At the Robert H. Smith School of Business we recognize that the role of business in society is irrevocably changing. For nearly 200 years the power of free enterprise capitalism has greatly benefitted society by bringing economic prosperity, healthy livelihoods, literacy, and freedom. At the same time this unprecedented growth has led many to the singular focus of profit maximization while leaving behind the equally important principles of human empathy and ethics inherent in capitalism’s original model. The marketplace is demanding change, and change is happening.

Business leaders are shifting their attention to building long-term value, recognizing that creating value for all stakeholders actually maximizes their goals. All the while, lines are blurring across public, private, and citizen sectors.

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 shape them as successful business leaders for the 21st century. We recognize that cross-sector collaboration and entrepreneurial thinking is essential for achieving sustainable solutions to social and environmental issues. The skills, frameworks, and leadership required to do this are different than those historically practiced and taught. We also believe that the greatest value is created by combining creativity and ingenuity with resources, technology, and global connectedness. These ideals are infused into every aspect of the student experience at the Center for Social Value Creation.

As we celebrate our 5 year anniversary this coming year, we say good-bye to Dean G. “Anand” Anandalingam. Dean Anand was instrumental to the founding of the Center for Social Value Creation, and we are forever grateful for his vision and dedication. We are delighted to welcome our new Dean, Dr. Alex Triantis, professor of finance at the Smith School of Business for the past 17 years. We also welcome a growing team of professionals at the Center for Social Value Creation dedicated to the mission of building a better world through the application of business.

I truly believe business has the power to change the world. What is now emerging will soon become business as usual. I hope you enjoy reading about our impact in the 2012-2013 Annual Report and I invite you to join our journey.

Melissa Carrier, Executive Director
The Center for Social Value Creation at the Robert H. Smith School of Business aims to create a better world through business principles. We help prepare Smith students as leaders able to recognize opportunity in today’s complex global challenges. By offering real-world learning programs, supporting ground-breaking research, and building partnerships across sectors, we empower students to apply business principles in creative and entrepreneurial ways that co-create economic prosperity, environmental well-being, and positive social change.

The Center is comprised of four full-time staff members that collectively account for more than 25 years of experience in the business, nonprofit, social enterprise, start-up, international development, and sustainability sectors.

where “awesome” happens:

MELISSA CARRIER
FOUNDER & EXECUTIVE DIRECTOR

KIM R. GLINKA
ASSISTANT DIRECTOR, MARKETING & SUSTAINABILITY

SARA HERALD
ASSISTANT DIRECTOR, SOCIAL ENTREPRENEURSHIP

PAMMI BHULLAR
PROGRAM MANAGER, EXPERIENTIAL LEARNING

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SOCIAL ENTREPRENEURS IN RESIDENCE

Drew Bewick, Managing Director, Tree House Ventures

Drew brings more than 20 years of experience involving the most challenging issues where technology and innovation intersect. As Managing Director of Tree House Ventures, LLC, Drew serves as an advisor to multiple companies and non-profit organizations helping visionary innovators launch successful ventures by discovering opportunities and using entrepreneurial principles to organize, launch, and manage a successful venture to make an impact.

Darius Graham, Co-founder, DC Social Innovation Project

Darius is the Founder of DC Social Innovation Project (DCSIP), a nonprofit providing seed funding and pro bono services to help community members launch creative, new projects tackling pressing social issues in Washington, DC. Darius was previously an Associate in the Financial Restructuring group at Akin Gump Strauss Hauer & Feld LLP where his practice focused on the representation of debtors, informal and official committees of creditors, and individual creditors in large, complex Chapter 11 cases. He has served on the board of directors of the Institute for Responsible Citizenship in Washington, DC, and the Donald P. McCullum Youth Court in Oakland, CA.

Kim Person, International Trade Specialist, DC Chamber of Commerce
In 1999 Kim founded a wholesale and distribution company manufacturing women’s handbags and accessories in Asia. As CEO, Kim spent her time on corporate strategic planning, marketing, growing the business, and financial management. Kim sold the company in the spring of 2009. Kim’s early career years include time at State Street Bank, Hallmark, and McDonald’s Corporation, all in marketing and business development.

