing good" and "doing well" means for them.

Readings:

- “How much land does a man need”. Tolstoy, Leo. First published 1886.
- “The Ones who Walk away from Omelas”. Ursula Le Guin. 1973.

January 31: What are the core tenants of doing good?

Philanthropy is the oldest version of "doing good". This class will unpack the strengths and limitations of philanthropy and the growing movement to “do good well”.

Readings and excerpts from:

- “Wealth”. Andrew Carnegie. North American Review. June 1889.
- Anand Girandardas author of “Winners Take All” podcast with Ezra Klein.
- Closing the race gap in philanthropy deserves radical candor. The Guardian. Summer 2020. Kennedy Odede.
- Introduction to Effective Altruism. March 2020.

Guest Speaker: Zia Khan is Senior Vice President for Innovation and oversees the Foundation’s approach to developing solutions that can have transformative impact on people’s lives, with a focus on innovative finance, data & technology, and science. Zia has served on the World Economic Forum Advisory Council for Social Innovation and the U.S. National Advisory Board for Impact Investing. He is an investor and advisor to a range of impact-oriented enterprises. Prior to joining the Foundation, Zia was a management consultant advising leaders in technology, mobility, and private equity sectors. He spent most of his career at Katzenbach Partners where he founded the San Francisco office. He worked with Jon Katzenbach on research related to leadership, strategy, and organizational performance, leading to their book *Leading Outside the Lines*. Zia holds a B.S. from Cornell University and M.S. and Ph.D. from Stanford University.

February 7: What are the core tenants of business?

Business economics is built on foundational thinking that has led us to the institutions and structures we have today. This class will explore, question, and debate those basic assumptions.

Readings and excerpts from:

- “The Value of Everything. Making and Taking in the Global Economy”. Mazzucato, Marianna. Public Affairs, Hachette Book Group. September 2018. (Chapters 1-4)
- “The Social Responsibility of Business is to Increase its Profits.”. Friedman, Milton. The New York Times Magazine, September 13, 1970.

February 14: Can we build businesses for the poor? Part I

The poor have often been overlooked by business, forcing them to get their critical products and services from philanthropy. This class will explore the opportunity to build businesses for the poor and the tools and financial structures as well as the tradeoffs and controversy of those models.

Readings:

- “The Base of the Pyramid Promise”. London, Ted. Stanford University Press. January 2016. (Chapters 1-4)

February 21: Can we build businesses for the poor? Part II

This class will unpack how companies are built to serve the poor and the challenges and opportunities that come with that unique positioning.

- “Sanergy: Tackling Sanitation in Kenyan Slums.” Jennifer Walske and Laura D. Tyson. July 1, 2016. Harvard Business School Case Study.
- “In Search of the Hybrid Ideal”. By Julie Battilana, Matthew Lee, John Walker, & Cheryl Dorsey. Stanford Social Innovation Review. Summer 2012

**Case presentations by a group of students.*

February 28: Can Corporations Serve the Social Good? – Acquisition strategy

One way that companies can integrate social value is through acquisition of smaller brands that have social value imbedded in their core business offering. There is often a question of whether this helps grow or diminish the smaller brands social value. We will explore this concept through a case study on Ben and Jerry’s ice cream.

- “Freezing Out Ben & Jerry’s: Corporate Law and the Sale of a Social Enterprise Icon”. Antony Page and Robert A. Katz
- *Unilever Paul Polman’s Plan to Save the World*. Fortune Magazine. February 17, 2017.

**Case presentation by a group of students.*

Guest Speaker: Kyle Westaway Kyle Westaway is the Founder and Managing Partner of Westaway. He’s the author of Profit & Purpose. Kyle is a Lecturer on Law at Harvard Law School where he co-teaches a course on social entrepreneurship. He writes about innovation, adventure, travel, and emerging markets for The Guardian, The Wall Street Journal, Fast Company, Time, Quartz, and Harvard Business Review, among other publications. Every Saturday morning he sends out the Weekend Briefing, an email on how innovation is impacting society.

