

2009 Social Enterprise Conference

Columbia Business School

Summaries of Breakout Sessions

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PRIVATE EQUITY FOR SOCIAL IMPACT

Moderator: Roger Leeds, Professor of International Finance, School of Advanced International Studies (SAIS), Adjunct Professor, Columbia Business School

Panelists: Antony Bugg-Levine, Managing Director, Rockefeller Fund
Alonso Bustamante, Senior Investment Manager, Ignia
Raj Kundra, Director of Capital Markets and Energy Portfolio, Acumen Fund

Summary:

“For profit investments are changing the world; the industry is really taking off and there is a huge opportunity for people to participate in the industry.” While the concept of having double or triple bottom lines is not new, private equity and venture capital for financial and social returns is becoming an increasingly important vehicle for social impact. One of the central issues for debate is whether (and to what degree) funds have to sacrifice returns when they invest in “socially responsible” portfolio companies. Some, like Ignia fund, expect returns of 33%; others, like Acumen, may be willing to lower returns expectations if they can attain a high degree of impact and lead others, including traditional investment banks, in an investment.

The common thread across socially responsible funds is that they are looking for ‘game changing’ entrepreneurs with business models and innovations that can scale, whether as a for-profit or non-profit venture. Challenges in this industry are plentiful. Compared with traditional VC and PE models, the risks are greater and due diligence can be more challenging. One of the most critical challenges, the panelists revealed, is the lack of system-wide metrics for measuring impact. Each firm uses different methods for tracking and evaluating impact, but a standard taxonomy is a critical need and the next frontier for assessing the performance of socially responsible investments. Currently, the Rockefeller foundation is invested in initiatives to develop and disseminate a new approach to measuring social returns. Once in place, panelists agree, it will only be a matter of time before traditional investors increasingly enter the space to both reap the financial benefits and drive social impact in a sustainable way.

Key Takeaways:

- Large traditional investors, including leading investment banks, are increasingly recognizing the exciting opportunities associated with investing in funds that also have a social return. However, there is a need for more investment banks and other funds to be more involved in the space.
- The line between investing in nonprofits or for-profits is becoming less important. The trend is to evolve from a binary approach (nonprofit vs. for-profit) to prioritizing ideas with significant scale.
- There needs to be a systems-wide taxonomy and approach to measuring social impact investments. Once a common language and approach to measuring impact can be shared, it will accelerate the growth of private equity for social impact.

THE POWER OF ICT IN SOCIAL ENTERPRISE

Moderator: Suzanne Fallender, Director, CSR Strategy & Communications, Intel Corp.

Panelists: Xavier Faz, Senior Technical Advisor, Consultative Group to Assist the Poor (CGAP)
Richard Robbins '01, Director Social Innovation, AT&T
Lee Tenny, Managing Consultant-Global Business Services – Financial Services Strategy & Change, IBM
Andrea L. Taylor, Director, Community Affairs North America, Microsoft

Summary:

This panel featured four leading professionals in the field of Information and Communications Technology who devote a great majority of their efforts to the development of key business models, technologies and services designed to bring essential products to the underprivileged population, as well as aid in the process of global poverty reduction and sustainable economic development. Lee Tenny of IBM discussed how his team has positively affected 150 million people to date by developing entirely new operating models that allow financial institutions to provide a wider variety of basic banking services to the underserved population in Emerging Markets. IBM has established live hubs in Mexico and India (and is currently finalizing more in Latin America and Africa), focusing primarily on aiding the development of microfinance through the use of technology and account tracking software. Andrea Taylor summarized Microsoft's motto for the future of ICT in Social Enterprise with five key phrases that drive her team: be innovative, be relevant, be visible, be collaborative, and be risk takers.