FACULTY COMMITTEE

Sandor Boyson, Research Professor; Co-Director, Supply Chain Management Center

Shreevardhan Lele, Assistant Dean; Ralph J. Tyser Distinguished Teaching Fellow

Stephen Loeb, Ernst & Young Alumni Professor of Accounting & Business Ethics *Through 6/30/2013

Vojislav (Max) Maksimovic, Professor of Finance; Chair of the Department of Finance

Paulo Prochno, Tyser Teaching Fellow; Associate Department Chair, Management & Organization

Rebecca Ratner, Assistant Dean; Professor of Marketing
Five finalists competed in the March 2013 “No Limits” Social Impact Pitch Competition, part of the Center’s annual Social Enterprise Symposium — an official University of Maryland “Fearless Ideas” event. Student finalists were selected based on a formal review process, which included tough questions about the impact of their endeavor and its ability to succeed as an established organization.

Finalist Maggie Croushore pitched her organization “KidFit” and explained how its interactive physical and health education curriculum can be a transformative experience for all students, and also help confront the issue of childhood obesity.

Mondiu Ladejobi told the crowd about his endeavor “Payvius” — a low-cost mobile money transfer service that provides secure transfers from the United States to any mobile phone in sub-Saharan Africa. Transfer recipients are also afforded the opportunity to build credit in developing economies.

Juan Bellocq founded “Microjusticia”, a non-profit composed of dedicated young lawyers who provide legal aid to residents in the slums of Buenos Aires, Argentina. The audience also heard from Cristina Huidobro, co-founder of “Destinalo.com.” Cristina wants to connect local, family-owned businesses with independent travelers from around the world via her online booking platform, which is dedicated exclusively to sustainable tourism. Last but not least, Christopher Lane pitched ProCity, a startup trading network that empowers users to donate unwanted items, earn “ProPoints,” then cash them in for other items they want and need — all for the benefit of charities.

In a surprising turn of events the judges awarded both “KidFit” and “Payvius” the first-place prize. “KidFit” also took home the audience-selected People’s Choice Award. The winners were awarded a cash prize, and benefited from in-kind mentoring services from the Center for Social Value Creation’s entrepreneurship network including Ashoka, ThinkImpact, and PunchRock.

In April 2013 the Center for Social Value Creation was named a 2012-2013 Sustainability Fund grant recipient for its proposal of the UMD Innovation Portal, now known as the “Fearless Ideas Network.” With this grant the Center, along with key stakeholders and collaborators, will develop an online virtual hub where students, faculty, and other members of the UMD community can share their fearless ideas and connect with resources to move them forward — faster and with more collaborative support than ever before. Through the power of technology the Fearless Ideas Network will make visible and accessible the sprawling network of innovators, changemakers, dreamers, thinkers, and doers at the University of Maryland, thereby helping ignite bold invention, drive passionate leaders, and inspire social change.

“Social entrepreneurs who take a rigorous, business-oriented approach to social change can wed the best of the for-profit world with the best of the nonprofit world. When you think BIG, new markets can be unleashed —ones that create significant positive value for the world.”

— Melissa Carrier, Executive Director at CSVC
The Institute for Self-Reliant Agriculture (ISRA) is a nonprofit organization working to empower impoverished smallholder farm families to feed themselves and provide for future needs through sustainable farming, sufficient food, and balanced nutrition. The ISRA currently operates in Peru, Ecuador, and Kenya where local staff work with partners to deliver on the organization’s mission. The Smith team worked with ISRA to define viable funding streams and develop marketing and fundraising strategies to support the organization’s five-year plan for expansion. The consultants helped staff members at ISRA segment their donor markets and develop consistent messaging across all media and countries. Drawing on research about effective fundraising strategies, the consultants created a formal membership program and a template for an annual action plan to facilitate the management of yearly campaign cycles. From the perspective of student consultant, EMBA ’13, Amadou Cisse:

“I will always cherish our time in Ecuador and be forever grateful for the opportunity to change the world. I came back with more resolution than ever to continue to work in improving and changing the lives of others.”

In the fall of 2012, three Smith MBA students participated in a ChangeTheWorld.org consulting project to develop improved marketing and fundraising strategies for an international nonprofit. The experience was complete with a visit to the organization’s headquarters in Ibarra, Ecuador.

