

Scaling the Venture

November 7, 2022

image source: thenextweb.com

01

what's happening + in the news

02

is growth necessary?

03

business model design for scaling ~ what's your endgame?

04

transformative scale

05

Modo

TODAY'S CLASS



CVS, Walmart, Walgreens agree to pay \$13.8B to settle US Opioid claims

November 2 2022



Three major plaintiffs: 1. Drug manufacturers, 2. Distributors, and 3. Pharmacies

Opioid crisis was fueled by “reckless, profit-driven dispensing practices”

Settlement “will bring billions of additional dollar to communities that are desperate for funds to combat the epidemic” of opioid addiction.

2012-2016

~ 80M dispensed Trumbull County, Ohio = 400/resident

~61M dispensed in Lake County, Ohio 265/resident

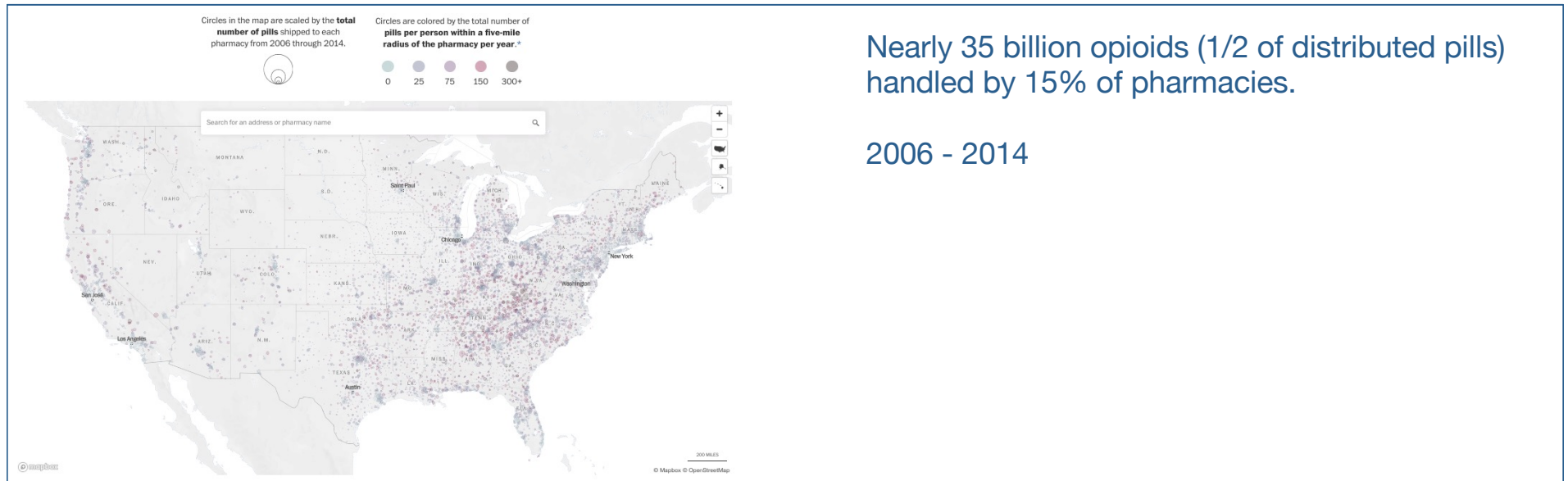
<https://www.reuters.com/business/healthcare-pharmaceuticals/cvs-walmart-walgreens-reach-tentative-12-bltn-opioid-pact-bloomberg-news-2022-11-02/>

<https://www.aljazeera.com/economy/2022/5/10/us-judge-to-decide-what-pharmacies-owe-in-fueling-opioid-crisis>

IN THE NEWS

How many pain pills went to your pharmacy

Updated February 25 2020



The Washington Post

<https://www.washingtonpost.com/graphics/2019/investigations/pharmacies-pain-pill-map/>

WEBSITE



McKinsey employees angered over firm's work with world's top polluters

October 27 2021



~ 1100 McKinsey employees signed open letter (2020) asking firm to disclose carbon emissions of clients.

"Our positive impact in other realms will mean nothing if we do not act as our clients alter the earth irrevocably."

Clients included 43 of top 100 polluters (over 50 year span – equaling over 1/3 of global carbon emissions since 2018).

<https://thehill.com/business-a-lobbying/578802-mckinsey-employees-angered-over-firms-work-with-worlds-top-polluters?rl=1>

IN THE NEWS



US Plastics Production to Outpace Coal in Driving Climate Change by 2030

October 2021



Plastics on tract to contribute more climate change emissions than coal plants by 2030.