Xavier Faz discussed CGAP's role as a global resource center for Micro Finance. Through partnerships with several not for profits, such as the Bill & Melinda Gates Foundation, CGAP has focused on using ICT for the building of market infrastructure and the strengthening of government policies aimed at supporting microfinance. To conclude the ICT panel, Richard Robbins discussed how banking has been made more accessible and economical in underdeveloped markets with a high level of poverty through the use of mobile cell phone technologies such as text messaging. AT&T has also partnered with groups promoting other social issues, such as their partnership with Rock the Vote for the last Presidential elections. This specific program had over 250,000 people subscribe to receive text message reminders of key election dates and deadline provided free of charge by AT&T Rock the Vote.

Key Takeaways:

- Providing Technological Skills to the underprivileged population is a great way to help stimulate employment and the economy.
- Through the use of mobile technology, we can provide virtually cost free banking and improve people's awareness of important social issues and make it easier for individuals to contribute to protecting our environment.
- A focus on technology and operations can help the sustainable development of microfinance institutions and the creation of effective market infrastructure in developing nations and emerging markets.

Organizations mentioned during the panel that interested individuals would want to investigate:

Social networking sites (Facebook, twitter, YouTube), Rock the Vote, Bill & Melinda Gates Foundation, Google

COMPETITION VS. COLLABORATION: STRATEGY IN THE SOCIAL SECTOR

Moderator: Melissa Berman, President & CEO, Rockefeller Philanthropy Advisors; Adjunct Professor, Columbia Business School

Panelists: Jemina Bernard '01, Executive Director, Teach For America, New York Region
Jerry Hirsch, Founder & Chairman, Lodestar Foundation
Rick Surpin, President, Independence Care System

Summary:

How do we reject the typical boundary between competition and collaboration in favor of a new concept of “collaborative competition”? This is the question that panelists and audience members wrestled with as they tried to define how non-profits can benefit from the constant competition for resources while collaborating to conserve resources and reach common goals more quickly and efficiently. “Competition is a good thing because it forces non-profits to work relentlessly to be exemplary,” panelist Jemina Bernard noted. Competition has increased due to the proliferation of non-profits with similar goals, and moderator Melissa Berman pointed out that some of the blame lay with the funders. “Funders say they don’t want to be a small fish in a big pond, so [non-profits] have built lots of little ponds,” she observed.

Today’s challenging economic environment makes it both harder and more imperative to collaborate than in the past. With dwindling resources, non-profits find it difficult to invest the significant amount of time that is required to form a successful partnership. In addition, non-profits are competing heavily for financial resources and talented employees. However, economic constraints have also incentivized non-profits to come together more to fuel each other’s missions and benefit from each other’s ideas. The panel concluded that even if non-profits are not fully prepared to form formal alliances, they must remember that they can help each other achieve their shared mission. By promoting a free exchange of ideas, they can meet their organizational goals while successfully achieving that mission together.

Key Takeaways:

- In the nonprofit world where goals revolve around a mission and not profit, the success of the common mission is more important than any individual organization’s success.
- Non-profits must anticipate and plan for the amount of time and expense that a successful collaboration will entail in order to collaborate successful.
- In today’s challenging economic environment, collaboration has become increasingly important for non-profits looking to conserve resources and retain talent.

Organizations mentioned during the panel that interested individuals would want to investigate:

KIPP, CharityNavigator, collaborationprize.org

CONNECTING MARKETS: VALUE CHAIN STRATEGIES THAT PROMOTE DEVELOPMENT

Moderator: Murray Low, Director, The Eugene Lang Entrepreneurship Center, Columbia Business School

Panelists: Robert Henning, Director, OTF Group
Maurice Wiener, Chief of Party Marche, USAid Funded Project, Haiti

Summary:

This panel focused mostly on the abundance of untapped assets in developing countries and how to capitalize on these assets for the promotion of its people. They discussed how their companies have been successful in leveraging such assets, focusing on the case of coffee in Rwanda. The country is well on its way to having created its projected receipts of \$580 Million from an \$80 Million investment using a framework of three goals and five preconditions for change. The three goals are: change mindsets by creating a culture of entrepreneurship, cluster strategy and development by articulating strategies for growth and cost cutting, and support firms and institutions that can help it grow. The preconditions for change are: tension, common objectives, leadership, insight into skills required, and receptivity to visualize a positive future.

