September 30, 2011

I truly believe business has the power to change the world. At the Robert H. Smith School of Business, we are investing in this belief with a commitment to inspire a new type of leader. That is why the Smith School launched the Center for Social Value Creation in 2009 — to give our students the hands-on experiences that will help shape them as business leaders for the 21st century, leaders with a deep sense of individual responsibility who have the knowledge and tools to use business as a vehicle for social change.

We recognize that cross-sector collaboration and entrepreneurial thinking is essential for achieving sustainable solutions to social and environment issues, and that the skills, frameworks and leadership required to do this are different than those historically practiced and taught. We believe that by combining business principles with the best public policy and social sector practices, we can create value across the economic, social, and environmental spectrum. We also believe that opportunities for innovation through technology, global interconnectedness, and business models have never been greater; and that these innovations will enhance business competitiveness while addressing our most pressing needs.

Over the next several decades we will see an evolution from pure private-sector market capitalism to a much deeper and broader role for business. This is where business is headed and we are preparing our students to lead in this new paradigm.

Melissa Carrier

Executive Director, The Center for Social Value Creation
Robert H. Smith School of Business
University of Maryland
VISION AND MISSION

Our mission is to develop global leaders with the desire and knowledge to use business as a vehicle for sustainable economic prosperity and transformative social change.

Our vision is to create a new type of leader—individuals who go beyond simply responding and seek out opportunities to affect real change through industrious career paths and social enterprise.

CORE VALUES

CSVC is focused on the creation of business solutions to social and environmental issues through innovation and entrepreneurial thinking. New business models, strategies for cross-sector collaboration, and the development of products and services for underserved communities are ways we do this.

Through the GE Healthymagination Case Competition, Smith School MBA students used business modeling and research skills to propose innovative solutions and imaginative ideas to address infant mortality in rural India, China, Kenya, and Indonesia with GE Healthcare products.

ENTREPRENEURIAL

CSVC educates students to tackle complex real-world problems through field experience and engaging curriculum. We fund ground-breaking research by Smith Faculty and develop meaningful relationships with businesses, government, and nonprofits to teach, experience, inform, and create thought leadership.

IMPACT-DRIVEN

In the fall of 2010 MBA consultants Vladimir Inozemsev and Shashank Saini spent three days at the Southeast Fiber Arts Alliance in Atlanta, Ga. They learned not only about fiber arts, but about the challenges of running a startup nonprofit organization. “Vladimir and Shashank’s knowledge and willingness to share it impressed us,” said Suzi Gough of SEFAA. “watching them in action taught us valuable planning and evaluation skills.” Since this work, SEFAA has executed on their recommendations and has already engaged two more MBA students in the fall of 2011 — this time for marketing strategy.

CROSS-DISCIPLINARY

Over 40 faculty are involved in the Center from disciplines like Finance, Accounting, Marketing, and Management & Organization, as well as faculty in each of the colleges at the University of Maryland. We also work across sectors engaging with private, public, nonprofit, and for-profit entities.

In the spring of 2011 CSVC partnered with the Masters in Conservation Biology program in a course where teams of students applied their unique academic skills in semester-long consulting projects at the intersection of business and environmental science. This year, teams worked with the Maryland Department of Agriculture and the Potomac Conservancy on the nutrient trading program to increase farmland fertility in the Chesapeake region. Students developed a business plan for an oyster reef restoration project in the Gulf Coast with the Nature Conservancy.
WHO WE ARE

OUR TEAM
Over the past year the Center for Social Value Creation added two full-time staff members. Center leadership collectively brings over 25 years of business, nonprofit, social enterprise, and sustainability experience.

