



# Rotman Commerce UNIVERSITY OF TORONTO

## COURSE OUTLINE

### RSM438H1S L0101

Investing for Impact

Winter 2019

Course Meets: **Monday 4-6pm WO 20**

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Instructor: Leeat Gellis, *Off Campus*  
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### Course Scope and Mission

Impact investors seek to generate positive social and environmental impact alongside financial returns, known as a double or triple bottom line. They invest in both developed and developing markets to tackle an array of social issues, including education, energy, water, financial inclusion, healthcare and climate change. Though still a relatively nascent field, impact investing is evolving quickly with the proliferation of new and larger mainstream players, enterprises and investment vehicles. This course is designed to be an introduction to impact investing, with emphasis on investments into early stage social enterprises and market-based solutions to addressing society's biggest challenges.

### Course Prerequisites

- RSM222H – Managerial Accounting
- RSM333H – Introduction to Corporate Finance

### Required Readings

The course will incorporate a multitude of readings, case studies, videos and guest speakers. All required materials can be found online; cases can be purchased on the Harvard Business Review website. There is no required textbook to be purchased.

### Evaluation and Grades

Grades are a measure of the performance of a student in individual courses. Each student shall be judged on the basis of how well he or she has command of the course materials.

<u>Work</u>		<u>Due Date</u>
Class Participation	20%	Ongoing
Individual Assignment	10%	Start of Lecture 4 or 6
Group Paper (Phase I)	20%	Start of Lecture 11
Group Presentation (Phase II)	20%	Lecture 12
Final Exam	30%	During Faculty of Arts & Science Final Exam period

### *Class Participation 15%:*

Given the dynamic nature of the subject matter and its currency, active class participation is essential and will greatly enrich the course. Contributions to class should reveal a substantial familiarity with assigned readings, a

capacity to analyze the issues and problems under discussion, and an ability to provide constructive and substantive feedback to classmates. Participation will be graded each week.

*Individual Assignment 10%:*

A case study will be announced in class and will be accompanied by a series of questions. The assignment will be graded based on students' demonstrated understanding of concepts as exhibited by their analysis of case specific issues. The write-up should provide a clear point of view and include factual information or data from outside the case as long as sources are referenced accordingly.

*Group Project and Presentation 40%:*

In groups of 3, students will be required to identify a specific societal issue (i.e. healthcare services in Kenya, affordable housing in Toronto, access to clean water in India) and select a key player active in the industry (i.e. a fund, social enterprise or non-profit) that has significant potential for impact. Acting as the CEO of the selected organization, the group will write an investment memo (12-15 page report) and present an investment pitch to the class (i.e. acting as the investment committee) that include:

- Context and background of the societal problem and market opportunity
- Key innovation, product/service strategy, and/or business model being employed
- The expected social impact and the measurement frameworks used to evaluate returns
- Financial projections based on available data and realistic assumptions
- Amount and type of capital being requested, and use of funds
- Other relevant investment information (i.e. leadership team, target market, competitive landscape)

*Final Exam 30%:*

A final exam will consist of short case studies and questions which will incorporate key principles of the course, assignments and team project.

## **COURSE FORMAT AND EXPECTATIONS**

*To Use Turnitin.com:*

Normally students will be required to submit their course essays to Turnitin.com for a review of textual similarity and detection of possible plagiarism. In doing so, students will allow their essays to be included as source documents in the Turnitin.com reference database, where they will be used solely for the purpose of detecting plagiarism. The terms that apply to the university's use of the Turnitin.com service are described on the Turnitin.com website.

*For Written Assignments:*

Please note that clear, concise, and correct writing will be considered in the evaluation of all assignments. That is, you may lose points for writing that impedes communication: poor organization, weak paragraph development, excessive wordiness, hard-to-follow sentence structure, spelling mistakes and grammatical errors. Students who require additional support and/or tutoring with respect to their writing skills are encouraged to visit the Academic Success Centre ([www.asc.utoronto.ca](http://www.asc.utoronto.ca)) or one of the College Writing Centres ([www.writing.utoronto.ca/writing-centres](http://www.writing.utoronto.ca/writing-centres)). These centres are teaching facilities – not editing services, where trained staff can assist students in developing their academic writing skills. There is no charge for the instruction and support.

*For Group Work:*

The final group project and presentation requires students to work in teams of 3. Learning to work together in teams is an important aspect of your education and preparation for your future careers. That said, project-based teamwork is often new to students and you are therefore reminded of the following expectations with respect to behaviour and contributions to your team project.

