



## **Institute for Social Entrepreneurship in Asia President's Report January 2011-June 2012**

There have been 5 major accomplishments of ISEA during the period January 2011-June 2012:

- Launching of a 4-day Introduction to Social Entrepreneurship Course as an executive cum basic course of a masteral/diploma program on social entrepreneurship jointly offered by ISEA and the Ateneo School of Government;
- Completion of the pilot offering of a 16-day Strategic Management Course for Social Enterprises to meet the need for capability enhancement among practitioners in cooperation with Oikocredit;
- Providing a unifying framework for advocacy based on primary research (notably the Research on Social Enterprises and the Poor undertaken by the ISEA President as her PhD dissertation) for the sector to give focus to developing 'social enterprises with the poor as primary stakeholders or SEPPS' as major partners in poverty reduction
- Leading the Action Research that culminated in the Poverty Reduction Through Social Entrepreneurship (PRESENT) Bill and Coalition, in partnership with Oikocredit and the Foundation for a Sustainable Society Inc (FSSI). The bill may be seen as a codification of the features of a policy environment supportive to social enterprises as major partners of government in poverty reduction. The coalition is serving to unify and give a voice to the emerging social enterprise sector in the advocacy for PRESENT.
- Piloting a partnership with the business sector (through BPI Foundation) to democratize the access of practitioners to social entrepreneurship education focusing on Social Enterprise Financial Management and Social Return on Investment

### **Launch of Introduction to Social Entrepreneurship Course as Joint Offering of ISEA and ASoG under the Master in Public Management Program**

The Ateneo School of Government (ASoG) and the Institute for Social Entrepreneurship in Asia (ISEA) piloted the Introduction to Social Entrepreneurship Course last March 15-18, 2011 at the Institute of Philippine Culture (IPC) Building, Ateneo de Manila University Loyola Campus in Quezon City. It was the first social entrepreneurship course to be launched under the Master in Public Management Program.

Enrolled in the pilot offering were 20 students from social enterprises such as Human Heart Nature and KMBI; non-government organizations (NGOs) such as the Philippine Rural Reconstruction Movement, the Philippine Business for Social Progress, the Philippine

Foundation for Environmental Concerns, and the ALAGA Lahat; local government units (LGUs) from the Province of Tarlac and the Municipality of Samal, Bataan; and national government agencies such as the Office of the President, the Commission on Elections, the Supreme Court, the Department of Agriculture and the Department of Health.

Of the 20 students, there were 9 who took the course as an elective under the Master in Public Management Program, while 11 took it as an executive course. Some of the students who took it as an executive course plan to have the course validated when they enroll under the Master in Public Management (Social Entrepreneurship Track).

The course introduced participants to the evolving theory and practice of social entrepreneurship in the Philippines and Asia. It featured lectures, class and case discussions, film showings, exercises and workshops. The topics included Models of Social Enterprise Development, The Social Entrepreneur, Measuring Social Enterprise Outcomes, Stakeholder Engagement Strategies and Reimagining Markets and the Economy. Serving as faculty were Marie Lisa Dacanay, ISEA President and ISEA Consultant Rosalinda Roy. A highlight of the sessions was an interesting interaction with Rags 2 Riches Chief Executive Officer and multi awarded Social Entrepreneur, Ms. Reese Fernandez.

On November 7-10, 2011, a second run of the Introduction to Social Entrepreneurship Course was implemented with 16 participants consisting mainly of managers, directors and senior staff from a mix of social enterprises, resource institutions, networks and nongovernment organizations such as the Philippine Social Enterprise Network and the Foundation for a Sustainable Society Inc; government institutions such as the National Economic Development Authority and the Department of Agrarian Reform; the business sector such as SGV and United Laboratories and academe such as the Ateneo School of Government. Unlike the first run, none of the students were enrolled in the regular Master in Public Management (MPM) Program although a number expressed their interest to pursue succeeding courses leading up to the Social Entrepreneurship Diploma or MPM (Social Entrepreneurship Track). The Course was taught by ISEA President Marie Lisa Dacanay with 4 resource persons: Vie and Basil Reyes (founders of Bote Central); Anna Meloto Wilk (President of Gandang Kalikasan which produces and markets the Human Nature brand of personal care products) and Meldy Pelejo (Oikocredit Consultant and ISEA author of the National Federation of Cooperatives of Persons with Disability Case on Social Return on Investment). On a scale of 1-5, the participants gave a very high overall average rating of 4.62 with overall design rated at 4.75; faculty effectiveness at 4.87; and learning materials at 4.62. Comments from the evaluation of students included:

“Very engaging, inspiring, jam packed with very useful information; tackles both theory and practice.”