- Melissa Carrier, Executive Director
  *Responsible for the Center’s strategic direction across co-curricular programs, research, and career development*
- Guillermo Olivos, Assistant Director
  *Liaises with partners, focuses on student programs, and oversees the ChangeTheWorld.org Consulting Programs*
- Kimberlee Robertella, Program Manager
  *Supports marketing initiatives, program expansion, and events including the Social Enterprise Symposium*

OUR ADVISORY BOARD
This year the Center created an Advisory Board of leaders across sectors to provide guidance and counsel in the Center’s strategic functions and outreach with business, nonprofit, and public sector communities.

- John Chickering, *Vice President, Fidelity Investments*
- Lisa Hall, *President and CEO, Calvert Foundation*
- Robert Kashan, *Founder and CEO, Earth Color*
- Stanley Litow, *IBM’s Vice President of Corporate Citizenship & Corporate Affairs / President, IBM Foundation*
- Dennis Wraase, *Former CEO and Chairman, Pepco Holdings (CSVC Executive-in-Residence)*

OUR FACULTY COMMITTEE

- Sandy Boyson, *Research Professor & Co-Director, SupplyChainManagementCenter, Logistics, Business and Public Policy*
- Ethan Cohen-Cole, *Assistant Professor, Finance*
- Shreevardhan Lele, *Ralph J. Tyser Distinguished Teaching Fellow of Decision Sciences*
- Stephen Loeb, *Ernst & Young Alumni Professor of Accounting and Business Ethics*
- Paulo Prochno, *Tyser Teaching Fellow and AssociateDepartmentChair, Management and Organization*
- Rebecca Ratner, *Associate Professor, Marketing*

OUR STUDENTS
Smith students involved with CSVC experience both academic and real world opportunities. Inspired by a “moment of obligation”, they share a common passion that parleys into their work as student consultants, Social Innovation Fellows, members of the University of Maryland community, and beyond to their professional career paths. Graduate Assistants from the full-time MBA program support the Center’s daily work, lead projects, and act a voice for the Center in the student body. CSVC also works directly with students through partnerships with Net Impact, Emerging Markets Association, and the Energy Club.
As a rising star at Goodwill Industries International Jenna Gebel is applying the lessons she learned through her engagement with the Center and as a leader of the Ashoka Terps ChangeMakers team during her senior year.

Applying her social entrepreneurship experiences in college, Jenna developed a microenterprise toolkit so Goodwill agencies could help individuals who have low incomes and persons with disabilities start their own small businesses. In her current position as a National Resource Development Specialist she works on national private and public grants and trains local Goodwill agencies to better improve their fundraising and resource development work.

“Getting involved in the Center was a great decision. It opened up so many opportunities for me, especially through my involvement with the Social Enterprise Symposium. I helped recruit panelists for the event and got to know first-hand a wide range of high-caliber professionals in various fields. I still keep in touch with some of them today.”

- Jenna Gebel ‘10
By the time Jonathan Schilit (MBA ’12) decided to enter the Smith MBA program, he had already begun his arc toward social entrepreneurship. Having transitioned from work in the entertainment industry in Los Angeles to developing cause marketing campaigns with DoSomething.org, a shift was occurring. It was at Smith, however, that he picked his idea and started the momentum. A company that would sell high-quality Italian sunglasses...and donate a pair of eyeglasses to someone in need for every pair sold.

Schilit spent his first year doing the ground work. He cold-called exhibitors at Milan sunglasses conventions. He developed a business plan. He researched partner NGO’s and ultimately chose Unite For Sight. Then this past summer, he formally launched Waveborn. In a short twelve month period, he went being a new Smith student to having his company included as a case study during the MBA Class of 2013 Orientation — on Center For Social Value Creation Day.

“The reason why I got into this wasn’t because I love sunglasses. It was because of the social good component. There are implicit struggles in the model, marketing challenges, but I know at the end of the day that whenever you buy a pair of sunglasses from us, something good happens. And that is the most important part.”