According to Beyond Plastics report, fossil fuel companies seek to recoup falling profits by increasing plastic production. Resulting in cancelling out GHG reductions gained from closure of 65 coal-fired plants.

<https://sustainablebrands.com/read/defining-the-next-economy/report-us-plastics-production-to-outpace-coal-in-driving-climate-change-by-2030>

<https://sustainablebrands.com/read/from-purpose-to-action-building-a-sustainable-future-together/clearing-the-way-for-action-the-need-for-coordination-consistency-to-close-the-loop-on-plastics>

IN THE NEWS



Clearing the Way for Action: The Need for Coordination, Consistency to Close the Loop on Plastics

October 2021



Need global standardization (metrics) and alignment on plastics.

What counts as WASTE? What qualifies as RECYCLED?

UN treaty to end plastic (anticipated 2022)

1. Have all nations agree to eliminate plastic waste
2. Achieve widespread access to waste collection
3. Recognize role plastics play in lower carbon future
4. Support innovation in product design + recycling tech
5. Measure progress.

Dow Chemical, LyondellBasell

<https://sustainablebrands.com/read/from-purpose-to-action-building-a-sustainable-future-together/clearing-the-way-for-action-the-need-for-coordination-consistency-to-close-the-loop-on-plastics>

<https://www.plasticmakers.org/files/f844022f219e9f85633604e9d4fb6c1b2dcd2e35.pdf>

IN THE NEWS

Tim Hortons launches new sustainability initiatives including 'smart' waste bins

November 1 2021



Tims For Good new initiatives:

1. AI waste bins pilot ~ in partnership with Vancouver-based **Intuitive AI**, in 12 restaurants across Canada.
2. Compostable + recyclable cups ~ in partnership with **WestRock**.
3. Reusable + returnable cups pilot ~ partnering w/ TerraCycle's zero-waste platform **Loop**.

Tim Hortons

<https://www.franchiseinfo.ca/news/tim-hortons-launches-new-sustainability-initiatives-including-smart-waste-bins/>

IN THE NEWS



Creating a Circular Plastics Supply Chain

October 2022



FROM PURPOSE TO ACTION: BUILDING A SUSTAINABLE FUTURE TOGETHER

Accelerating Circularity Requires Creating a Viable Marketplace for Advanced Recycling

15% plastics mechanically recycled

Mechanical recycling cannot recycle many household plastics + disparate recycling infrastructures.

Advanced recycling has massive, untapped market potential for food-grade and medical-grade packaging (usually incinerated or landfills).

Scalable circularity = mechanical recycling + advanced recycling (Dow + Mura) + design for recyclability and waste access (Dow + Valoregen)

<https://sustainablebrands.com/read/from-purpose-to-action-building-a-sustainable-future-together/accelerating-circularity-requires-creating-a-viable-marketplace-for-advanced-recycling>

IN THE NEWS

“growth” vs *“scale”*

Is growth necessary?

Does scale of an
organization

=

Scale of its impact?



Source: Gugelev & Stern, *SSIR*, 2015

Local Case:


Scaling Deep vs. Scaling Up



<https://solefoodfarms.com/>

1. What are the trade-offs of scaling "deep" vs. scaling up?
2. What are the challenges of growing the impact – and how do you see the organization succeeding?

To scale or not to scale:

What's Your
Endgame 

https://ssir.org/articles/entry/whats_your_endgame#

“endgame” =

*“specific role that non-profit intends to play in overall solution to social problem,
once proven effectiveness of core model or intervention”*