“The course was beyond teaching a subject – a mission to promote an alternative to pure market driven economics”

“Very relevant, good course design, right mix of participants”

“Very useful in putting into perspective SE engagements/practices.”

“Very substantive and encompassing content, rigorous conduct of lectures, discussions, films and case study presentations”

All 16 participants highly recommended the course for others in their organization and sector, indicating that the introductory course is a useful general course not only among key leaders and staff of social enterprises but also among nongovernment organizations, government agencies, business groups and academe.

### **Development and Delivery of a Strategic Management Course for Social Enterprises Among Oikocredit Partners in Southeast Asia**

Thirty two senior managers and executive directors from 16 social enterprises and resource institutions participated in a 16-day Strategic Management Course for Social Enterprises in Southeast Asia delivered by the Institute for Social Entrepreneurship in Asia (ISEA) from November 2010 to September 2011. The Course was commissioned by Oikocredit International for its social enterprise partners and key staff from the Philippines and Cambodia.

Among the 32 participants, 22 graduated from the 16-day course. The 16 –day course was delivered in three modules: Module I on Strategy Formation in Social Enterprises (November 8-12, 2010); Module II on Strategic Marketing and Operations Management (May 16-20, 2011); and Module III on Strategic Social Enterprise Human Resource, Organizational Development and Financial Management (August 29-September 3, 2011). All modules were held in Quezon City, Philippines.

On a scale of 1 (lowest) and 5 (highest), the participants rated module III and the 16-day course at 4 and 5, with an average rating of 4.4. The participants gave overwhelmingly positive feedback which included "very appropriate and relevant", "very helpful" and "very useful" for leaders and managers of social enterprises; "very important in bringing our organization to the next level"; "good module to situate us more on the strategic beyond the operational level"; and "made me a true social entrepreneur".

Social entrepreneurship mentor and ISEA President, Marie Lisa Dacanay was the lead faculty and course director. The faculty for Module III was composed of Maurino Bolante and Ronald Chua for Strategic Financial Management and Cecilia Manikan and Marie Lisa Dacanay for Strategic Human Resource and Organizational Development. Bolante and Chua are Associate Professors at the Asian Institute of Management, and part of the core faculty of their Graduate School of Business and Center for Development Management, respectively. Manikan is an Adjunct Professor at AIM, the Ateneo Graduate School of Business and Bayan Academy.

The faculty team for Module II on Strategic Operations and Marketing Management in Social Enterprises was composed mainly of current and past faculty of the Asian Institute of Management (AIM) and the Asian Center for Entrepreneurship-Management Education (ACE-ME): AIM Prof. Ronald Chua, ACE-ME Prof. Francisco M. Bernardo III, Dr. Emmanuel Ridad, Dr. Alejandrino Ferreria, ISEA President Marie Lisa Dacanay and ISEA Consultant Rosalinda Roy .

The faculty team for Module I on Social Enterprise Strategy Formation was composed of the ISEA President and Ms. Rosalinda Roy, former Drill Master of the Master in Entrepreneurship for Social and Development Entrepreneurs (MESODEV) at the AIM. MESODEV was also where the ISEA President was guru and course director when she was part of AIM's core faculty from 2001-2007. AIM Professor Jacinto Gavino and ICCO Value Chain Development Consultant Rene Guarin served as resource person-consultants for external assessment and value chain analysis respectively.

The 16-day course may be replicated or customized for specific groups on request. Its sub modules (Strategy Formation in Social Enterprises and Social Enterprise Management in the functional areas of Operations, Marketing, Human Resource Management/Organizational Development and Financial Management) may also be regularized or expanded as executive course offerings for the Social Entrepreneurship Diploma Program with ASoG.

### **Framework Setting and Initiation of Action Research Leading to a Poverty Reduction Through Social Entrepreneurship Bill and Coalition**

In its meeting on October 17, 2011, the ISEA Board approved a resolution for the consortium to undertake research in support of its members' advocacy efforts to create a policy and political environment supportive to social entrepreneurship.