- Jonathan Schilit, MBA ’12
1. EXPERIENTIAL LEARNING

The Grassroots.org Social Venture Consulting Program matches student consultants with non-profit organizations to implement mission critical projects at no cost. In 2010-2011 the program established academic partnerships to support the development of additional programs with student clubs at Georgetown University, the University of Virginia, George Mason University, Drexel University, and Loyola University Chicago. The program recently rebranded itself as the ChangeTheWorld.org Consulting Program.

Case Competitions: GE Healthymagination
Over the course of four weeks in the spring of 2011, 15 MBA students worked in teams to address the challenge of reducing infant mortality in developing countries through the lens of GE Healthcare. All teams had the opportunity to present to leaders from GE’s Maternal and Infant Care (MIC) division located in Laurel, Maryland. They were impressed with the findings of every team that confirmed some of GE’s efforts while also providing new ideas. Two teams were chosen as finalists to make final presentations to GE’s leadership for the Rural Health Initiative and Marketing Team for the Maternal Infant Care division at their corporate office.

Student Clubs: Net Impact
In 2011 the University of Maryland’s graduate student Net Impact Chapter achieved Gold Chapter standing, an honor bestowed on only 13% of the more than 180 graduate student chapters across the country. Additionally, the Robert H. Smith School of Business has been selected as a Partner for the 2012 National Net Impact Conference to be held in Baltimore, Maryland on October 26-27, 2012.

2. COURSEWORK

Inaugural Social Innovation Fellows Program
If you were given 27 gumballs and 27 dollars, how much value could you create? This question was posed to 20 members of the inaugural undergraduate Social Innovation Fellows program. The program introduced students to social entrepreneurs and innovators who aim to create new ways of solving society’s problems. Through a diverse set of strategies students were able to raise more than $1,000 from their gumball seed, which they subsequently invested in an entrepreneur halfway around the world through the online micro-lending platform Kiva. In the spring semester, students continued their study of social innovation by working on capstone projects with Grameen Foundation, Grassroots Business Fund, and IBM. One team of students developed a business plan for a new social venture, FEED, designed to address the information gap between excess food available and those in need.

2010-11 Departmental Award for Excellence and Innovation in Undergraduate Teaching
The University of Maryland’s Center for Teaching Excellence recognized CSVC as the most student-centric of Smith’s centers for its integrated plan to better equip undergraduate students to drive social value creation in our global economy. CSVC was also acknowledged for improving the overall educational experience at Smith by integrating the concept of social value creation into the curriculum via faculty workshops and one-on-one assistance with course design.

Social Value Integration: MBA Core and New Electives
During the 2010-2011 Academic Year the Full-Time MBA program adopted a new core curriculum requirement, the Smith Experience. Smith Experience requires students to participate in six credits of experiential learning. One of the qualifying experiences is the ChangeTheWorld.org Consulting Program, which has been open to students for the past five years, but will become a 3 credit course for the full-time MBA graduating class of 2013. The inclusion of the consulting program as a component of the core business curriculum demonstrates the Smith School’s commitment to social value creation and the increasing role of the Center in shaping student experiences.
3. RESEARCH & THOUGHT LEADERSHIP

Green Innovation
Knowledge creation is a key objective for CSVC. The Center supports research through grants to faculty and encourages them to explore issues that impact the world’s most urgent social problems. With support from the Center during the 2010–2011 Academic Year, Assistant Professor of Operations Management Yi Xu wrote a paper entitled “Public Incentives for Green Innovation.” The paper presents a model of firms developing and selling green, nonpolluting technologies and explores the impact of competition among green technologies and between green and traditional technologies with regard to investment choices and prices. It is currently under review for publication.

