

DEPAUL UNIVERSITY / GRAMEEN CREATIVE LAB SOCIAL VENTURE BUSINESS PLAN COMPETITION TO ALLEVIATE POVERTY

On September 23, 2011, Nobel Laureate Professor Muhammad Yunus was honored with the St. Vincent de Paul Award by DePaul University in recognition of his leadership in the development and implementation of the concept of microcredit, which has revolutionized support for people living in poverty throughout the world. During his visit to the university, he issued a challenge to those gathered during a small round table discussion on the future of microfinance and social business. The Rev. Dennis H. Holtschneider, C.M., DePaul’s president, accepted the challenge and empowered DePaul’s Institute for Business and Professional Ethics (IBPE) to launch the Social Venture Business Plan (SVBP) competition. We are grateful to Prof. Yunus for his inspiration, and to his Ombudsperson, Dave Stephens, for his support and guidance throughout this project.

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WHAT IS THE SVBP COMPETITION?

The SVBP competition is a challenge to all DePaul part-time and full-time enrolled students to submit plans for the creation of a business that serves the seven principals of social business, included below. The ultimate goal is to alleviate poverty, which can be reduced, if not eradicated, within our lifetimes. **The winning plan or plans will be awarded funding to establish the social business from the world renowned Grameen Creative Lab.**

OBJECTIVE

The fundamental purpose of the competition is to **design a replicable model of a social business that creates at least ten jobs for individuals living in poverty.** Through replication, countless jobs can be created in multiple environments and economies throughout the world.

Given DePaul's longstanding commitment to Haiti and to the lives of Haitians living in poverty, as well as recognition of the value of education in breaking the cycle of poverty, the purpose of the business plan submitted to the SVBP competition shall be to create jobs for at least ten workers living in poverty **in Haiti**, with sufficient pay so that those workers are able to support their families and **pay for the grade school education** of their children and beyond.

Note: Unless the students involved opt for an alternate approach, it will be presumed that the IBPE will work with the Grameen Creative Lab to match the funded business plan with capable entrepreneurs in Haiti to implement the plan on the ground. Therefore, submissions should be conceived and written in such a way as to be practicable under those conditions. Submitting teams (including those whose proposals are not necessarily chosen for funding) will be invited to continue to work as mentors or otherwise with implementing entrepreneurs once the business plan is put into practice on the ground in Haiti and, hopefully later, around the world.

Criteria

PARAMETERS:

1. **Teams:** Business plan submission teams may be comprised of any number of participants, but must contain at least one full-time or part-time enrolled DePaul University student.

2. **Funding:** Original total funding requests shall be awarded by Grameen Creative Lab and shall not exceed \$10,000.
 - a. However, proposals should include, where appropriate, an extrapolation of potential enhanced results that could be gained if additional financing were awarded.
 - b. For instance, if a proposal anticipates the successful creation of 10 jobs within a particular budget, it should also explain what additional budget would be necessary, beyond the original \$10,000, in order to create additional positions.
 - c. Grameen Creative Lab may, in its discretion, opt to award only the original \$10,000, to increase funding to a particular proposal, or to fund several proposals.

3. **Evaluation:** Business plans will be evaluated based on the following factors:
 - a. **Clearly defined potential for job creation.** Both the quantity and quality of the jobs created for the workers will be considered, in terms of job satisfaction, potential for personal development, opportunities for learning and training, sharing with others, ability to succeed and thrive.
 - b. **Financial impact of the plan.** Once funded, a social business is expected to be able to repay its investors (see below). This business must be able to then pay its workers sufficiently – and sustainably - so that they are able to support their families and pay for their children to attend school.
 - c. **Feasibility of implementation.** The business proposal must demonstrate in-depth business analysis, a well-defined roadmap for implementation, and scalability so that it can be replicated throughout both the country and other developing economies.

4. **Format:** Business plans shall follow the proposal format attached as Appendix A.


PROCESS:

1. **Mentors / Seminar Support:** Teams should feel free to access faculty or other mentors to obtain guidance in preparing submissions. In addition, seminar sessions for participants on areas of general preparation for submissions will be available on a timely and periodic basis, including seminars addressing “Haiti’s demographics,” “developing business plans for a social enterprise,” “The nature of a social business,” and others.
 - a. To ensure that teams are notified of these sessions, please send an email indicating interest to Prof. Laura Hartman at LHartman@depaul.edu.

2. **Deadlines / Timing:**
 - a. Business plans developed according to the parameters identified above shall be submitted to the review panel in Word format no later than 5:00 p.m. on May 15, 2012.