Key success factors in Rwanda coffee case are that citizens took ownership in the project, informed choices and timely action, and good players and good field (if the field is not good, build a good field). Panelists mentioned the caveats that while developing exports are integral, it is also risky, making citizens more susceptible to fluctuations in the global economy.

Key Takeaways:

- Business is a key component to the promotion of developing countries, especially regarding partnerships between the private and public sectors.
- Business should focus on the firm level in such environments, as producers are often not reachable or sophisticated enough to work with large Western companies.
- It is essential to focus on a portfolio of value chain items and industries. If there is to be change, it must be sought with full commitment.

Organizations mentioned during the panel that interested individuals would want to investigate:

In the River They Swim: Essays from Around the World on Enterprise Solutions to Poverty

THE NEW GREEN ECONOMY

Moderator: Geoffrey Heal, Paul Garret Professor of Public Policy & Business Responsibility, Columbia Business School

Panelists: Liddy Karter, Managing Director, Industrial Symbiosis Capital, LLC
Michael Sadowski, Director of Client Services, SustainAbility
John Voelcker, Automotive Journalist and Industry Analyst, GreenCarReports.com

Summary:

Growing energy demand, urbanization, and water scarcity are creating opportunities for companies to invest in technology and innovative solutions to sustainability challenges. From electric drive cars to a brewery process that can generate energy from its own waste, entrepreneurs are generating solutions that confront the sustainability challenges, reduce costs, and earn substantial profits. The potential for a 50% reduction in costs and 3-5x multiples within 5 years are among the criteria investors look for in green companies. However, government and management policies create barriers to sustainability by incentivizing unsustainable outcome and rewarding companies for short-term growth. A consistent regulatory framework that builds in the cost of externalities can dramatically expand green economy initiatives.

Key Takeaways:

- The market does not factor full environmental and social costs. Green initiatives will succeed if there is the political will to inflict pain on people to change their behavior.
- There is a business case to promote sustainability for every company as long as the sustainability strategies are aligned with profitability strategies.
- A growing number of pool of assets, such as pension funds, are beginning to shift away from the short-term framework and have begun to pay more attention to sustainability.

Organizations mentioned during the panel that interested individuals would want to investigate:

Oil Purification System, Purpose Energy, Arbor Fuel Inc. Also worth investigating: “UN Principles for Responsible Investments”

MEASURING THE IMPACT OF SOCIAL ENTERPRISE

Moderator: Daniella Ballou-Aares, Partner, Dalberg Global Development Advisors

Panelists: Shiranthi M Gnanselvam, Senior Director, Monitoring and Evaluation, Millennium Challenge Corporation
Andrea Litvak, Director of Analytics, Measuring Success
Marc Manara, Water Portfolio Manager, Acumen Fund
Jimmy Sylvester, Evaluation Officer, Producer IFC's Measurement Unit

Summary:

This panel examined the innovative frameworks that organizations take when monitoring and evaluating measurements of impact and success of their social initiatives. The panelists were asked to explain what each of their organizations are trying to measure when assessing impact, whether they focus more on long term impact or short term indicators to determine if a certain output is being achieved, and their opinions on where the social development and non-profit sector stand in developing comparable standardized measures for performance.

Panelists discussed measuring the effects of a wide range of things such as benchmarking for schools so they can understand if they are doing well or not compared to their peers, creating infrastructure projects in India (labor, quality of life, ability to travel to work, rural vs urban lifestyles), projects to create safe drinking water in Africa, making a hospital private and measuring the effect on the quality of health care, medical envoys/missions, and measuring the social benefits creating from a VC fund's investment in the country and incorporating that to the IRR and performance metrics.

The overall takeaway from the panelists was that even internally, within their organizations, coming up with metrics is difficult. With many players, all with different focuses and objectives, convergence to establish industry measurement standards is only beginning to happen.