1. Read the document entitled, “*Working in Teams: Guidelines for Rotman Commerce Students*” which is available on the RC portal under the Academic Services tab.

2. When working in a team, Rotman Commerce students are expected to:

- Treat other members with courtesy and respect;
- Honour the ground rules established by the team;
- Contribute substantially and proportionally to the final project;
- Ensure enough familiarity with the entire contents of the group project/assignment so as to be able to sign off on it as original work; and
- Meet the project timeline as established by the team.

3. Resolving conflicts:

Conflicts are part of the team’s process of learning how to work together. When handled well, it can generate creativity and bring-multiple perspectives to the solution.

Student teams are expected to work through their misunderstandings as soon as they arise (and prior to submission of the final project). When teams are unable to arrive at a solution that works for all members, the team must meet with the Rotman Commerce Team Coach\*\* as soon as possible. The Coach will listen to the team and help develop options for improving the team process. All members of the project team must commit to, and, utilize their action plans.

\*\*For an appointment with a Rotman Commerce Team Coach, please contact Nouman Ashraf at [nouman.ashraf@rotman.utoronto.ca](mailto:nouman.ashraf@rotman.utoronto.ca) Nouman is highly skilled at facilitating team dynamics and collaboration. Note that the Team Coach’s role is to provide guidance, support and advice on team matters – not to formally evaluate or assess teamwork for academic purposes.

### **ELECTRONIC COURSE MATERIALS**

This course will be using the following electronic course materials: Case Studies pack - <https://hbsp.harvard.edu/import/587933>

These materials will cost approximately \$25.50 USD (~\$33.75 CAD). The use of these materials complies with all University of Toronto policies which govern fees for course materials.

## WEEKLY SCHEDULE

Session	Date	Topic	Readings
1	January 7	Introduction to Course and Concepts: The Case for Impact Investing	<ul style="list-style-type: none"> <li>• <b>Video: Mainstreaming Impact Investing</b>, World Economic Forum, 2014 <a href="https://www.youtube.com/watch?v=dBydk09L9s">https://www.youtube.com/watch?v=dBydk09L9s</a></li> <li>• <b>Report: State of the Nation: Impact Investing in Canada</b>, 2014, pgs. 3, 10-29, 37-42, 53-67 <a href="http://www.marsdd.com/wp-content/uploads/2014/09/Impact-Investing-in-Canada-State-of-the-Nation-2014-EN.pdf">http://www.marsdd.com/wp-content/uploads/2014/09/Impact-Investing-in-Canada-State-of-the-Nation-2014-EN.pdf</a></li> </ul>
2	January 14	Microfinance & Value Creation at the Base of the Pyramid I	<ul style="list-style-type: none"> <li>• <b>Report: Financial Inclusion and Development: Recent Impact Evidence</b>, CGAP, April 2014. <a href="https://www.cgap.org/sites/default/files/FocusNote-Financial-Inclusion-and-Development-April-2014.pdf">https://www.cgap.org/sites/default/files/FocusNote-Financial-Inclusion-and-Development-April-2014.pdf</a></li> <li>• <b>Report: The New Microfinance Handbook</b>, World Bank, 2013, pgs. 1-6, 15-21, 49-57, 213-216 <a href="https://openknowledge.worldbank.org/bitstream/handle/10986/12272/9780821389270.pdf">https://openknowledge.worldbank.org/bitstream/handle/10986/12272/9780821389270.pdf</a></li> </ul>
3	January 21	Microfinance & Value Creation at the Base of the Pyramid II	<ul style="list-style-type: none"> <li>• <b>Report: Microfinance in Evolution</b>, Deutsche Bank, 2012 <a href="https://www.db.com/cr/en/docs/Microfinance-in-evolution.pdf">https://www.db.com/cr/en/docs/Microfinance-in-evolution.pdf</a></li> <li>• <b>Article: Microfinance or Loan Sharks? Grameen Bank and SKS Fight It Out</b>, M. Bahree, Forbes, 2010 <a href="http://www.forbes.com/sites/meghabahree/2010/09/21/microfinance-or-loan-sharks-grameen-bank-and-sks-fight-it-out/#3c682c3d3026">http://www.forbes.com/sites/meghabahree/2010/09/21/microfinance-or-loan-sharks-grameen-bank-and-sks-fight-it-out/#3c682c3d3026</a></li> <li>• <b>Case: SKS Microfinance - The Sour Taste of Success</b>, Richard Ivey School of Business, April 2012</li> </ul>
4	January 28	Social Enterprise: Business Models & Market-Based Approaches	<ul style="list-style-type: none"> <li>• <b>Report: A Short Guide to Impact Investing</b>, The Case Foundation, 2014 <a href="http://casefoundation.org/wp-content/uploads/2014/11/ShortGuideToImpactInvesting-2014.pdf">http://casefoundation.org/wp-content/uploads/2014/11/ShortGuideToImpactInvesting-2014.pdf</a></li> <li>• <b>Article: Closing the Pioneer Gap</b>, by S. Dichter, Robert Katz etc., Stanford Social Innovation Review, 2013 <a href="https://ssir.org/articles/entry/closing_the_pioneer_gap">https://ssir.org/articles/entry/closing_the_pioneer_gap</a></li> <li>• <b>Case: Sanergy – Tackling sanitation in Kenyan slums</b>, Haas School of Business, July 2016</li> </ul>
5	February 4	Early Stage Impact Investing Process I	<ul style="list-style-type: none"> <li>• <b>Report: E-Guide to Early-Stage Global Impact Investing</b>, TONIIC, pgs. 1-29 <a href="http://www.toniic.com/toniic-institute/early-stage-e-guide/">http://www.toniic.com/toniic-institute/early-stage-e-guide/</a></li> <li>• <b>Case: Omidyar Network - Pioneering Impact Investment</b>, Harvard Business School, January 2013</li> </ul>
6	February 11	Early Stage Impact Investing Process II	<ul style="list-style-type: none"> <li>• <b>Report: Total Portfolio Activation for Impact: A Strategy to Move Beyond ESG</b>, Miller Center for Social Entrepreneurship, September 2016 <a href="https://static1.squarespace.com/static/55036eefe4b0fe6c8e833e4a/t/57f696cff7e0ab247d2945e1/1475778260160/Total+Portfolio+Activation+For+Impact.pdf">https://static1.squarespace.com/static/55036eefe4b0fe6c8e833e4a/t/57f696cff7e0ab247d2945e1/1475778260160/Total Portfolio Activation For Impact.pdf</a></li> </ul>