- b. Plans shall be submitted electronically to LHartman@depaul.edu. Hard copies are not required. Receipt will be confirmed. If you do not receive a receipt, please email a note without your attachment to request a follow up.
- c. All presentations will be evaluated by the review panel according to the criteria discussed above. The review panel will identify finalists, who will have the opportunity to present their submissions to the review panel on May 29, 2012. Please note, each finalist team will be notified of a time limit for their presentation time. No time extensions will be permitted so please be aware of this limit; plan precisely and accordingly.
- d. Participants will be notified of funding on or around June 1, 2012.

Key Dates


 Submissions
 Due by 5:00
 pm
May 15, 2012


 Finalists
 Notified
May 22, 2012


 Presentations
 to Review
 Panel
May 29, 2012


 Notification
 s to Funded
 Team (on or
 approx. June
 1)
June 1, 2012

Definitions

SOCIAL BUSINESS:

Prof. Yunus defines a social business as one that has no losses, but also pays no dividends. The business may repay investors on their original contributions but, since no dividends will be paid, the purpose of the investment is to achieve the social good(s) for which the business was established.

In addition, while the business may achieve some profit, the profits are intended to be reinvested in the business in order to further achieve the social objective. The success of the business is measured by its ability to achieve this objective in a sustainable manner.¹

SEVEN PRINCIPALS OF SOCIAL BUSINESS: Muhammad Yunus has articulated seven principals for a social business:

- Business objective is to overcome poverty, or one or more problems (such as education, health, technology access, and environment), which threaten people and society; not profit-maximization;
- The venture is financially sustainable (in connection to the business itself) and economically sustainable (with regards to the community within which it exists);
- Investors expect to receive back their investment amount, only; no dividend is given beyond investment money;

- When the investment amount is paid back, the venture's profit remains with the company for the purpose of expansion and improvement;
- The venture is environmentally conscious;
- The work force is paid a market wage under humane working conditions;
- ... All of the above is done with joy.²

APPENDIX A: FORMAT FOR BUSINESS PLAN SUBMISSIONS

All Business Plans shall be submitted according to the following format (see submission information and deadlines, above).

The Business Plan must be limited to 30 pages of text, charts, and diagrams (typed and double-spaced, 12-point font, and 1-1-1-1 inch margins) in **Microsoft Word** format. This includes financials or other appendices, which are limited to 5 pages.

Title of Plan

- Names of Team Participants, student ID number(s), along with affiliations (University, school, expected date of graduation):
- Primary Contact Name and Email:

Executive Summary

The Summary should be approximately 1-2 pages and should include the following information.

- I. Social Mission
- II. Company description (product or service) and business model
- III. Value proposition to stakeholders
- IV. Sustainability structure summary

Market Overview

- V. The Market: defining the market
 - a. Customer profile: customers / clients / target market and size
 - b. Industry analysis and forecast
 - c. What is the current and projected market share in numbers?
- VI. Opportunity and Business Analysis
 - d. Why does this represent an opportunity?
 - e. Competitive analysis (advantages - how the problem is not being solved by competitors, barriers to entry)
 - i. Identification of competitors? What are their strengths and weaknesses?

- f. Pricing strategy
- g. SWOT analysis

Business Overview

- VII. Organizational Structure
 - h. Recommendation for governance, management team, structure
 - i. Unique experience necessary for leadership?
- VIII. Financial and Social Impact Summary
 - j. Narrative discussion of financial model with detailed projections through Year 3
 - i. What does it take to fund this project in the first year? What are three years of estimated revenues and net income?
 - ii. *[Please include your total start-up budget request].*
 - k. Overall financial model with basic projections
 - l. Assumptions and capital requirements
 - m. Narrative overview of social impact summary

Social Impact Assessment

- IX. Social quantitative and qualitative impact analysis
 - n. How will you measure your impact? What impact assessment guidelines, models or tools will you employ to determine the value of the impact of this plan?
 - o. Since the business plan must result in the creation of at least 10 quality jobs, how do you define those quality jobs, and how do you ensure they are sustained at that level of quality?
 - p. Since the business plan must result in the creation of at least 10 quality jobs that compensate the workers sufficient to put their children through school, how will you determine an appropriate level of pay?
 - q. What is the potential for growth of this program in this pilot location over the next three years?
 - r. Have you considered possible unintended or negative consequences and what is your analysis?
 - s. In connection with your proposed business, please discuss how you have examined the impact of your business on the following issues, for any that might apply: economic development, community involvement, environmental practices, governance, hiring and workplace practices, sourcing/supply chain.

¹ <http://www.muhammadyunus.org/Social-Business/social-business/>.

² Adapted from <http://www.muhammadyunus.org/Social-Business/seven-principles-of-social-business/>.