Key Takeaways:

- Convergence to establish industry measurement standards is only beginning to happen.
- Some organizations are starting a big push to be more transparent in their framework when monitoring their success.
- The importance of benchmarking and the idea that organizational strategy success is the same across many different sectors when distilled enough is not universally accepted by all organizations.

WIKIPEDIA AND SOCIAL MEDIA: GROWTH STRATEGIES

Moderator: Nancy Lublin, CEO, DoSomething.org; Founder, Dress for Success

Panelists: Jimmy Wales, Co-founder, Wikipedia

Summary:

Wales claims that although it was a historical accident that Wikipedia was built in a not-for-profit model, it has actually become necessary to the overall mission of the organization. Functioning as a not-for-profit has allowed Wikipedia to maintain its neutrality better than its for-profit peers, as well as focus on its efforts to build encyclopedias in less lucrative regions/languages. However, the focus on extreme collaboration that Wales advocates, and that Wikipedia exemplifies, is neither a for-profit nor a not-for-profit mechanism.

Businesses and the social sector can learn from Wikipedia's model, says Wales. They have to be willing to let go of some control and stop equating openness with low quality. In addition, in order to create a community around a cause or company, those at the top have to allow for participation by members and be open about what form that participation will take. Lastly, the vision must be clear from the outset; this increases people's passions for the cause and allows for better measurements of success. "Let's get past the 'broadcast' mentality and open walls to allow for dissent and debate," Wales says.

Key Takeaways:

- Not-for-profit model was necessary for Wikipedia, but Wikipedia's model is translatable to for-profit and not-for-profit ventures alike.
- Social Enterprise can learn openness and trust from the Wikipedia model; allowing people to create a robust community creates trust amongst participants.
- Regardless of profit, it is important to have a clear vision and accomplish something interesting that adds to the world.

Organizations mentioned during the panel that interested individuals would want to investigate:

Google's Knol, The Wikimedia Foundation, Wikia, Trip Advisor, Yelp

ENTERTAINMENT AS AN INNOVATIVE PLATFORM FOR SOCIAL SERVICES

Moderator: Francisco Noguera, Co-Managing Editor, NextBillion.net; Research Analyst for the New Venture Project, World Resource Institute

Panelist: Ariel Zylbersztejn, Founder & Managing Director, Cinepop

Summary:

Ariel Zylbersztejn's friends told him he was crazy for investing in the film industry in Mexico—as the world saw it, there essentially was no film industry in Mexico. Seeing a movie in a cinema was cost prohibitive for most families; the typical cost of movie tickets was about 10% of a family's monthly income. So Ariel developed a market by expanding the industry to meet the needs of poor families. His company, Cinepop, projects family-friendly movies onto screens in central locations across the country for free. In addition to the movie, Mexicans saw and heard from advertisers, NGOs and government programs with missions to improve their lives. Sponsorship came from corporations determined to better understand the "bottom of the pyramid" market.

Ariel initially did not realize that he was a social entrepreneur – he just wanted to provide a service for an unmet need. Identifying an opportunity to create a new platform for companies and governments to connect with citizens, with social benefits for all, is just what entrepreneurs should do. "If you are thinking of starting a business, do it as soon as possible – it is good for the world," he said.

Key Takeaways:

- Quality is more important than quantity – "We are beginning to understand one by one the families and their needs."
- Families are beginning to realize that they can change their realities with opportunities provided by social services and NGOs.
- "We are really building a social company to provide the government with tools to improve the lives of the community."