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In January 2013, 22 undergraduate students flew 8,800 miles from Maryland to Thailand for a new experiential course that examined social value creation and entrepreneurship in Southeast Asia. The course, Doing Business in Thailand: Social Value Creation & Entrepreneurship, explored the variations of social value creation outside the United States. Site visits included learning opportunities in Bangkok as well as the northern cities of Chiang Mai and Chiang Rai. The course ended with an overnight stay in the northern highlands in a Lahu hill tribe village which is supported by a local social enterprise.

“Each day in Thailand brought with it a new scene, a new question, a new idea, a new perspective. Each company visit, CSR initiative, walk through the market, or encounter with a Thai person contributed to the development of my thoughts and wonders,” said Lauren Wittig ’13, Marketing and Supply Chain Management double major. “I have never been so curious, so fulfilled, and so thirsty for more in my life. The impact that this trip has had on me has been unimaginable. I have gained a new outlook on so many facets of life related to business, nonprofit, sustainability, and social responsibility.”

Thailand has long been a regional hub of social entrepreneurship. Hundreds of domestic and international NGOs operate throughout the country, from Khaosan Road in Bangkok to tiny villages on the Thai-Myanmar border. Student visits included the American Chamber of Commerce in Thailand, Cabbages & Condoms, Charoen Pokphand Group, Chiang Mai University, Christian Care Foundation for Children With Disabilities, Goodwill Group Foundation, Magnolia Quality Development Corporation, and the Mirror Foundation. The class also took in cultural sites including Ayutthaya, the ancient capital of Siames, the Temple of the Reclining Buddha, and Queen Sirikit’s Botanical Gardens. The course was a collaboration of Smith’s Center for International Business Education and Research (CIBER), the Royal Thai Embassy, and the Center for Social Value Creation. A short-term course to explore social value creation and entrepreneurship in Ghana is currently in development for January 2014.
In January 2013 at the Miller Senate Building in Annapolis the first survey and report on Benefit Corporation and LLC activity in Maryland was released. Research and analysis for the report was conducted by a team of Smith MBA candidates under the guidance of the Center for Social Value Creation and Dr. David Kirsch, in partnership with Change Matters, Benefit LLC—a social enterprise consulting firm.

The MBA team, part of the Social Venture Consulting Practicum, aimed to learn how many Benefit Corps/LLCs there are in the state of Maryland and why they filed; to do so the team had to also figure out where to find the information they needed, what specifically to look for within the data, and how to analyze it in a way that would be useful. The end result was a report detailing the nascent Benefit Corporation movement, along with insight as to where it’s going.

In the view of Amy Kincaid, founder of Change Matters, the laws establishing Benefit Corporations and Benefit LLCs are part of a larger movement toward conscious capitalism, “common good enterprise,” or balanced business leadership. Ms. Kincaid acknowledged that the work of the MBA team was crucial in the development of the field by saying, “This report represents a first step toward baselining data and analysis that will offer insight into this exciting, evolving economic field. I am grateful to the research team, their advisor David A. Kirsch, to the Center for Social Value Creation and the Robert H. Smith School of Business, as well as those who participated in surveys and interviews.”

As the first-of-its kind study, the team’s research received notable recognition, including a feature in FORBES.com. Student consultant Megan Burkhart McElroy noted, “One of the most interesting findings from our research was that benefit corporation and LLC legislation has found a place in every industry. Social value creation isn’t a siloed concept anymore. Many people want to be a part of their community and to do good in their own unique and meaningful way.”

In April 2010 Maryland became the first state in the nation to allow companies to register as Benefit LLCs or Benefit Corporations—new legal entities designed to maximize both profits and social good.

In the Fall of 2012 three Smith MBAs helped bring clarity to this emerging movement.

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— Megan Burkhart McElroy, MBA ’13

The Center for Social Value Creation has engaged more than 150 nonprofit and for-profit organizations to date on forward-thinking initiatives that deliver impact. We value these opportunities and wish to thank our partners and clients for helping Smith students earn valuable industry experience.