			<ul style="list-style-type: none"> <li>• <b>Case: Better Ventures: Backing Entrepreneurs Building a Better World</b>, Haas School of Business, January 2017</li> </ul>
7	February 25	Impact Measurement	<ul style="list-style-type: none"> <li>• <b>Report: Measuring Impact, G8 Social Impact Investment Taskforce</b>, 2014, pgs. 5-14 <a href="http://www.socialinvestment.org/reports/Measuring%20Impact%20WG%20paper%20FINAL.pdf">http://www.socialinvestment.org/reports/Measuring%20Impact%20WG%20paper%20FINAL.pdf</a></li> <li>• <b>Report: State of the Nation: Impact Investing in Canada</b>, 2014, pgs. 68-73 <a href="http://www.marsdd.com/wp-content/uploads/2014/09/Impact-Investing-in-Canada-State-of-the-Nation-2014-EN.pdf">http://www.marsdd.com/wp-content/uploads/2014/09/Impact-Investing-in-Canada-State-of-the-Nation-2014-EN.pdf</a></li> <li>• <b>Article: Unpacking the Impact in Impact Investing</b>, P. Brest &amp; K. Born, Stanford Social Innovation Review, 2013 <a href="https://ssir.org/articles/entry/unpacking_the_impact_in_impact_investing">https://ssir.org/articles/entry/unpacking_the_impact_in_impact_investing</a></li> </ul>
8	March 4	Gender Lens Investing	<ul style="list-style-type: none"> <li>• <b>Article: Rise of Gender Capitalism</b>, S. Kaplan and J. VanderBrug, Stanford Social Innovation Review, Fall 2014 <a href="https://ssir.org/articles/entry/the_rise_of_gender_capitalism">https://ssir.org/articles/entry/the_rise_of_gender_capitalism</a></li> <li>• <b>Report: State of the Field of Gender Lens Investing</b>, Criterion Institute, October 2015, pgs. 3-13, 21-28, 51-57 <a href="http://criterioninstitute.org/wp-content/uploads/2012/06/State-of-the-Field-of-Gender-Lens-Investing-11-24-2015.pdf">http://criterioninstitute.org/wp-content/uploads/2012/06/State-of-the-Field-of-Gender-Lens-Investing-11-24-2015.pdf</a></li> <li>• <b>Report: Women, Wealth &amp; Impact: Investing with a Gender Lens 2.0</b>, L. Carlile, L. Choi, P. Farrar-Rivas, A. Pyott, Veris Wealth Management, March 2015 <a href="http://www.veriswp.com/wp-content/uploads/2015/03/CA_Women-Wealth-and-Impact-2.0_2015-03-05.pdf">http://www.veriswp.com/wp-content/uploads/2015/03/CA_Women-Wealth-and-Impact-2.0_2015-03-05.pdf</a></li> <li>• <b>Case: VisionSpring in India – Enabling Affordable Eyeglasses for the Poor</b>, Ivey Publishing, 2015</li> </ul>
9	March 11	Shared Value	<ul style="list-style-type: none"> <li>• <b>Article: Creating Shared Value</b>, M. Porter and M. Kramer, Harvard Business Review, 2011 <a href="https://hbr.org/2011/01/the-big-idea-creating-shared-value">https://hbr.org/2011/01/the-big-idea-creating-shared-value</a></li> </ul>
10	March 18	Pay-for-Success & Social Impact Bonds	<ul style="list-style-type: none"> <li>• <b>Report: Social Impact Bonds – The Early Years</b>, Social Finance, July 2016 <a href="http://www.socialfinance.org.uk/wp-content/uploads/2016/07/SIBs-Early-Years_Social-Finance_2016_Final-003.pdf">http://www.socialfinance.org.uk/wp-content/uploads/2016/07/SIBs-Early-Years_Social-Finance_2016_Final-003.pdf</a></li> <li>• <b>Report: Pioneering Pay for Success in Canada</b>, D. Fathing-Nichol and A. Jagelewski, MaRS Centre for Impact Investing, October 2016 <a href="https://www.marsdd.com/wp-content/uploads/2016/10/MaRS-Pioneering-Pay-For-Success-In-Canada-Oct2016.pdf">https://www.marsdd.com/wp-content/uploads/2016/10/MaRS-Pioneering-Pay-For-Success-In-Canada-Oct2016.pdf</a></li> </ul>
11	March 25	Leadership and the Future of Impact Investing	<ul style="list-style-type: none"> <li>• <b>Article: Give Impact Investing Time and Space to Develop</b>, S. Dichter, Harvard Business Review, 2014 <a href="https://hbr.org/2014/03/give-impact-investing-time-and-space-to-develop?utm_source=Socialflow&amp;utm_medium=Tweet&amp;utm_campaign=Socialflow">https://hbr.org/2014/03/give-impact-investing-time-and-space-to-develop?utm_source=Socialflow&amp;utm_medium=Tweet&amp;utm_campaign=Socialflow</a></li> </ul>