Organizations mentioned during the panel that interested individuals would want to investigate:

Ayoka Productions

CONVERSATIONS IN EDUCATION REFORM

Moderator: James Liebman, Professor of Law, Columbia Law School

Panelists: Emary Aronson, Managing Director, The Robin Hood Foundation
Leo Casey, Vice President of Academic High Schools, United Federation of Teachers
Eva Moskowitz, Founder & CEO, Success Charter Network
Eric Nadelstern, Chief Schools Officer, NYC Department of Education
Dan Weisberg, Vice President of Policy and General Counsel, The New Teacher Project

Summary:

The U.S. Department of Education recently kicked off the Innovation Fund (I3), a program designed to award \$650 million for the most innovative solutions to improve the paralyzed education industry. Professor James Liebman of the Columbia Law School challenged the NYC education panelists to “move away from the politics and ideology that in the past have paralyzed progress and decline” and instead, move towards “an era of competitive problem solving.” The panelists presented multiple perspectives, ranging from increasing focus on small schools and building accountability to increasing focus on student life outcomes to measure teacher effectiveness. Specifically, the following viewpoints were presented:

- “New York City’s 400 small schools, created over the last seven years and including 100 charter schools, have increased graduation rates from barely 30% to nearly 80%. No other work has yielded these kinds of breakthrough results.” - Eric Nadelstern
- “The most powerful school-based factor in driving student life outcomes is the effectiveness of teachers, but the reality is that we don’t measure teacher effectiveness in any real ways [or] use that information to make decisions.” – Dan Weisberg
- “Truly exceptional teacher programs are the exception, not the rule...there needs [to be a] teacher apprenticeship model. [Teachers] want to be responsible for their performance.” – Leo Casey
- “[Charter schools] not only [have the] potential to prove phenomenal education, but they introduce competition within a monopolistic education system...and give parents real meaningful choices.” – Eva Moskowitz

Ultimately, regardless of the different approaches proposed, Ms. Aronson pointed out that all the panelists shared the same focus – “it’s all about the kids.”

Key Takeaways:

- Educational change must provide an alternative and sustainable approach to education that can be spread organically.
- All innovative approaches must be holistic, addressing teachers, students and parents in terms of providing teachers with customized support, students with the foundational education to go on to higher education, and parents with the information and guidance to make the best education decisions for their children.

Organizations mentioned during the panel that interested individuals would want to investigate:

Investing in Innovation Fund (I3), Teach for America, Achievement First, Uncommon Schools, KIPP, Green Dot

CONSULTING FOR SOCIAL IMPACT

Moderator: Hitendra Wadhwa, Professor at Columbia Business School

Panelists: Laura Clancy '07, Consultant, Bridgespan
Sonila Cook '01, Partner, Dalberg
Violetta Ostafin, Principal, BCG
Rena Zurofsky '80, Founder, Rena Zurofsky Consulting

Summary:

This panel focused primarily on the topics of funding and resource prioritization, the differentiating factors between consulting in for-profit versus non-profit spheres and the areas of growth for social impact consulting. Federal stimulus funding acts as a driving force behind increased consulting efforts for education, whereas other issues impacting society such as climate change, sustainable agriculture, and clean water initiatives have also received a great deal of attention. The downside to the allocation of funds is that projects come from “where funding is, rather than what may really be needed,” according to Sonila Cook.

Each of the panelists offered unique perspectives, having worked in social impact as well as traditional consulting. They saw common themes in the problems faced and the opportunities to apply problem solving methods in complex situations; however, one panelist noted the difference with social impact consulting was working with extremely passionate people in the organizations. In general, demonstrating impact in the non-profit sector is a task all the consultants on the panel seek to measure in a quantifiable way.

Key Takeaways:

- Organizations are drifting to funding sources, but are not abandoning their missions.
- Bridgespan research has found for-profit enterprises (complementing non-profits) do not provide a sufficient buffer for NGOs and are often not the most effective use of the organization's resources.
- Sustainability and government funding are driving projects at the moment.

Organizations mentioned during the panel that interested individuals would want to investigate:

Echoinggreen.org, Community resource exchange (www.crenyc.org)

SOLUTIONS FOR CLEAN WATER SCARCITY

Moderator: Olivia Zaleski, Journalist, CNN Money

Panelists: Sangeeta Chowdhry, Ripple Effect Project Manager, Acumen Fund
Patricia Dandonoli, Executive Vice President, Corporate Development, Natural Systems Utilities, LLC
Gonzalo “GG” Pique, President & CEO, Energy Recovery Inc.