Students have benefited from consulting projects, guest lectures, thought leadership panel discussions, and other research endeavors. During the 2012-2013 academic year alone 32 full-time MBA students earned resume-enhancing consulting experience and served clients across the nonprofit, for-profit, and government sectors. Additionally, nearly 60 student consultants served nonprofit clients through the ChangeTheWorld.org consulting program and helped address a myriad of business challenges that assisted the nonprofits in becoming stronger organizations. The groups highlighted below are just a small sampling of the many collaborations held throughout the academic year.
about the ripple effect

and how one good idea leads to another

THE INCENTIVE MENTORING PROGRAM

The Baltimore based Incentive Mentoring Program (IMP) creates relationships between university-based volunteers and underperforming high school students. In the Spring of 2012 a team of undergraduate Smith students helped IMP address one of its biggest challenges: how to scale its mentoring process to transfer the program to more schools. A vast amount of qualitative research was conducted enabling the team to ultimately produce four distinct tools by which the program could better measure success. Together, they not only record problems, but also outcomes based on standards, which the program could better measure and discerning. They identified the problem and developed an amazing solution. Deliverables went above and beyond, and the matrix could very well be the foundation to identifying the exact ‘formula’ of an IMP family, which is a question that we’re tried to tackle for many years.”

Fast forward to spring 2013; with a methodology to scale programming in place, IMP had a new challenge: streamlining communication flow within the organization and among volunteer groups. IMP knew they needed a centralized process for responding to inquiries from external stakeholders and a simplified flow of internal communications to better support IMP executives’ decision making. Again, Smith students took the helm. A team of MBAs collaborated to create a framework that ensures timely, accurate, and consistent information coming from the front office to both internal and external stakeholders. A Communications Metrics chart was also created to provide accountability and focus in the delivery of information.

When deciding on graduate school, Robin knew she wanted to continue her career in social work. She identified the dual degree MBA/MSW program at the University of Maryland as a place where she could prepare for the next phase of her career and better understand the “bigger picture” that links business and social impact. Smith stood out as a flexible and collaborative program, with IMP’s role at Smith making a big difference in Robin’s final decision. “My intuition was right”, Robin said, “I am glad I started the program on the MBA side. I don’t have as much traditional business experience, so diving right into the MBA curriculum helped me develop my networking skills before entering the social work portion of my graduate program.”

In March 2013 the Center invited Robin to an exclusive “Board Room Discussion,” a special feature of the 2013 Social Enterprise Room Discussion,” a special feature of the 2013 Social Enterprise Conference, to provide feedback on the center’s work. Robin capitalized on the moment and engaged Mr. Bram after the session. Her genuine interest in helping adults with disabilities, coupled with the unique opportunity to engage Mr. Bram one-on-one, enabled Robin to land an in-person meeting at Easter Seals, and ultimately a part-time Spring Internship. During the internship Robin researched service gaps in the DC metro region for individuals with autism, transition- ing youth, and the elderly, bringing her one step closer to her goal.

Robin is passionate about helping adults with development disabilities. Before coming to Smith she assisted these individuals in setting and achieving goals. But Robin wanted more; she decided her next career goal would be to amplify her impact by addressing the bigger picture.

“When I was struck at how exciting this business model sounded. I thought to myself, this is exactly the work I want to be doing – combining business with my passion for working with people with disabilities.”

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After a 2011 launch in 40 sites worldwide, the Global Sustainability Jam debuted in the greater Washington region under the direction of the Center for Social Value Creation, November 2-4, 2012. UMD students worked in groups throughout the weekend to generate ideas for sustainable business models, products and/or initiatives toward a more sustainable world. Representatives from the Chesapeake Bay Foundation and the University of Maryland’s Office of Sustainability helped provide a local and regional view of sustainability, while design strategists from DC-based firm Peer Insight provided introduction and oversight of the Design Thinking process.

The Jam resulted in four different project teams delivering fresh ideas ranging from a recycling program with a music-based reward system, to a mobile urban agriculture education center and farmer’s market. Project concepts were uploaded to the event’s international website along with those from 53 simultaneous “jams” under a “48 Hours to Save the World” rallying theme from such locations as Moscow, Tehran, São Paulo, Amsterdam, and Hong Kong.

