



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

Policy #: SP 09-05

Policy:

a. Purpose

The California Institute of Social Business (CISB) will be created as a broad-based institute within California State University Channel Islands to support the development and implementation of curricula, programs and activities related to the emerging concept of “social business.” The CISB is planned as a permanent entity at the University, supported by outside funding and operating on a year-round basis.

b. Need/Opportunity

“Social Business” applies business methods and practices to achieve positive social change. Described by Muhammad Yunus as “enlightened capitalism,” social businesses are created to promote social benefits (e.g., alleviation of poverty). Unlike traditional charities or non-profit organizations, social businesses seek to perpetuate those benefits by generating earned income at a level that at minimum allows the organization to sustain itself. Unlike traditional profit maximizing businesses, any potential profits are reinvested in the organization to increase the social benefits (rather than accruing to shareholders). The innovative concept of social business is gaining attention around the world as a means to address a range of social challenges through economically and socially sustainable practices. The leaders of tomorrow will be expected to understand the importance of social responsibility within the larger capitalistic framework and be prepared to lead their companies and organizations accordingly; the concept of social business is a crucial component of that understanding.

California State University Channel Islands (CSU Channel Islands) - opened in 2002 – is strongly committed to service learning, civic engagement and cross-disciplinary approaches in our academic and co-curricular programs, organizational structures and hiring decisions. CSU Channel Islands’ faculty, administrators and staff strive daily to develop a future-focused educational institution that is innovative in all its activities.

The Mission of CSU Channel Islands:

Placing students at the center of the educational experience, California State University Channel Islands provides undergraduate and graduate education that facilitates learning within and across disciplines through integrative approaches,



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

emphasizes experiential and service learning, and graduates students with multicultural and international perspectives.

Since the concept of “social business” addresses social problems/issues at the local, national or global level, students will be well-prepared to identify and understand these issues through CSU Channel Islands’ unique inter-disciplinary orientation and curriculum.

The Martin V. Smith School of Business & Economics (Smith School) supports the CSU Channels Islands Mission through a variety of academic programs and institutes. Other CSU Channels Islands units – e.g., Center for Community Engagement - provide essential opportunities for students to participate in academic and community service activities in support of social goals. Additionally, the CSU system (California State University) offers unique opportunities to leverage social business concepts. Most CSU campuses are locally-rooted with students who are themselves or children of immigrants, farm-workers, poor or working class with diverse backgrounds. With over 400,000 students, the CSU has a direct and dramatic impact on the state’s social and business issues and – given the size of California’s economy – the world.

The California Institute of Social Business (CISB) will provide CSU Channel Islands students with opportunities to gain valuable theoretical and practical experience related to social businesses. The CISB will also create opportunities for the University to assist community members and organizations. One current suggestion is to focus the CISB on the small business arena. The Smith School has a successful Small Business Institute (SBI) which could provide logical synergy to the CISB.

c. Nature and Scope of Activities

As currently planned, the CISB will have five components. While the details of particular programs within each component are still under development, below are the core elements:

1. Undergraduate Curricula: Provide undergraduate students with curricula related to social business issues. One alternative could be offering “social business” via five courses in the Entrepreneurship Option of the BS in Business degree. Additional elements could include classes in other disciplines that prepare students to identify and understand social business-related issues and problems. This approach could lead to a concentration or certificate or minor in social business issues within a variety of CSU Channel Islands academic programs. A study abroad option will also be explored.
2. Graduate Curricula: Provide graduate students with curricula related to social business issues. Alternatives could be to use the three elective courses in the MBA Program or graduate level courses in other academic programs. A study abroad option will also be explored.
3. CSU-Yunus Social Business Plan Competition: Conduct an international competition for the “Best Social Business Plan.” The Competition will be administered by the Smith School, culminating with an



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

awards ceremony – probably including a monetary award to the winning plan. One possibility under consideration is to focus the competition on our “small business niche” to distinguish it from other similar competitions. Another alternative is a several-day or week-long “social business mini-workshop” to highlight the issues and (perhaps) the winning entries. One alternative use of the cash award could be the funding of micro-loans based on a model such as the Intersect Fund at Rutgers University.

4. Community application and support: Support teams of students and faculty to assist the local and global community: a) Help individuals in planning, starting and running social businesses; b) Help raise awareness of social business issues; c) Provide a micro-loan structure and funding mechanism. Current examples of student-run businesses exist at University of Dayton and Northwestern University.
5. Research: Enable faculty – ideally working with students – to conduct and publish academic research concerning social business issues. This element may involve starting a new academic journal – either online or paper – concerned with social business issues. A related element could be an “annual conference on social business issues” on our campus.

Endowment: Establish an endowment of \$12-15 million to assure ongoing support of the CISB and its programs. One possibility is the appointment of a visiting Fellow currently working in the social business area.

d. Personnel and Key Participants

To start, the CISB will need a Director and a staff/administrative support person. The Director will report to the Director of the MVS School of Business & Economics. As the CISB develops, increased staffing will be needed.

e. Fiscal Resources

The establishment and maintenance of the CISB are completely predicated on external funds. Initial operation will draw on those funds directly; eventually, the tentative implementation plan calls for the creation of an endowment which will generate operating revenues on a sustainable basis. It is fully recognized that under the current budget framework (and any budget scenarios in the foreseeable future) the CISB cannot expect and will not request any financial support from the University. Rather, it is being proposed under the assumption that the exciting and timely ideas that it promotes will generate sufficient external funding to support its work, and in so doing to provide positive assistance to the University in fulfilling its mission. At this point, key University personnel in Advancement have assured faculty and administration that this is the case. In any event, the ultimate ability of the CISB to accomplish the goals set in this proposal are dependent on that external funding; if external funding estimates are not met, the CISB will not require or request funding from the University for its maintenance or development.