Summary:

1.1 billion people do not have access to clean drinking water around the world. Desalination—producing potable water from seawater—has historically been seen as a carbon intensive and expensive process. G.G. Pique, CEO of Energy Recovery, made the case that seawater reverse osmosis has made desalination affordable and environmentally friendly. ERI’s technology slashes the electricity consumption of desalination by roughly 60%. Natural Systems Utilities is working to use nature as an inspiration for wastewater treatment and reduction, using wetland soil, vegetation and microbes as natural options to treating wastewater. The method produces clean water at a fraction of the cost of a traditional wastewater treatment plant. Chowdhry described the inextricable connection between health and water. Half of the world’s hospital beds are occupied by people who are suffering from water related illnesses and 98% of water-related illnesses occur in the developing world. Acumen’s Ripple Effect Project helps local entrepreneurs to bring clean water to villages in developing countries through effective methods of delivery, transportation and storage.

Key Takeaways:

- Water scarcity is a global issue that will eventually affect all of us. As Dandonoli said, “Water is the oil of the 21st century. However, oil has substitutes and water doesn’t.”
- There are viable technological solutions to water scarcity, including biological processing plants and affordable energy-efficient desalination plants.
- While water is viewed by many as an essential right rather than a commodity, in the right circumstances market mechanisms can be used to expand access and availability of water, even for the bottom of the pyramid in developing countries

Organizations mentioned during the panel that interested individuals would want to investigate:

The International Water Management Institute, The Artemis Project, Charity: Water, Water Health, International, H2O- 1B at M.I.T, Halosource

STRIKING THE RIGHT BALANCE IN MICROFINANCE INVESTING

Moderator: Louise Schneider-Moretto, Vice President, Global Social Investment Funds, Deutsche Bank

Panelists: Gil Crawford, CEO, MicroVest Capital Management
David Gough, Investment Partner, Grassroots Capital
Christina Juhasz, Director, Capital Markets Group, Women's World Banking
Michael Rauenhorst, Chair, MGR Foundation
Alan Snoddy, Senior Vice President, Church Pension Fund

Summary:

The panel was a diverse mix of fund managers, equity/debt investors and foundation members that operate in the microfinance realm. Speakers touched on investors' growing demands for an effective method of valuing social returns in microfinance investments as more and more data is collected, communicated and rated - without losing sight of the fact that financial returns are the key driver of investment growth in the long term. The panel also addressed the threat of MFIs drifting into the tempting realm of consumer finance. A few panelists pointed out that consumer finance on its own is not inherently bad, but can be dangerous for MFIs since (a) this is not an MFI's core competence, and (b) in some cases consumer finance can be considered predatory lending and thus is bad for business. In countries where an active credit bureau exists, consumer finance would be less dangerous and would result less often in over-indebtedness.

Panelists also discussed the challenging decision of whether to provide larger loans to existing borrowers or to give a chance to new customers who do not currently have any sources of funding. Christina Juhasz pointed out that, from a social impact perspective, it is very important that MFIs consider wealth creation (savings) and wealth protection (insurance) products in addition to credit. As a closing note, panelists shared some advice for students who are looking to venture into the microfinance industry, in particular mentioning the value of applying commercial skills to the microfinance business model.

Key Takeaways:

- Technology has become increasingly important for the expansion of the industry (i.e. mobile banking) and the lowering of operating costs, as well as for finding new ways to unlock the value of measuring social impact via greater granularity of data without undue reporting burdens.
- Staying aligned with the scope of the MFI business model is not only beneficial in terms of its double bottom line, but also because it avoids venturing into industries that may appear similar but are actually different in terms of their risk profile (mission drift).
- In contrast to other social enterprise industries (i.e. education, healthcare, etc), the microfinance industry has proven to be sufficiently mature and has gained enough scale to be considered an investable asset class; microfinance was 20 years ago where many "new" classes of SRI investments are today.