This team of MBA and MS students, self-dubbed Terp Finance, worked together on addressing a two-part challenge for client organizations Advanced Conservation Strategies and the Conservation Finance Alliance. The goal was to provide a thorough assessment of the impact field and to develop a framework for an impact-focused financial portfolio that could accelerate biodiversity conservation. The creation of such a portfolio would enable biodiversity conservation projects across the globe to be financed and scaled readily.

During the course of the semester the team conducted interviews with fund managers, platform organizers, and other professionals in the field, and completed a literature review of corporate websites, peer-reviewed articles, and other impact investing publications. After assessing the current state of the impact investing field and reviewing the requirements for forming and managing an impact portfolio, Terp Finance devised seven major recommendations for portfolio success. Ultimately, the team endorsed the creation of a biodiversity conservation fund and believes that strong potential exists to link environmental needs to investor capital - particularly for those interested in funding projects that realize maximum impact.

“Terp Finance were a pleasure to work with: engaging, professional, and high-performing. Their research has provided a solid foundation for some important decisions about developing a strategy to support environmentally-focused entrepreneurship.”

— Josh Donlan, Director of Advanced Conservation Strategies

November 2-4, 2012 the Center for Social Value Creation hosted a weekend-long event aimed at creating new, real-world ideas to promote and advance sustainability. The “College Park Sustainability Jam” was part of a global movement that connects individuals from all backgrounds, levels of experience, and parts of the world.

In partnership with the Sustainable Development & Conservation Biology (CONS) Graduate Program, the Center offers a cross-disciplinary, masters-level consulting engagement for MBA and MS students interested in solving problems at the intersection of business and environmental science. In the Spring of 2013 these students were charged with developing a framework for an impact investment portfolio focused on biodiversity conservation.

Unlocking Potential by Working Together

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Advancing Ideas that Can Change the World

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A mix of undergraduate students (majors: Material Science & Engineering, Civil Engineering, Business, and Sociology) review their ideation canvas to determine next steps in their project.

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Central to our work at the Robert H. Smith School of Business is a dedication to unique, impactful learning opportunities that connect students and faculty with knowledgeable industry leaders. The 2013 Social Enterprise Symposium was no exception. The event took place at the University of Maryland’s Stamp Student Union, during which more than 1,000 attendees – mostly students – filtered in and out of the 14 presentations, workshops, and panels geared toward creating a better world through business principles.

The symposium kicked off with a glowing introduction from Dean G. “Anand” Anandalingam, who thanked Executive Director and Assistant Dean of Global Initiatives, Melissa Carrier for her and her team’s hard work: “When you have someone who has a real passion, and someone who has the capability of making their passion a reality, you should say ‘yes’ – then stay out of the way!” Dean Anand continued, “this is really part of the vision of the Smith School of Business, to become a vehicle by which our students, staff, faculty, and alumni become agents of economic prosperity and transformative social change.” The Symposium’s theme this year was, “Here and now” – a call to action inspiring attendees to become more informed, motivated, and active participants of life. Today’s complex challenges don’t afford the luxury to sit and wait for solutions. Problem solving begins with each of us, whether as individuals or organizations, and it must begin now.

The 2013 Symposium also marked the reveal of the new event logo. Created under the direction of Assistant Director Kim Robertella Glinka, with the creative input and design support of a team of students, the new logo reminds us that we are all empowered as changemakers. The curved lines in the gold box mimic the lines on one’s hands, driving home the point that it is we who are responsible, we who are the problem solvers, thinkers, dreamers, entrepreneurs, and business leaders who can create the world in which we wish to live – with our own two hands.

SYMPOSIUM SPOTLIGHT:
Traditional business models focus strictly on generating profits. But today’s business-savvy, socially-conscious professionals believe that business has the potential to drive social change, and they are creating new business models to make it possible.

The 2013 Social Enterprise Symposium brought together executives from several such companies in a panel titled “The Right Fit: Three Models for Social Impact,” to show students three different structures for social enterprises. Whole Foods, CAUSE Philanthropub, and Carbon War Room each shared their unique approach to achieving financial success while delivering social impact. The panel was moderated by Curt Grimm, Charles A. Taff Chair of Economics and Strategy at the Smith School.

Left: Nick Vilelle, CAUSE Philanthropub, talks with a student at the Symposium.
Last year, I asked several Smith School Faculty a simple question, “What does social value creation look like in your field of study?” They were intrigued by the question. So, the challenge was born to define social value creation across business disciplines.

