ENTR 360: IMPACT INVESTING
FALL 2020

Class Meets: Mondays 5:30-6:20 PM Via ZOOM ONLY
Lecturer: Jason Britton, MBA
Office Hours: By appointment Via ZOOM Only
Contact: 617-584-4042 (m) brittonjt@cofc.edu

Description
This course presents the fundamental concepts of Impact Investing, which is a ubiquitous term used to broadly define the landscape of social investing – or investing with a purpose that is beyond traditional modern portfolio theory terminology. It spans the concepts of negative screening, positive screening, ESG integration, thematic investing and various other strategies and vehicles.

Course Objectives
This course will examine the history of impact investing, the numerous types of impact investing strategies, their vehicles and the market participants as well as take a cutting-edge approach to data collection, aggregation and interpretation.

The major topics covered are:
• History, size and characteristics of the Impact Investing marketplace

• Incorporating ESG integration into investment return

• Distinctive business and financial characteristics of Impact Investments; social impact metrics

• Updating conventional investment analysis to the Impact Investing paradigm

• Impact evaluation frameworks and their integration into traditional risk/return models

• Corporate Social Responsibility, its nature and effects, and analysis of shareholder activism to promote it

The primary emphases of this special topics course are a broad-based understanding of Impact Investing and how it has taken shape in real-world settings. Students will organize into groups to discover, research, analyze and present team research projects, some or all of which may be published.
Prerequisites

Junior Standing or permission of instructor. Further, given its wide-ranging subject matter, students will benefit from completion of any of the following: corporate finance, basic accounting, investment management, micro and macro-economics, decision analysis and game theory, statistics and probability.

In addition, you should have some familiarity with Excel and or other Microsoft office programs such as PowerPoint.

SOBE LEARNING GOALS

This class addresses four Learning Goals established by the School of Business:

- **Communication skills.** Students will organize into groups to discover, research, analyze and present team research projects, some or all of which may be published.

- **Global and civic responsibility.** Students undertake consideration of Corporate Social Responsibility (CSR), its nature and effects, and analysis of shareholder activism to promote it.

- **Intellectual innovation and creativity.** The major class project is designed to encourage analysis of Impact Investing and its innovations in financial circles. The project requires bringing together a comprehensive understanding of the ESG model into investment return.

Materials

**Text**

There is no primary text as such for the course. Course work and readings will consist of articles and case studies which will be made available on-line or through a course pack.

**Course Pack**

In addition to class notes, the course will make use of articles from academic periodicals and practitioner-published content. The Reading list below may be augmented from time to time.

Evaluation and Administrative Details

You will be evaluated in this class through your participation and contribution (25%) as well as 5 periodic quizzes covering material from the readings (25%) (you may drop one) and final project (50%). Other assignments may be added throughout the semester as needed.
I will take attendance each class. I will gauge class participation using the inexact science of recollection and connection. Therefore, if you are not in class or do not make a visible (memorable) contribution, I am unable to arrive at a participation grade which will serve as 25% of your final grade.

**Final Project:**

The final project should be completed by students in groups of no more than 4 and no fewer than two. Each group should submit only one final project. Not all group members will receive the same grade. The team will receive a final grade from me regarding the quality of the project overall and will also “self-evaluate” each member of the team. The names of every team member must be written clearly on materials submitted. You are responsible for forming groups, and constituents may change throughout the semester. In addition, please note that I am averse to mediating disputes among group members, so please choose your groups wisely.

The team project will be undertaken by each group, which is responsible for identifying, researching, analyzing and presenting an investment thesis and business case for a specific Impact Investing initiative. More will be announced in the first weeks of class about the specifics of the final projects. The top projects will have the opportunity to present to other Impact Investing Leaders and at conferences and may potentially be published.

**COURSE POLICIES**

Letter grades are assigned as follows:
- A = 90% - 100%
- B = 80% - 89%
- C = 70% - 79%
- D = 60% - 69%
- F = below 60%

**ASSIGNMENT EXPECTATIONS**

Expectations for written work: Following the School of Business learning goal of effective communications, all written work (including presentation canvases) must follow basic principles of effective written communication. As any potential investor (or employer) would expect, all written work should be neat, well organized, clearly written, and free from grammatical and/or typographical errors. In other words, grammar, spelling and formatting will count as part of the grade on all assignments (including presentations).
CLASS NORMS

You can expect me to treat you with respect, listen to your concerns and respond to email within 24 hours on weekdays. All assignments will be graded and posted on OAKS within 3 days. Please be sure to schedule an appointment or zoom session during office hours when needed. Your success is my personal goal.

LEARNING ENGAGEMENT

You will need to come to class prepared, having read the required materials or completed the expected assignment. As this course is taught in a studio format, there are few lectures from the readings. Most of the benefits of this course will only occur when students undertake the effort to engage in the many exercises and activities scheduled each week. This is a “hands on” course, where the learning and insights gained about the process of new venture creation are in direct proportion to the time devoted to these efforts. Showing up for each class session is a necessary, but insufficient condition for meeting the course requirements. Students are expected to participate actively and thoughtfully. Habitual lateness (and leaving class early) will be noted as evidence of low course engagement. Students with low learning engagement will incur a penalty of up to 1 grade.

Class attendance is essential for learning engagement. The policy on missed classes is to allow each student one absence, no questions asked, no penalty. All further absences over this limit will evidence of low learning engagement. Four unexcused “absences” and the student will automatically trigger a drop from the course for excessive absences.