			<ul style="list-style-type: none"> <li>• <b>Article: Social Impact Investing Will Be the New Venture Capital</b>, Sir R. Cohen and W. Sahlman, Harvard Business Review, 2013. <a href="https://hbr.org/2013/01/social-impact-investing-will-b">https://hbr.org/2013/01/social-impact-investing-will-b</a></li> <li>• <b>Article: Leadership: Do traits matter?</b>, S. Kirkpatrick and Edwin Locke, 1991 <a href="https://sites.fas.harvard.edu/~soc186/AssignedReadings/Kirkpatrick-Traits.pdf">https://sites.fas.harvard.edu/~soc186/AssignedReadings/Kirkpatrick-Traits.pdf</a></li> <li>• <b>Video: The Danger of a Single Story</b>, C. Adichie, TED, 2009 <a href="http://www.ted.com/talks/chimamanda_adichie_the_danger_of_a_single_story">http://www.ted.com/talks/chimamanda_adichie_the_danger_of_a_single_story</a></li> </ul>
12	April 1	Group Presentations	

## POLICY AND PROCEDURE

### Missed Tests and Assignments (including midterm examinations)

Students who miss a test or assignment for reasons entirely beyond their control (e.g. illness) may submit a request for special consideration. The Request for Special Consideration Form and supporting documentation must be submitted in a timely manner in order for the request to be reviewed.

In such cases, students must notify the Rotman Commerce Program Office on the date of the course deliverable such as a missed test, or assignment missed class (in the case of participation marks), or due date. They must then complete a [Request for Special Consideration Form](#) and submit it along with supporting documentation (e.g. [Verification of Student Illness or Injury form](#)) to the Rotman Commerce Office within **2 business days** of the originally scheduled course deliverable. Students who do not provide appropriate or sufficient supporting documentation will be given a grade of 0 (zero) for the missed course deliverable.