Each faculty member took the next six months to craft a story around social value creation in his/her field: finance, marketing, strategy, supply chain, entrepreneurship and economics. At the same time, I reflected on the genesis of our name and the Center’s mission to create a better world through business principles. Why did we create the Center for Social Value Creation in 2009 and not the Center for Social Responsibility, or the Center for Sustainable Business or the Center for Social Entrepreneurship? We chose the name because we wanted to redefine value creation in a new 21st century way. We believe the perfect storm is brewing for a fundamental shift in the role of business in society that will enable a more inclusive form of value creation – one that embraces shareholders, employees, customers, communities, and our environment.

Under the 20th century model of industrialization, the prevailing notion is that governments have the responsibility to create and protect social value, and the nonprofit sector exists to fill any remaining gaps. Government sets the rules and regulations that define the business landscape, and companies supposedly play by these rules, operating under ethical standards, to maximize profits. This framework makes it possible also for business to externalize many types of risk and cost; though of course, this was not always the intent. In the late 1700s, the privilege of incorporation was granted by states for specific purposes that benefited the public – such as construction of bridges, roads, schools, and canals. Corporate charters had limited lifespan and the company was restricted to activities that directly fulfilled their purpose. The ability to profit was widely seen as an effective way to organize capital and achieve public goals. In the late 1800s, another critical shift occurred when corporation definition was actually “to limit the power of corporations by democratizing the corporate form through dilution.” The intention was to level the playing field over the practice of choosing among rival charter-seekers. What resulted is the free marketplace of the 20th century, with its genius and imperfections alike, and the unrelenting emphasis on shareholder wealth creation.

The early 21st century is proving to be another pivotal time for business. Anecdotally, CEOs consistently agree that long-term value creation (for whom?) is the primary purpose of a company, and that an orientation towards long-term decision making and investing is required. Studies show that short-termism prevents firms from doing what they do best – creating value in the products and services they produce, investing in new opportunities, and developing human potential. The belief is that companies with a long-term perspective will ultimately achieve better business results and make a greater contribution to the public good. Yet why are so many of us under pressure of intense short-term performance metrics and misaligned long-term incentives? A number of important internal and external factors are driving a subtle – yet significant – shift in redefining business in the 21st century. Let’s take a look at the factors playing into this perfect storm of change and value creation:

**TECHNOLOGY**

The proliferation of technology has fundamentally changed the human experience. Now, subsistence farmers in Ethiopia, small shop owners in Thailand, and Wall Street bankers in NYC are connected in the global marketplace. The growth of worldwide transportation has led to an increase in invasive plant/animal species and pandemic health issues among others. And our lives are linked by social media where we can experience the good and the bad around the world via instant communication.

**POLICY**

Although regulatory uncertainty exists in some areas of environmental policy, current and potential legislation has an influence on corporate behavior. Thirteen states have proactively passed legislation that creates the Benefit LLC/Benefit Corporation legal entity, thus enacting a statutory corporate purpose to have a material positive impact on society and the environment for those firms who choose this structure. Another 15 states have introduced such legislation and this represents the most subversive effort yet to shift the role of business in society.

**Risks once considered externalities are now seeping into the capital markets. There is a growing industry that measures, values and ranks environmental and social impacts of corporations. At the same time, environmental and social disruptions degrade returns at an arguably faster pace. And impact investors are growing, expected to pour $9 billion into impact investing in 2013.**

**STANDARDS**

There is a growing set of global standards taking hold in transparency, reporting, and governance. More than 1,300 companies use the Global Reporting Initiative and many more have voluntarily signed the UN Global Compact. Additionally, there are hundreds of standards used from LEED building certification to Fair Trade to ISO.

**INTERNAL STAKEHOLDERS**

The rise of millennials in corporate America is indeed having an impact on companies from within the organization. According to the 2012 survey by the Society for Human Resource Management, HR professionals say that the biggest challenge in the next 10 years is retaining and rewarding the best employees. These employees are seeking work that matches their value system. The implication is that employees will continue to rise around a company’s sustainable action to the community, the environment, its employees, its customers and society at large.