In follow-up consultations between ISEA and interested members and partners, notably PhilSEN, FSSI, WFTO-Asia, INAFI-Philippines, ASoG and PRRM, the idea of a more focused action research and campaign around a draft bill on poverty reduction thru social enterprise gained support for many reasons: (1) there was a need to push government to go beyond the Conditional Cash Transfer scheme to address poverty; (2) there was a need for a focal point to rally unity building in what was recognized as a fragmented social enterprise sector; (3) a number of social enterprises in their growth stage were directly experiencing problems and disincentives that pointed to the need to reform the system of public procurement, payment of taxes and other legislative measures impinging on their capacity to scale up impact on the poor; (4) an opportunity to lobby the bill as a priority measure during the Presidents' 2012 State of the Nation Address was appreciated as possible and desirable.

A small grant from Oikocredit allowed ISEA to compose a team to undertake research and draft a proposed bill. The drafting team was composed of Earl Parreno as Team Leader and Nelson Rendon/Gil Estella as members, with the ISEA President providing guidance and direction. FSSI provided counterpart funds for stakeholders' consultations. A series of consultations were conducted in December 2011 to February 2012 leading to the formation of a Steering Committee for a National Stakeholders Consultation co-chaired by ISEA and FSSI on February 15-16, 2012.

The February 15-16 consultation was participated by over 60 representatives and leaders of social enterprises, networks and resource institutions who agreed to set up a Poverty Reduction Through Social Entrepreneurship Coalition. The Coalition discussed and enhanced the draft bill and united on pushing it as a Poverty Reduction through Social Entrepreneurship Act. The proposed legislative measure recognizes, supports and incentivizes social enterprises serving the poor as primary stakeholders as major partners in poverty reduction. The Coalition also united on working together to develop standards for self-regulation and on undertaking a national campaign to raise awareness and support for social enterprises as vehicles for poverty reduction.

The PRESENT Coalition represents a significant development in the social enterprise policy network in the country. Before the coalition, the social enterprise sector was often characterized as fragmented. For the first time, major social enterprise networks, resource institutions and key social enterprises came together to work towards creating a more favorable policy environment for social enterprises as partners of government in poverty reduction. Co-chaired by the Ateneo School of Government and the Foundation for a Sustainable Society Inc, the other members of

the Steering Committee of the PRESENT Coalition includes the Philippine Social Enterprise Network; World Fair Trade Organization (WFTO)-Asia/Philippines; International Network of Alternative Financial Institutions-Philippines; Eagle's Wings Development Foundation; Bote Central/Philippine Coffee Alliance; Pilipinas Ecofiber Corporation; Hapinoy/Micro Ventures Inc; Foundation for TheseAble Inc; Philippine Rural Reconstruction Movement; and the Institute for Social Entrepreneurship in Asia. These different actors represent dynamic organizations and networks that have been evolving and supporting various social enterprise initiatives through the years. In the process, they are evolving benchmarks and best practices about how social enterprises can serve as vehicles for poverty reduction and sustainable development. These span a wide array of initiatives: cooperatives of the poor as social economy organizations; microfinance institutions providing financial and other services to the entrepreneurial poor; fair trade organizations and subsector interventions working to improve the position and benefits of marginal producers in value chains; community-based enterprises exhibiting economic, social and ecological bottom lines; and value chain interventions as building blocks of a solidarity economy.

Insights from previous researches on social entrepreneurship in the Philippines and Asia over the past 10 years, including the ISEA President's PhD research output on Social Enterprises and the Poor (2007-2012) proved valuable as inputs to the discussions before, during and after the February 2012 national consultation. Such facilitated unity building among key players in the sector towards focusing advocacy on social enterprises with the poor as primary stakeholders and on poverty reduction through social entrepreneurship.

ISEA continues to serve as knowledge resource institution for the Poverty Reduction through Social Entrepreneurship Coalition during the lobby and education campaign. Its anchor project in this regard is a Multisectoral Forum Series with two main objectives: (1) To provide a national anchor for enriching the discussion and debate on poverty reduction through social entrepreneurship using the PRESENT Bill as take-off point; and (2) To broaden the constituency supportive to social entrepreneurship as a major strategy for poverty reduction through legislative action and beyond. The forum series hopes to involve the PRESENT Coalition and the social enterprise sector in mainstreaming and deepening the discussion on poverty reduction through social entrepreneurship with national government agencies, local government units, ODA donors and the business sector.