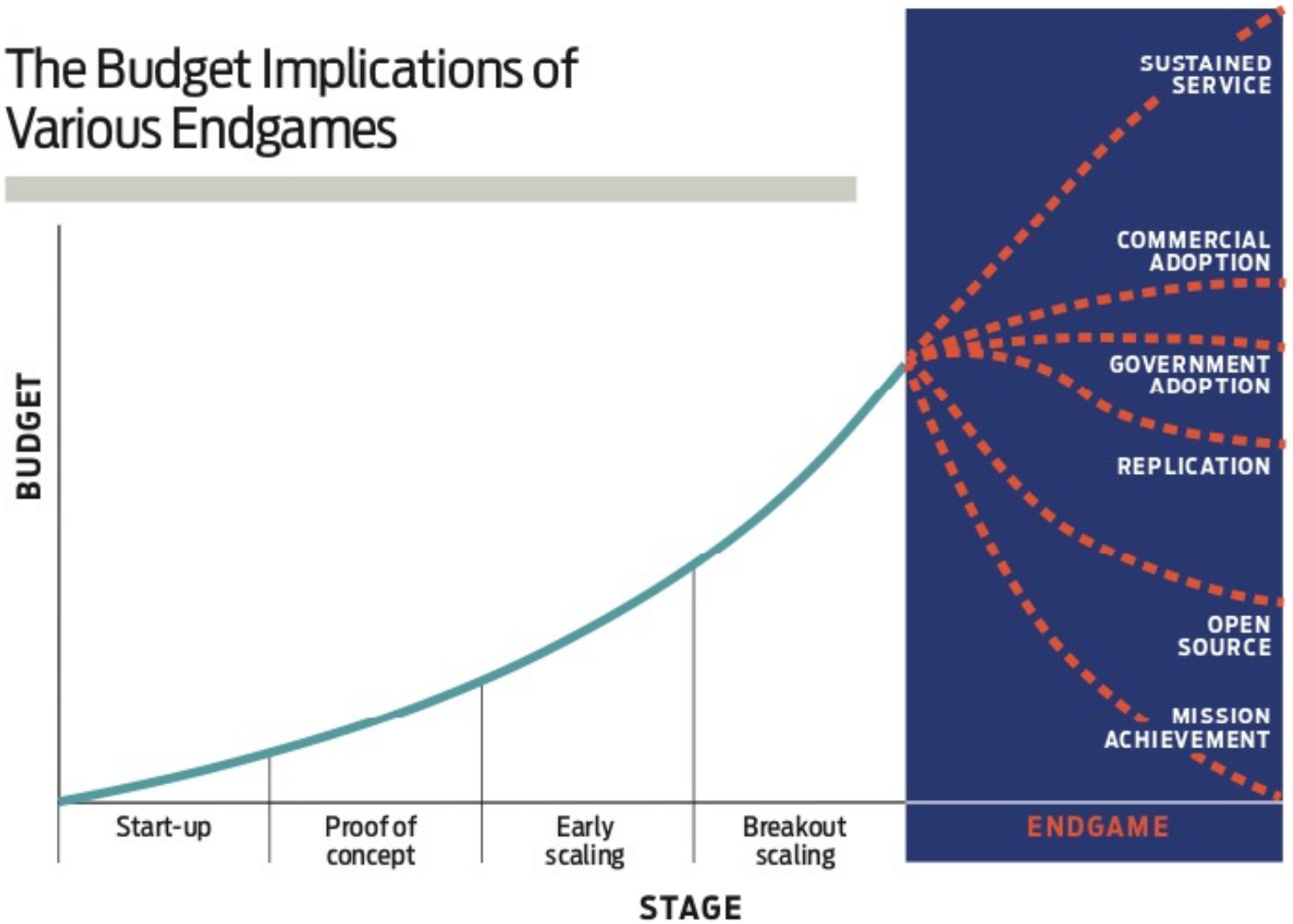
“endgame” =
Consider social targets
+ operational model

Plotting an Endgame: Six Options

ENDGAME	CHARACTERISTICS	CORE APPROACH	FUTURE ROLE
Open source ex. AA	A breakthrough idea that is easy for other organizations to adopt and integrate	Conducting research and development, and sharing knowledge	Serving as a knowledge hub for research related to a breakthrough idea
Replication ex. Charter schools	A breakthrough product or model that is easy for other organizations to adopt and deliver	Defining a replicable operating and impact model, demonstrating its efficacy, and sharing it with other organizations	Providing certification of franchise programs and training services, and serving as a center of excellence
Government adoption ex. kindergarten	A model with high coverage potential, along with a capacity for integration into public sector programs	Delivering results at a sufficient scale and level of efficiency to make a case for public sector involvement	Offering services to government agencies, and maintaining research and advocacy efforts
Commercial adoption ex. microfinance	A product or service with profit potential that solves a market failure or reduces market risk	Demonstrating the impact and the profitability of a product or service, and reducing associated risks	Maintaining advocacy and monitoring efforts, targeting hard-to-reach market segments, and working to ensure commercial delivery
Mission achievement ex. March of Dimes	Defined and achievable outcomes related to solving a discrete problem	Maintaining a focus on targeted intervention	Applying (where relevant) unique assets and capabilities to additional issue areas
Sustained service	A strong organization, with a proven ability to sustain funding, that fills a market or public service gap	Creating a cost-effective model, building a strong organization, and making efficiency improvements.	Continued provision of a core service at an ever-increasing level of efficiency

source: Gugelev & Stern, *SSIR*, 2015

The Budget Implications of Various Endgames



source: Gugelev & Stern,
SSIR, 2015

		'Payers'			
		Customers	Taxes	Aid	Philanthropy
'Doers'	You				
	NGOs				
	Businesses				
	Governments				

Key Q's about your model:

1. Is it cheap enough?
2. Is it simple enough?
3. Is it adaptable enough?



Designing for Transformative Scale: Global Lessons in What Works



The magnitude of the social problems we are facing requires innovative solutions suitable for massive deployment.