Organizations mentioned during the panel that interested individuals would want to investigate:

Minlam Asset Management , MIX - Microfinance Information Exchange, AMFIs - Associations of Microfinance Institutions

INNOVATIVE FINANCIAL INSTRUMENTS WITH SOCIAL RETURN

Moderator: Alexander Friedman '98, CFO, Bill & Melinda Gates Foundation

Panelists: Clara Miller, President & CEO, Non Profit Finance Fund
John Eric Nelson, Managing Director, Wall Street Without Walls
Julie Sunderland, Senior Program Investment Officer Bill & Melinda Gates Foundation
Leah Pederson Thomas, Director Malaria No More

Summary:

Innovative financing techniques have increasingly played a role in providing capital to socially motivated organizations. Non-profits, NGOs and foundations are taking advantage of new and creative mechanisms that allow them to connect to commercial financial markets and quickly and efficiently obtain the funds they need to affect social change. The innovations range from the creation of a collateral fund at Malaria No More, which provides guarantees to manufacturers of bed nets so they can obtain necessary funding, to program related investments at the Gates Foundation, which generate a return comparable to their endowment and provide an income generating alternative to traditional program grants. The overall goal is to push private capital towards the social sector to promote immediate and sustainable impact. An obstacle to any new innovation is perceived risk, but the experts are confident that after one trial of these new mechanisms, the market will gain confidence, information will spread and the risks will decrease. A necessary complement to financial advancements is the creation of a tool to measure social return and this is currently a priority in the sector.

Key Takeaways:

- The main purpose of creating and utilizing innovative financial instruments in this space is to create a bridge between NGOs and the commercial financial markets so that NGOs can reach sustainability.
- There is a large need and strong momentum for effective tools to measure social return on investments.
- We all must be sure to keep in mind our social missions when creating and using financial innovations for social sector purposes.

Organizations mentioned during the panel that interested individuals would want to investigate:

Global Impact Investing Network (GINN), Blendedvalue.org, "Financial Innovations and the Poor", the Economist, September 2009 (http://www.economist.com/displaystory.cfm?story_id=14493098)

LEADING SUCCESSFUL COMPANIES IN CLEAN TECH

Moderator: Kate Galbraith, New York Times renewable energy reporter

Panelists: Anthony Orlando, CEO, Covanta Energy
Mike Picchi, CEO, Comverge
Charlie Ricker '72, Senior VP, BrightSource Energy

Summary:

This panel brought together three very different clean tech leaders to discuss their proven successes and plans for the future. Tony Orlando told us how Covanta turns waste into renewable energy. His operations cross 18 states and eight countries and annually combust 22 million tons of waste into clean energy. Charlie Ricker from BrightSource explained how concentrated solar thermal can be cost competitive with fossil fuel based power and is cheaper than the more well known PV (photovoltaic). They currently have a backlog of 2.6 GW with utilities in California to build power towers that use mirrors to create either electricity or steam. Mike Picchi discussed how Comverge helps utilities avoid building new power plants by utilizing his technology to reduce peak load demand to create energy efficiency. Comverge's demand response technology is revolutionizing the development of the smart grid with wireless signaling and metering solutions.

All of the panelists agreed on the challenges of the clean technology industry, which is a slow moving, capital intensive industry that is frequently mired in government regulations. They noted that the majority of their growth is overseas, where policies are already in place creating consistent and predictable prices for their energy production. Mr. Orlando and Mr. Ricker both called for a more predictable regulatory environment in the United States to obtain permits for clean tech development. They weighed in on the carbon policy decisions, agreeing that a carbon tax is probably a simpler way to work, but that any type of carbon regulation is vital. On the topic of energy security, they recognized that big players in security are shifting their thinking to include energy, including National Security Advisor Jim Jones. Mr. Picchi left us with projections that renewable energy growth must be high in order to outpace US peak energy load growth.

Key Takeaways:

- Projecting further growth and investment in clean tech, especially with new legislation.
- Industry currently faces uncertain government regulations and other obstacles to building/producing.
- An integrated solution is necessary to become independent from fossil fuel.