### **Initiation of Partnership with BPI Foundation for Capacity Development on Financial Management and SROI**

The Social Enterprise Capacity Development on Financial Management and SROI, a joint project between Bank of the Philippine Islands Foundation and the Institute for Social Entrepreneurship in Asia (ISEA), aims to democratize trainings on financial management and Social Return of Investment (SROI) for social enterprise managers and practitioners. It aimed to accomplish such by designing a module, developing learning materials, pilot testing its delivery and capacitating a pool of trainers on the aforementioned topics. It also aimed to undertake training needs assessment (TNA) among a sample of potential trainees and trainers as input to the design and delivery of the module. The TNA process was also envisioned to identify a long list of potential participants to the training.

The project outputs were:

- Training Needs Assessment among a sample of potential trainers and trainees
- Lecture Slides, an Illustrative Case and Teaching Notes for each of the following topics:
  - ✓ Interpreting Financial Statements
  - ✓ Managing Costs and Profits
  - ✓ Financial Planning and Budgeting
  - ✓ Making Investment Decisions
  - ✓ SROI as Tool for Investment Decisions and Evaluating Impact

The project was envisioned to be a preparatory phase to the conduct of a pilot training involving a mix of 30 participants from Luzon, Visayas and Mindanao.

By end 2011, the Training Needs Assessment instrument had been developed and the Learning Materials Development on the five themes commenced. The following Project Team was organized by ISEA to undertake implementation:

- Team Leader and SROI Lead Consultant: Marie Lisa Dacanay
- Consultant, Learning Materials Development on Financial Management: Prof. Maurino Bolante
- Case Writer on SROI: Meldy Pelejo
- Project/Research Assistants: Kaisa Sol Cruz; Jacquelyn Hansen
- Administrative and Financial Assistant: Dolores Marcial
- Partner Network for TNA Pilot Testing and Coordination: Philippine Social Enterprise Network

The TNA process was substantively completed by March 15, 2012. A report was finalized as input to the training design process by March 28, 2012. The TNA Report indicated the following trends and have the following implications in terms of training design:

- That in terms of knowledge and skills on financial management and SROI, potential trainers and trainees considered various aspects as either a relative weakness or a definite weakness, validating the importance of the capacity development project.
- Both potential trainers and trainees considered the use of the SROI methodology as a definite weakness, validating the need to give the sub-module greater attention and time (1 day vs 1/2 day for the other topics).
- Potential trainers assessed their working knowledge and skills in various areas of financial management as a weakness relative to their application in a social enterprise context. This validates the importance of utilizing social enterprise cases as take-off point for the exercises and discussions. This also shows the need for the faculty to consciously draw from the potential trainers' experiences during discussions to make their segments' learning process more meaningful.
- Potential trainees' weaknesses in their working knowledge and skills in various areas of financial management do not only pertain to their application in a social enterprise context but have to do with their basic knowledge and skills on these topics specially in terms of financial analysis and making investment decisions. This indicates a

differentiated start-up condition between potential trainers and trainees. Such needs to be effectively managed during the learning process. Mixed workshop groups of potential trainers and trainees may be optimal to allow potential trainers to assist the learning process of the potential trainees.

- TNA respondents from Visayas and Mindanao generally rated themselves lower than their counterparts in Luzon, which may indicate a perceived greater need for such training in these regions. Affirmative action is needed in the allocation of slots specially for qualified potential trainers from Visayas and Mindanao.

The TNA process generated a total of 44 respondents – 23 potential trainees and 21 potential trainers. ISEA deems this adequate for a pilot training with 30 participants (down from the original 90 participants in 3 batches for which 100 respondents was targeted). Consultations with partner networks indicated that coming up with 30 participants each from Luzon, Visayas and Mindanao is still feasible and desired, if resources are available for 3 batches during the pilot implementation stage.

A Training Handbook that put together the learning materials for the 5 topics, together with a disc containing the powerpoint presentations has been completed. Negotiations with BPI Foundation for the conduct of the pilot training in the 3<sup>rd</sup> or 4<sup>th</sup> quarter of 2012 has been completed.