By Jeri Eckhart-Queenan, Abe Grindle, Jacquelyn Hadley and Roger Thompson

source: Eckhart-Queenan et al., *Rotman Magazine*, 2015

Transformative Scale

Same size, reach more

1. Distribute through partner's network (ex. BRAC)
2. Recruit and train other organizations (ex. Akshaya Patra)
3. Unbundle key components and scale them (ex. UNICEF)
4. Deploy technology to reach a large audience (ex. I Paid a Bribe)

Build the field

5. Build and strengthen a critical mass in the field (ex. microfinance)
6. Change public systems (ex Teach for All)
7. Influence policy change (ex. CHAI)
8. Build on for-profit models (ex. VisionSpring)
9. Alter attitudes, behaviours, and norms (ex. Tostan)

source: Eckhart-Queenan et al., *Rotman Magazine*, 2015

beneficiary engagement
affordability
scalability



Our Impact

Eyeglasses are a powerful social and economic development tool. We provide affordable eyeglasses, vision screening and training so that non-profits, social entrepreneurs, government agencies, and corporate clients can bring the wonder of clear vision to their communities.

LEARN MORE



Glasses Sold

8.7 million



Productivity Increases up to

22-32%



Income Potential Increases
by

20%



Economic Impact Generated

\$1.8 Billion

<https://visionspring.org/>



About Us

CleanStart provides comprehensive property services while offering employment opportunities to those who need it.



Our Mission

To provide professional services for the most difficult jobs while staffing a team facing barriers to traditional employment.

Charlotte Lewthwaite, COO

NEXT CLASS

Assignment 3: APPLIED SOCIAL ENTERPRISE TEAM PROJECT

One of the most effective ways to integrate and synthesize course concepts is to apply them in real practice. The Applied Social Enterprise Team Project is a defined assignment for which students will conduct research and develop focused recommendations for a local social venture facing real business opportunities and challenges. This project is the main "hands-on" element of the course that allows students to integrate and apply course concepts to benefit a real organization. For this term, the participating partner organization is **Modo** – <https://www.modo.coop/>

Logistics:

Approximately one week before the Client Introduction/Briefing, a **Client Brief** will be released, outlining some background information about the organization, a description of the challenges and/or opportunity the organization faces and possibly some early resources for teams to review. Students are expected to use the Client Brief to conduct initial research and to prepare for the upcoming Client Introduction/Briefing (which is scheduled for November 2, 2021).

After the *Client Brief* has been released, four classes will be dedicated to the project:

- **Day 1 (Wednesday November 2): Client Introduction/Briefing** – The client partner will introduce the organization, area of collaboration and present the brief. Every group will have an opportunity to ask questions.
- **Day 2 (Wednesday November 16): Project Coaching/Work Day** – The teaching team (and possibly a guest mentor) will be available to coach teams; no readings or pre-assessments due that class.
- **Day 3 + 4 (Wednesday November 30 + Monday December 5): Team Presentations** – All teams will submit written proposals (details on next page) by 6:00pm on **Tuesday November 29** and deliver a brief (i.e. max 10 minute) presentation to outline their key recommendations to the class on November 30 + December 5; class discussion of the project and the various teams' recommendations will follow. **Note: The client partner will attend the presentations.**

Student Teams:

This is a team assignment. The diverse teams formed for Assignment 2 will continue to work together for this project. Students will complete **Team Evaluations** on iPEER after completion of each team assignment to report on each team member's (including their own) contribution to the assignment. Evaluating all members of your team is important to show the instructor how effectively your group worked together. If there were team members who engaged in uncooperative behaviour or did not pull their weight in project work, you should give this feedback in your evaluations. This confidential feedback will be reviewed by the teaching team.

DELIVERABLES

1. Team Written Proposal:

The main deliverable for the Applied Social Enterprise Team Project is a written proposal of recommendations to address the client partner's opportunities and challenges. There is no page limit, and this will depend on the format you choose. Ensure that you communicate your ideas clearly and the piece is well-written, concise and uses images to support your ideas. Clear structure, communication and grammar are essential.

Please note that you may wish to use appendices to support your recommendations. Please ensure that appendices add value to your proposal and are not simply "padding". See Written Format Specifications below.