March 7: Can Corporations Serve the Social Good? – Sustainability Strategy

This class will explore the issues and opportunities for corporations to support sustainable business practices as a driver of growth. For the first class we will dive into a case study around the iconic brand, Patagonia.

Readings:

- Corporate leaders Respond to Friedman’s article. – NY Times
- Patagonia's Sustainability Strategy: Don't Buy Our Products. Francisco Szekely and Zahir Dossa. Harvard Business Case Study. Revised June 5, 2019.
- Exclusive: Patagonia founder Yvon Chouinard talks about the sustainability myth, the problem with Amazon—and why it’s not too late to save the planet. Fast Company. October 16, 2019

** Case presentation by a group of students.*

Guest Speaker: Vincent Stanley. Vincent Stanley, co-author with Yvon Chouinard of *The Responsible Company*, has been with Patagonia on and off since its beginning in 1973, for many of those years in key executive roles as head of sales or marketing. More informally, he is Patagonia’s long-time chief storyteller. Vincent helped develop the *Footprint Chronicles*, the company’s interactive website that outlines the social and environmental impact of its products; the Common Threads Partnership; and Patagonia Books. He currently serves as the company’s Director, Patagonia Philosophy, and is a visiting fellow at the Yale School of Management. He is also a poet whose work has appeared in *Best American Poetry*. He and his wife, the writer Nora Gallagher, live in Santa Barbara

March 14: Can Companies Serve the Social Good? – Integration

In the last decade we have seen the rise of companies that begin their businesses and create a brand with a focus on creating social value while simultaneously making money. Warby Parker claims to be one such brand. We will explore the strengths and opportunities that come with this thesis.

- “Warby Parker: Vision of a Good Fashion Brand”. Christopher Marquis and Laura Velez Villa. Harvard Business School Case Study. July 2014.

**Case presentation by a group of students*

FIRST PAPER DUE 3/26 at 9:25AM

March 28: A New Type of Investor: A Concessionary Return Model

With the rise of new more sustainable businesses serving societal needs, there was a greater need for a new type of capital. This class will walk through the spectrum of capital and how impact investing is changing the landscape of investing.

- “Omidyar Network: Pioneering Impact Investment”. Chu, Michal & Baley, Lauren. Harvard Business Case Study Collection. January 2013.
- “Impact investing: A Framework for Families”. The Impact

**Case presentations by a group of students.*

April 4: A New Type of Investor: Seeking Traditional Returns – Public Markets

We will continue to explore what it means to be a great investor by understanding the opportunity to invest in the public markets.

Readings:

- BlackRock Linking Profit to Purpose. HBS Case. 2019

**Case presentation by a group of students*

Guest Speaker: John Mckinley is the Managing Director of Governance and Sustainability Policy at BlackRock. Prior to that he ran the Tuck Center for Business and Society at Dartmouth. Before these roles, Mckinley oversaw the

Global Fellows Program at impact investing fund Acumen, recruiting and preparing 10 post-MBA fellows annually to provide management assistance to CEOs of the fund's investee companies in Africa and Southeast Asia. McKinley enjoyed an equally enriching career in government as well, first at the U.S. Department of Justice, where he managed rule of law development programs in Africa and the Middle East, and later as a senior policy analyst for former New York City Mayor Michael Bloomberg.

April 11: A New Type of Investor: Seeking Traditional Returns – Private Markets

We will continue to explore what it means to be a great investor by understanding the opportunity to invest in the private markets.