Documentation submitted in support of petitions for missing tests and assignments must be original; no faxed or scanned copies will be accepted.

**Note that the physician's report must establish that the patient was examined and diagnosed at the time of illness, not after the fact. Rotman Commerce will not accept a statement that merely confirms a later report of illness made by the student to a physician.**

In the case of a missed exam or case study, a make-up exam or case will be provided, as appropriate.

### Late Assignments

All assignments are due at the beginning of class on the date specified in the course outline. Late submissions will normally be penalized by 10% if the assignment is not received on the specified date, at the specified time. A further penalty of 5% will be applied to each subsequent day.

Students who, for reasons beyond their control, are unable to submit an assignment by its deadline must obtain approval from the instructor for an extension. Supporting documentation will be required as per the policy on missed tests and assignments.

### Accessibility Needs

The University of Toronto is committed to accessibility. If you require accommodations for a disability, or have any accessibility concerns about the course, the classroom or course materials, please contact Accessibility Services as soon as possible: [accessibility.services@utoronto.ca](mailto:accessibility.services@utoronto.ca) or <http://www.accessibility.utoronto.ca/>.

## Academic Integrity

Academic Integrity is a fundamental value essential to the pursuit of learning and scholarships at the University of Toronto. Participating honestly, respectfully, responsibly, and fairly in this academic community ensures that the UofT degree that you earn will continue to be valued and respected as a true signifier of a student's individual work and academic achievement. As a result, the University treats cases of academic misconduct very seriously.

*The University of Toronto's Code of Behaviour on Academic Matters*

<http://www.governingcouncil.utoronto.ca/policies/behaveac.htm> outlines the behaviours that constitute academic misconduct, the process for addressing academic offences, and the penalties that may be imposed. You are expected to be familiar with the contents of this document. Potential offences include, but are not limited to:

In papers and assignments:

- Using someone else's ideas or words without appropriate acknowledgement.
- Submitting your own work in more than one course without the permission of the instructor.
- Making up sources or facts.
- Obtaining or providing unauthorized assistance on any assignment (this includes collaborating with others on assignments that are supposed to be completed individually).

On test and exams:

- Using or possessing any unauthorized aid, including a cell phone.
- Looking at someone else's answers
- Misrepresenting your identity.
- Submitting an altered test for re-grading.

Misrepresentation:

- Falsifying institutional documents or grades.
- Falsifying or altering any documentation required by the University, including (but not limited to), medical notes.

All suspected cases of academic dishonesty will be investigated by the following procedures outlined in the *Code of Behaviour on Academic Matters*. If you have any question about what is or is not permitted in the course, please do not hesitate to contact the course instructor. If you have any questions about appropriate research and citation methods, you are expected to seek out additional information from the instructor or other UofT resources such as College Writing Centres or the Academic Success Centre.

## Email

At times, the course instructor may decide to communicate important course information by email. As such, all UofT students are required to have a valid UTMail+ email address. You are responsible for ensuring that your UTMail+ email address is set up AND properly entered on the ROSI system. For more information please visit <http://help.ic.utoronto.ca/category/3/utmail.html>

Forwarding your utoronto.ca email to a Hotmail, Gmail, Yahoo or other type of email account is not advisable. In some cases, messages from utoronto.ca addresses sent to Hotmail, Gmail or Yahoo accounts are filtered as junk mail, which means that important messages from your course instructor may end up in your spam or junk mail folder.

## Quercus and the Course Page

The online course page for this course is accessed through Quercus. To access the course page, go to [q.utoronto.ca](http://q.utoronto.ca) and log in using your UTORid and password. Once you have logged in, you will be at the Quercus Dashboard. On this page you will see all of the courses you are presently enrolled in. If you don't see the course listed here but you are properly registered for the course in ROSI, wait 48 hours.

**Recording Lectures**

Lectures and course materials prepared by the instructor are considered by the University to be an instructor's intellectual property covered by the Canadian Copyright Act. Students wishing to record a lecture or other course material in any way are required to ask the instructor's explicit permission, and may not do so unless permission is granted (note: students who have been previously granted permission to record lectures as an accommodation for a disability are, of course, excepted). This includes tape recording, filming, photographing PowerPoint slides, Quercus materials, etc.

If permission is granted by the instructor (or via Accessibility Services), it is intended for the individual student's own study purposes and does not include permission to "publish" them in anyway. It is absolutely forbidden for a student to publish an instructor's notes to a website or sell them in any other form without formal permission.