While the proposals will be graded by the teaching team, you should consider the client partner as the intended audience. Your recommendations should use plain language and represent a professional reflection of the client's communication style; in other words, do not use overly technical, academic language unnecessarily in

Assignment 3

Applied Social Enterprise Team Project

Due Tuesday November 29



Modo Client Partner Brief

Background

Modo Co-operative is Canada's first and largest carsharing co-operative. Founded 25 years ago in Vancouver with 2 cars and 16 members, today the member-owned co-op serves more than 28,000 members in 25 BC municipalities. It expects to have 1,000 vehicles in the fleet by the middle of 2023.

For Modo, shareholders and customers are one and the same, referred to as members or member-owners. Members acquire \$500 in shares upon joining and return on investment is characterized as affordable use of a vehicle. Effectively, thousands of people co-owning and sharing hundreds of cars. The sharing economy in the purest sense of that expression.

The co-op is driven by its Social Purpose – "to transform communities by connecting people with places in a way that's affordable, convenient, inclusive and sustainable", and defines success as realization of Purpose. It advocates that people walk, bike and use transit as first choices and, when you do need a vehicle, use a shared one.

The primary value propositions identified by members are affordability and reduced environmental impact. The average members spends not more than \$1,000 per year with Modo in comparison to the all-in annual cost to own a vehicle, per the Canadian Automobile Association, of \$8,000 to \$12,000. Academic research has identified that one shared car replaces 9 to 13 privately owned vehicles, and their related GHG emissions and other environmental impacts.

A for-profit co-op, Modo explicitly puts people before profit. The co-op's objective is to make sufficient profit to be viable for the long term and to continue to invest in people, systems and the fleet. A strong financial position provides the capacity and resilience for Modo to have even greater potential to making carsharing available to more people in more places.

Purpose before strategy, strategy before structure

At Modo, it all begins with our Purpose, which is highly durable and a near constant, the co-op's "north star". Strategies to realize the Purpose vary with the circumstances – evolving member needs, competition, technology, and regulatory environment. Modo works with 3 year strategy cycles, defining "strategic themes" that guide its actions over that period.

Strategic Themes for 2022 – 2024

1. Scale up for greater impact
2. Protect affordability
3. Strengthen digital capabilities
4. Focus on diversity, equity and inclusion (DEI)

Assignment 3

Applied Social Enterprise Team Project

Due Tuesday November 29

Note:

Integrate concepts and ideas discussed/learned throughout the course.

patrick.nangle@modo.coop

subject line ~ Sauder UBC

01 Alice, Anna, Colin, Daniel, Taylor

02 Celia, Fynn, Mads, Malvika, Teagan

03 Amanda, Harrison, Meagan, Ryan, Samuel

04 Baptiste, Keisha, Moriah, Nicole, Rishi, Sarah

05 Anusha, Ettore, Justin, Michael, Nour

06 Abhi, Benjamin, Carlos, Karan, Mien

07 Aaryan, Aki, Celine, Nishant, Tanya

08 Ben T, Nadine, Simon, Simran, Udhav

TEAMS (Assignments 2 + 3)

		individual / partner	team
prep:	Pre-assessments	10%	
assignment 1:	Social Problem Situational Analysis	20%	
assignment 2:	Selected Case Study + Presentation		15%
assignment 3:	Applied Social Enterprise Project		30%
assignment 4:	Reflection Paper	10%	
Participation*:	Participation + Engagement	15%	
total		55%	45%

ASSESSMENT

*Participation + Engagement ~
Participation “Portfolio”

- 1: in class speaking (synchronous)
 - 2: discussion boards (asynchronous) ~ 1 week
-

PARTICIPATION



		due	present
prep:	Pre-assessments	ongoing	
contribution:	In-class Participation + Engagement	ongoing	
assignment 1:	Social Problem Situational Analysis	Oct 2	
assignment 2:	Selected Case Study + Presentation	Oct 23	Oct 24 - Oct 31
assignment 3:	Applied Social Enterprise Project	Nov 29	Nov 30 + Dec 5*
assignment 4:	Reflection Paper	Dec 9	

note* clients attend

DATES

01

iPeer 1

02

mini fall reading week ~ no class (november 9)

03

guest speaker ~ Charlotte Lewthwaite,
CleanStart (november 14)

04

A3 project coaching session ~ Modo
(november 16)

05

assignment 3 ~ *due November 29*
applied social enterprise team project

REMINDERS



Image source: imgarcade.com

COUNTDOWN

"If trees could speak" ~ Elif Shafak

October 2020



Turkish writer and poet

TED

https://www.ted.com/talks/elif_shafak_if_trees_could_speak?language=en&referrer=playlist-countdown_session_2_leadership

WHAT'S HAPPENING