Readings

- “The Rise Fund. TPG Bets Big on Impact” – HBS Case. 2019

**Case presentation by a group of students*

** Group 1 and Group 5 in class presentation of final assignments*

Guest Speaker: Lauren Cochran is the Vice President of Equity and Investment Funds at the International Finance Corporation. Most recently, Cochran was Managing Director at Blue Haven Initiative, where she led strategy and execution for the family office's portfolio of direct investments as well as sitting on the investment committee for Blue Haven's multi-asset class fund portfolio. At Blue Haven, she focused on investments with the dual expectation of best-in-class financial returns as well as maximum positive social and environmental impact. As part of this work, she spent much of her time in sub-Saharan Africa, sitting on the boards of several of Blue Haven's portfolio companies, working with entrepreneurs, building the startup ecosystem while sourcing new investment opportunities. Prior to joining Blue Haven, Cochran was one of the first employees at Imprint Capital supporting the growth of the impact investment firm until it was acquired by Goldman Sachs Asset Management in 2015. Cochran's work in emerging- and frontier-markets dates to her 2006-2007 tenure with the William J. Clinton Foundation's Health Access Initiative which she joined after three years in private equity in New York. Cochran holds a B.S. from Georgetown University, completed the General Course program at the London School of Economics, and earned her M.B.A. from the Wharton School at the University of Pennsylvania.

April 18: The Role of Technology in Profit and Purpose

We will explore how technology is playing a role in aligning profit and purpose. We will discuss the complexity as well as the positive and negative impacts of big data, social media, and democratizing technology.

Readings:

- Big tech and societal sustainability: an ethical framework. Bernard Arogyaswamy
- World Economic Forum. 17 Technologies that could change the world by 2025.

Guest Speaker: Wambui Kinya believes strong partnerships and the ethical use of technology can drive positive social impact. For this reason, she has invested her career in mission-driven and global technology businesses including Mozilla Foundation, Andela, ThoughtWorks, Praekelt, IBM, and Digitas. Motivated by the intersect of Africa, technology and social impact, she has led business development and technology delivery practices to provide strategic direction across professional services, digital technology implementation, and marketing enablement. She has had the pleasure of leading cross-functional teams, delivering integrated solutions, cultivating client relationships, overseeing strategic analysis and improving operational processes on multi-million US\$ projects across Africa (Nigeria, Egypt, Ghana, Kenya, Rwanda, Uganda, South Africa), United States, Europe and South America.

**Group 2 in class presentation of final assignment*

May 25: What is the role of public Institutions in profit and purpose alignment?

The responsibility of public institutions is to serve the social good. What role do they have in taxing or incentivizing business to "do good". This class will explore different models in which the Government can enable business to better serve the social good.

Readings:

- "The Potential and Limitations of Impact Bonds" , Emily Gustafsson-Wright Sophie Gardiner and Vidya Putcha Brookings. July 2015.

Guest Speaker: Robin Miller is a Partner based in Johannesburg and leads Dalberg's Global Data & Digital Practice, which focuses on building initiatives that leverage digital and data to drive inclusive growth. Robin's day-to-day work includes advising national governments, co-designing solutions with innovators, global tech giants and entrepreneurs, and supporting investors and foundations on the deployment of capital. Prior to Dalberg, Robin co-founded Praekelt.org, a tech-enabled enterprise that builds digital platforms to support inclusive growth. Robin serves on the World Economic Forum's Future Council for the New Agenda for Work, Wages, and Job Creation. She is also an AFLI Archbishop Desmond Tutu Leadership Fellow and holds a Bachelor of Science in Economics and Business Management with honors from Boston College.

**Group 3 in class presentation*

May 2: Leadership and Systems in Profit and Purpose

Solving the problem is not done in a silo, how do we better understand systems thinking to help achieve our social goals?

Reading:

- "Leverage Points Places to Intervene in a System", Meadow, Donella. Sustainability Institute.

Guest Speaker: Bavidra Mohan is the Director of Leadership at Acumen. Bavidra started his career as a Social Strategy Consultant with JWT, helping Fortune 500's create shared value by aligning social impact with overarching business strategy. In 2011, Bavidra was selected as an Acumen Global Fellow where he was placed with d.light design in Shenzhen and New Delhi, working on brand development, product launches and new product innovation. Upon completion of the Global Fellowship, Bavidra co-founded a technology start-up in San Francisco that built mobile products for sustainable urban mobility. Bavidra went on to spend four years in the Acumen Mumbai office, launching and leading the Acumen India Fellows Program as well as heading up Strategic Partnerships. He holds a bachelor's in Sociology for Queen's University and a master's from Kingston University.

**Group 4 in class presentation*

FINAL PAPER DUE - MAY 19TH