“Mission Gap”
In 2010 Robert M. Sheehan, Academic Director of Smith’s Executive MBA Program, published the book Mission Impact: Breakthrough Strategies for Nonprofits, which provides a new paradigm for strategic planning in nonprofits. Based on 30 years of experience, including eighteen spent as CEO of two national nonprofits, scholarly research, and consulting experience, Sheehan’s book outlines how to design, develop and implement breakthrough strategies to increase a nonprofit’s mission impact and improve the quality of life for the populations they seek to serve. Sheehan is passionate about enhancing the business side of nonprofits. “Nonprofits are mission-driven, but also have the edge of business,” he said. “You can actually fail, so you need to figure out how to make money. This is why all things - marketing, finance, operations - are important.”

4. CAREER DEVELOPMENT

Career Coaching
The Center is helping Smith’s Office of Career Services integrate social value considerations for students entering all industries. In addition to on campus skill development, CSVC partners with the Net Impact Chapter to facilitate Career Treks to socially responsible companies across the DC-Baltimore Metropolitan region.

2011 Social Enterprise Symposium
Students from across the University of Maryland engaged on a substantive level with leaders from organizations like the Campbell Soup Company, Johnson Controls, Kraft Foods, and ARAMARK and helped facilitate panel discussions on leading challenges in social enterprise. Nine panels featured thought leaders and practitioners from across industries, and included discussions such as the role of consumer packaged goods in addressing the US obesity epidemic, building and promoting sustainability from within, and sustainable product design.

Key actors from the Small and Medium Enterprise financing sector, RENEW Strategies, Grassroots Business Fund, SMEThink, Africa Middle Markets Fund, and Aspen Network of Development Entrepreneurs were also brought together to discuss effective strategies to support Subject Matter Experts as leaders of development in Sub-Saharan Africa.

Seth Goldman,
CEO of Honest Tea
Social Enterprise Symposium 2011
**THOUGHT LEADERSHIP**

**RECOGNIZED BY NATIONAL MEDIA**

Over the past year the Center’s work and thought leadership in the social value space was highlighted by national media sources including:

In February 2011 Melissa Carrier, Director of the Center, discussed the Maryland Benefit Corporation Legislation on WAMU’s Kojo Nnamdi.

In April 2011 Melissa Carrier offered advice and feedback on the business plan of a social enterprise that provides diapers to low-income families in the DC metro area via The Washington Post’s Business Rx column. Carrier challenged them to focus on the root of the problem, to address public policy that contributes to the gap in services, and to seek revenue from a more diverse base in the area.

In September 2010 Melissa Carrier offered her advice to a startup organization focused on building healthcare capacity in emerging markets in an article published in the Washington Post.

“The goal is to give students the skills to be change agents in their organizations”

Melissa Carrier as quoted in the March/April 2011 edition of Amtrak’s Arrive Magazine.

**SHAPING POLICY**

In 2010 the state of Maryland became the first state in the United States to designate a new category of business, “B-corp,” or “benefit corporation,” which allows companies to incorporate social goals into their missions. CSVC Executive Director Melissa Carrier was a key witness before the State of Maryland Legislature and testified in support of this new business designation.

According to Carrier, benefit corporations offer a “values driven investment return to their shareholders, they specifically articulate a social or environmental objective, which is distinct from traditional corporations who may have a philanthropic program or work in the corporate social responsibility field, but don’t necessarily link that directly to their strategy, customers or employees.”

**CONNECTING LEADERS**

During the 2010-2011 Academic Year the Center engaged students with a variety of leaders from across industries to discuss topics from the impact of social media activism to the education system in India. For example:

Bollywood actor Anupam Kher and Dr. Madhav Chavan, Director of the Indian NGO Pratham discussed mass volunteer mobilization as a way to address the gap in India’s education system. Their model, which mobilizes over 370,000 volunteers, demonstrates the growing interest of the Indian elite in addressing the country’s social challenges.

In a panel on the forefront of social change and social media, students learned that “relationships— not social media—are what cut through the clutter and encourage people to organize around issues they care about.”
LOOKING FORWARD: SOCIAL VALUE

We believe business is at a historical inflection point. With an increasingly interconnected, globalized, and technology driven society, our expectations of business are changing. We see what’s possible and how business can deliver innovations to address our pressing issues. We see governments looking to attract not just companies who will simply provide jobs, but also companies who bring sustainability and well-being to their communities. The Center is committed to pursuing this trend through research and practical application.