**INVESTORS**

Of course in this “age of consumerism”, one of the most persuasive factors is the shift in buying preferences. With the rise of technology and social media influences, we have become more acutely aware of the impacts of our actions as a collective species. Consumers expect the companies from which they buy to act ethically. They want to know more about where their food comes from, and how they can protect the environment through their purchase. And, they don’t think they should have to pay more for it! While much is still unknown to the consumer about a product’s supply chain and life cycle, what is clear is that in many segments, consumers are starting to vote with their wallets... and companies are following suit.

These factors collectively support the development of the conditions needed to redefine the role of business in society. Corporate competitive advantage will only be sustained if companies have the ability to manage the dynamic process of rapidly changing expectations among stakeholders that reflect new views about the co-creation of economic, social, environmental value. The integration of opportunities across these dimensions will give rise to a new type of business leader with skills to manage complexity across sectors.

So, what then is social value creation? A definition of social value often cited is offered by James A. Phillips Jr., Kris Deiglmeier, and Dale T. Miller: “The creation of benefits or reductions of costs for society – through efforts to address societal needs and problems – in ways that go beyond the private gains and benefits of market activity.” This definition is a good start. However, I would like to expand on this with support from Phil Auerswald’s thought leadership on Creating Social Value.

This definition also goes beyond dollar-dominated metrics of traditional value creation to one that is anchored in human capability. Thus, social value creation not only encompasses regular market activity but also extends to accounting for externalities and solving market failures created by incomplete markets. I believe this definition can serve as an effective road map for organizations of all types working to make the world a better place.
The Center for Social Value Creation is always looking ahead. Here are a few things coming in the 2013–2014 academic year:

**INNOVATION FRIDAYS**
We’re out in front of a university-wide pledge to foster innovation and entrepreneurship across campus. Known as “Innovation Fridays,” this effort is a partnership of the new UMD Academy for Innovation and Entrepreneurship, the Dingman Center for Entrepreneurship, MTECH, CSVc, and the Center for Philanthropy and Nonprofit Leadership. Innovation Fridays align with UMD’s commitment to create a university-wide culture of entrepreneurship and to develop a social entrepreneurship asset map exclusive to UMD.

**GROW THE SOCIAL VALUE MOVEMENT AT UMD**
Moving forward we plan to grow the social value movement at UMD by investing in the expansion of AshokaU Terp Changemakers, creating a learning community of faculty and staff engaged in social entrepreneurship programing across campus, and developing a social entrepreneurship asset map exclusive to UMD.

**STRENGTHEN OUR “TOOLKITS”**
We place tremendous value on keeping things “fresh” and making sure that the programming and opportunities we offer align with student interest, helping to prepare them with the skills necessary for 21st century business leadership.

In the fall of 2013 CSVc will be working with Design Consulting Strategists at Peer Insight to enhance our internal and external strategy to deliver on our mission to create a better world through business principles.

**BY THE NUMBERS**
To date CSVc has awarded 16 faculty research awards.
This year we hosted or co-hosted 56 speakers at 73 events including:
- More than Money Career Workshop
- Multinational Social Entrepreneurs Meet & Greet
- College Park Sustainability Jam
- Do Good Challenge
- The Social Enterprise Symposium

5th Annual Social Enterprise Symposium (SES):
- >1,000 Registrants
- >55 Speakers / panelists
- 6 Lead Sponsors
- 3 Smith faculty moderators

FY13 Curricular Consulting:
- 16 Client projects
- 27 Student consultants

ChangeTheWorld.org Student Consulting:
- 7 Partner campuses
- 21 Client projects
- 67 Student consultants

Students Reached This Year:
- 16 SES Planning Volunteers
- 23 Social Innovation Fellows
- 177 UMD Student Consultants
- >200 Event attendees

Coursework:
- 8 Undergraduate courses
- 15 MBA courses dedicated to social value-specific content

During the 2012-2013 academic year the Center for Social Value Creation secured close to 70% of its total funding from sources outside of the Smith School, thanks to the generosity of donors. This external funding came from consulting project and event fees, corporate partners and sponsorships, and individual donors and grants. We will continue to draw down the level of Smith School support and move toward an increasingly self-sustaining model.

**CSVC Growth, 2009-2013**

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