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

Implementation: Steps #1 and #2 of the plan (“c.” above) could be implemented quickly and with limited new resources implications. A crucial first step is to assess our existing curriculum to determine which courses address social business-related information and analysis. New resources might be required if the undergraduate courses produce limited enrollment that do not meet our FTE targets in these difficult budget times.

Steps #3, #4, #5 of the plan would require substantial external funding support. To establish an effective CISB will require an *organizational structure, staffing and general support*.

Organizational Structure: The CISB will be established within the Smith School, reporting to the Director. Related expenses may include reassigned faculty time and administrative support.

Staffing: The CISB would need a Director and – to start – an administrative support person. This staffing has space and equipment implications: offices, computers, phones, copying machines, etc.

General Support: The CISB would need funding for advertising, promotion, printing, travel, rentals, copying, conference support, guest speakers, awards (i.e., CSU-Yunus Social Business Plan Competition), etc.

Budget (\$000)	<u>Year One</u>	<u>Year Two</u>	<u>Year Three</u>	
Org Structure	25	25	25	
Staffing	125	175	250	
General Support	<u>50</u>	<u>200</u>	<u>300</u>	
Total	200	400	575	1175

A planning assumption for the CISB involves establishing a private/public partnership to obtain the required funding (ideally an endowment of \$12-15 million) to support the ongoing CISB activities, including invitations for experts to visit our campus and provide their valuable insights into the CISB.

f. Other Resources

Space on campus to house the CISB will be required. To start, two offices will be required for the Director and Administrative Support person and – as it expands – the CISB may require additional space. No other resources – except those contained in this proposal are expected at this time.



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

g. Organization Chart

The CISB will report to the Director of the MVS School of Business & Economics. Since the CISB will only contain two employees, an organization chart is not necessary at this time.

h. Letters of Support

See attached letters from Muhammad Yunus, Andrea Grove, Claudio Paiva and M. Khalid Shams.

i. Assessment plan

As part of the MVS School of Business & Economics, the CAISB will follow the Smith School's assessment plan for its organizations, programs and courses. As a first step, CISB's success will be measured against the elements contained in the "1. Timing" section of this plan. Once the CISB Strategic Plan and Tactical Plan have been created, assessment procedures will be developed further.

j. Curricular Offerings

See "c. 1 and c. 2" above. The CISB will not offer courses directly, but will promote and link to programs that will be offered through CSUCI, primarily through the MVS School of Business and Economics, although other programs will be encouraged to offer courses that are relevant to curricular programs at all levels.

To start, an MBA course will be offered in Spring 2010. All graduate level coursework linked to the CISB will be offered through Extended Education. Initially there are no plans to offer any specific program associated with the CISB at the undergraduate level, although a certificate program is being considered for the future. There are plans to link individual undergraduate courses to the work of the CISB (e.g. through the facilitation of service learning and participation in the annual social business competition). Initially, any such undergraduate coursework will be offered through existing academic programs and existing courses. It is possible that the CISB will seek to encourage additional courses in the future to be offered through existing programs. In such situations, the CISB will support the course offerings through funding of reassigned time for program faculty teaching those courses.

Existing courses in Business and Management that will serve as the core curriculum for the graduate program, and which represent potentially associated undergraduate course offerings, are listed below.

BUS 305: Intro to Microfinance

BUS 333: Non-profit organizations

BUS 336: Social Entrepreneurship (crosslisted as SOC 336)

BUS 349: History of Business and Economics in North America

BUS 521: Special Topics in Management

BUS 531: Special Topics In Business



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

MGT 307: Mgmt of Organizations

MGT 325: Entrepreneurial MGT

Additional courses will be developed as necessary, under the specified funding framework specified above.

k. Compliance

The CAISB will fully comply with all university policies. At this time, there are no additional policies of compliance anticipated related to the activities of the CISB – beyond the basic CSU Channel Islands existing policies.

l. Timing

Summer 2009

- Prepare proposal for CISB for a) consultation with faculty and official submission to Academic Senate, b) solicitation of funding for February 2010 launch, c) long-term financial support

Fall 2009

- Update and activate implementation plan.
- Web conference with Hans Reitz and CISB participants to discuss major curriculum/program elements (call held on August 26, 2009)
- Submit proposal to Committee on Centers/Institutes and Faculty Senate, culminating with President Rush's approval
- Refine the Strategic Plan and prepare a Tactical Plan
- Conduct Micro-Finance Lecture Series (ongoing in fall 2009 semester)
- Invite Mohammad Yunus' associates to participate in February 2010 event
- September 2009, distribute *Creating a World without Poverty* for Campus Reading Celebration in February 2010

Spring 2010

- Offer an MBA (and perhaps) an undergraduate class either in the Smith School or in another CSU Channel Islands academic program. (Smith School will offer **MGT 490 Special Topics in Management** focusing on social business issues, taught by Ashish Vaidya during the Jan-Mar 2010 special session).
- Hold February 2010 Campus Reading Celebration
- Launch the CISB
- Obtain start-up funding for the CISB
- Begin publicizing the CISB



CALIFORNIA STATE UNIVERSITY CHANNEL ISLANDS ACADEMIC SENATE POLICY

California Institute of Social Business

- Begin cultivation and solicitation for the endowment

Fall 2010

- Hire Director
- Hire Administrative Support
- Set up office space with equipment
- Develop CSU-Yunus Social Business Plan competition – for promotion in early September 2010
- Form Advisory Board of regional partners
- Form Advisory Board of national/international partners

Spring 2011

- Conduct CSU-Yunus Social Business Plan competition
- Begin funding faculty research (with the possibility of reassigned time) and student projects
- Begin large scale operation – implementation of Tactical Plan