WHERE WE ARE GOING: NEXT STEPS

PRESS EXPOSURE
Near-term objectives for media outreach include placing articles in several high-profile publications such as the Stanford Social Innovation Review, the Chronicle of Philanthropy, and the Sunday metro section of The Washington Post.

AWARENESS & THOUGHT LEADERSHIP
The Center is beginning to achieve significant regional awareness and respect for its growing leadership in the space. A focus on attracting media coverage will enhance our reputation. Building a national profile however will require financial resources in order to develop Center-led thought leadership in writing and research.

BUILDING DONOR RELATIONS
To continue to deliver and expand exceptional programming, teaching, and research, we must develop relations with foundation prospects, increase the number of donors and giving level, and build a pool of leadership gift prospects.

SOCIAL & DIGITAL MEDIA
Continuing to expand social media presence reinforces the Center’s position as a thought leader among grassroots social entrepreneurs, nonprofit executives, and prospective students who identify Smith as a leader in our field.
The Center places tremendous value on its relationships with partners and serves as a bridge among academic, corporate, nonprofit, and public spheres. We collaborate with leaders and organizations on social and environmental impact-related issues including sustainability, corporate social responsibility, and innovation. During the 2010 – 2011 academic year the Center increased the number of partners engaging with the Smith community through sponsorship of the Social Enterprise Symposium, hosting internship opportunities, and working with students to address industry challenges. The organizations highlighted below reflect a small sample of this collaborative engagement.

**United States Agency for International Development (USAID)**
Over the summer of 2011 graduate students sponsored by USAID provided business consulting services to three independent Sri Lankan Organizations. Students improved the business practices of the faculty at the Jesuit Academy, analyzed the supply-chain and marketing of Aqua N’ Green (a fish culture and production company), and provided a communications strategy for the Information and Communication Technology Agency of Sri Lanka.

**The Nature Conservancy**
Through a partnership with the Nature Conservancy a team of MBAs and Conservation Biology Masters candidates created a business plan for developing and implementing a profitable, scalable oyster reef restoration economy in the Louisiana Gulf Coast region. This practical opportunity provided students with cross-discipline application of their skills and a real-world example of the needs of start-up social enterprises.

**Ernst & Young**
On March 31, 2011 the Center held its third annual Social Enterprise Symposium, themed “Be Bold, Be Now, Be the Future.” Ernst & Young, a Gold Sponsor of the Symposium, had a strong corporate presence at the event and was able to network with students through the evening’s culminating networking and career event that highlighted 20 participating organizations. Through this sponsorship Ernst & Young was able to engage with over 500 undergraduate and graduate students in attendance.

**ASHOKA**
AshokaU, the collegiate presence of Ashoka, is a major player in the social entrepreneurship space. In May the AshokaU Terp ChangeMaker team and the Center brought SUSTAINNOVATE 2011 to campus, showcasing innovations in sustainability to ignite conversations about important environmental and energy issues that face our campus, our community, and our world.

**IBM**
In the spring of 2011, IBM sponsored a Social Innovation Practicum Project where undergraduate Smith students analyzed IBM’s Outcomes-Based Delivery (OBD) Methodology, a framework that maps values in complex systems and networks focused on shared public outcomes. The team provided recommendations on the steps necessary to implement OBD across different sectors including healthcare, transportation, and public education.
During the 2010-2011 Academic Year the Center for Social Value Creation secured 45% of its total funding from sources outside of the Smith School. This external funding came from consulting project and event fees, corporate partners and sponsorship, and individual donors and grants. The goal for the coming year is to continue to draw down the level of Smith School support and move toward an increasingly self-sustaining model.