Organizations mentioned during the panel that interested individuals would want to investigate:

Vantage Point (BrightSource's VC)

EXPANDING ACCESS AND LOWERING THE COST CURVE: CHALLENGES IN HEALTHCARE

Moderator: Linda Green, Professor, Columbia Business School

Panelists: Georganne Chapin, President & CEO, Hudson Health Plan
Casey Santiago '07, Senior Advisor, Healthcare Practice, Emerging Markets Group
Andrew Sussman, President of MinuteClinic; SVP & Associate Chief Medical Officer, CVS/Caremark

Summary:

The major obstacles to delivering health care are access and financing. More specific obstacles within these categories include a shortage of primary care providers, geographic and cultural elements of the population that make delivery challenging and the lack of a permanent financing solution. Each panelist had a different approach to addressing these obstacles, but a common theme was “going where the people are.” In the case of Emerging Markets Group, they work with local businesses and people to create a delivery network, whereas MinuteClinic has locations in CVS pharmacies across the country. Georganne Chapin was very passionate about needing a single payer system in the U.S. Casey Santiago added that most of the success in developing countries is based on public private partnerships and models that are working through private sector mechanisms.

Panelists identified the following opportunities in the health care sector: more effective ways to make populations aware of services, integration of business best practices in the sector, address the uninsured issue in the US, address the system of payments, and improve prevention and primary care. In the developing world, “social franchising” is being used to reach different populations, as are IT and mobile technology. Casey Santiago pointed out that “technology is just a tool” and has great potential if it is integrated into a larger delivery model.

Key Takeaways:

- Access and financing are the main challenges in all geographies and parts of the sector.
- There is a need to provide care and delivery using local resources (i.e., village residents, neighborhood pharmacy).
- Systemic changes need to take place before either issue is truly solved.

Organizations mentioned during the panel that interested individuals would want to investigate:

Acumen, Lifespring, funded by Acumen, Draper Richards, Deutsche Bank, Vision Spring

ENTREPRENEUR'S SHOWCASE: TRANSFORMATIVE BUSINESS MODELS IN SOCIAL ENTERPRISE

Moderator: Mark Davis '08, Associate, DFJ Gotham Ventures; Founder, Blue Venture Community

Panelists: Marc Kirschner '02, Founder & General Manager, TenduTV
Thomas Shelton, Founder & CEO, People Capital
Seth Tropper, Founder & CEO, Switch2Health

Summary:

Social entrepreneurs Thomas Shelton, Marc Kirschner, and Seth Tropper share a common passion: founding organizations that create both social and economic value for their stakeholders. Moderator Mark Davis asked the panelists to consider whether every entrepreneur should be socially responsible, and if this is valuable to the organization's bottom line. They unequivocally agreed that in this era, social responsibility is "a necessity." Their explanation was that each industry has opportunities for innovation in the social responsibility arena, and entrepreneurs who are not aligned need to consider how to change their business models to be more socially responsible. Another reason to consider is that benevolent causes can provide additional exposure and accessibility to partnerships, and the social mission should therefore be treated as an asset. As a result, social causes need to be strategically aligned with a company's goals. With correct strategic alignment, the panelists suggest that the process of securing partnerships transforms into a typical business development process of presenting a company's mission to interested parties.

Best practices in targeting financing focus on having a mix of investors with varying interests. Goals and desired exit strategies differ with each investor, so having this mix helps create a balance between the social and economic values of the firm. Social entrepreneurship, while challenging, is a unique career building exercise where both failure and success offer valuable learning experiences. If one is considering a career in social entrepreneurship the panelists offer one piece of advice: be passionate and persevere.

Key Takeaways:

- Social responsibility needs to be aligned with an organization's strategic initiatives.
- In targeting investors, an organization should have a mix of investors that balance both the economic and social values of the organization.
- Social entrepreneurship is an invaluable career-building exercise that requires passion and perseverance.