To be eligible for an **excused absence**, the student must inform the instructor by **email prior to class**. Participation in college-sponsored activities, where students are official representatives of the College of Charleston (such as intercollegiate academic or athletic team competition, or academic program sanctioned research presentation or artistic performance) will be excused. In such instances, “reasonable accommodations” will be made to allow the student to make up assignments. Students are required to submit documentation of their College representation related commitment from the appropriate College authority at least one week prior to the scheduled absence in order to be eligible for reasonable accommodations by the instructor.

E-MAIL BUSINESS ETIQUETTE

Please use business etiquette in your e-mails. I will only respond to professional e-mails that follow the guidelines below:

- E-mail alias displaying your full name with @cofc.edu
- Subject line identifying your class as ENTR 200
- Business-like writing style (Prof. D, sincerely etc.)
- Be concise and to the point.
ZOOM BUSINESS ETIQUETTE

Please use business etiquette when using ZOOM. Here are some tips from the Wall Street Journal:

- Don’t be late
- Turn on the camera
- No eating
- Don’t multitask
- Mute when you are not talking

DEPARTMENT STATEMENT OF EXCELLENCE

The Department of Management & Marketing believes organizations have an obligation to optimize the “Triple Bottom Line;” that is, to achieve financial, ecological, and social objectives in increasingly competitive global markets. As teachers, we seek to prepare our students to be global citizens who will think and act systemically regarding the multiple purposes of creating and managing organizations in this responsible way.

DISABILITY STATEMENT

The College will make reasonable accommodations for persons with documented disabilities. Students should apply at the Center for Disability Services / SNAP, located on the first floor of the Lightsey Center, Suite 104. Students approved for accommodations are responsibility for notifying me as soon as possible and for contacting me one week before accommodation is needed.

HONOR CODE AND ACADEMIC INTEGRITY POLICY

Lying, cheating, attempted cheating, and plagiarism are violations of our Honor Code that, when identified, are investigated. Each incident will be examined to determine the degree of deception involved. Incidents where the instructor determines the student’s actions are related more to a misunderstanding will handled by the instructor. A written intervention designed to help prevent the student from repeating the error will be given to the student. The intervention, submitted by form and signed both by the instructor and the student, will be forwarded to the Dean of Students and placed in the student’s file.

Cases of suspected academic dishonesty will be reported directly by the instructor and/or others having knowledge of the incident to the Dean of Students. A student found responsible by the Honor Board for academic dishonesty will receive a XXF in the course, indicating failure of the course due to academic dishonesty. This grade will appear on the student’s transcript for two years after which the student may petition for the XX to be expunged. The F is permanent. The student may also be placed on disciplinary probation, suspended (temporary removal) or expelled (permanent removal) from the College by the Honor Board.

Students should be aware that unauthorized collaboration – working together without permission – is a form of cheating. Unless the instructor specifies that students can work together on an assignment, quiz and/or test, no collaboration during the completion of the assignment is permitted. Other forms of cheating
include possessing or using an unauthorized study aid (which could include accessing information via a cell phone or computer), copying from others’ exams, fabricating data, and giving unauthorized assistance. Research conducted and/or papers written for other classes cannot be used in whole or in part for any assignment in this class without obtaining prior permission from the instructor.

Students can find the complete Honor Code and all related processes in the Student Handbook at http://studentaffairs.cofc.edu/honor-system/studenthandbook/index.php

**EMERGENCY PREPARATION**

If the College of Charleston closes and members of the community are evacuated due to inclement weather, students are responsible for taking course materials with them in order to continue with course assignments consistent with instructions provided by faculty. In cases of extended periods of institution-wide closure where students have relocated, instructors may articulate a plan that allows for supplemental academic engagement despite these circumstances.

**How should I communicate with you?**

Communication with me can occur via multiple platforms, including email, telephone or Zoom

**Email**

Most organizations are dependent on email for internal and external communications. The way you present yourself in emails says a lot about your work ethic and your priorities. Start practicing email etiquette now so that it will be second-nature when you enter the workforce.

- When corresponding with me, please:
  - Include ENTR 360 in the subject line
  - include a respectful greeting (e.g., “Hi Jessica” or “Dear Dr. Smith”)
  - fully sign your name
  - use complete sentences
  - proofread your email

- Typically, I will respond to your email within 24 hours, although my response time will be slower on weekends (24-36 hours). I stop responding to emails after 10:00pm.

- If you do not receive a reply within 48 hours, please re-send your message.

**Synchronous Meetings**

If an email will not suffice, I’d be happy to chat face-to-face. Just because this is an online course does not mean I am unavailable to help you. So please do not hesitate to contact me.

**What do you expect from me?**

I treat class like a job and I expect students to do the same. Thus, I take professionalism very seriously and I hope you will, too. A professional is courteous, focused, motivated, and reliable. A professional also contributes to the community, whether that community is a classroom or workplace. In this course, being a professional involves several elements:
Attendance

Just like any organization, this class is a community whose success is dependent on everyone’s participation. As mentioned above, your performance is tied to how frequently you attend and how actively you participate.

Late Work

I expect you to treat this class like a job and deadlines must be met. **LATE WORK WILL NOT BE ACCEPTED.** Please don’t make things awkward by asking for an extension.

- Unless otherwise noted, all assignments are due by 11:59 PM EST on the due date listed in the course schedule.
  - If you are in a time zone other than EST, make sure you pay very close attention to dates/times. I recommend changing your time zone setting in OAKS to EST to prevent confusion. You can accomplish this by clicking on your name in the upper right corner of OAKS, then choose Account Settings.

- If *extraordinary* circumstances arise (e.g., hospitalization), notify me as soon as possible so arrangements can be made.

- If you know you will not have access to OAKS when an assignment is due, it is your responsibility to turn in the assignment early.

Submitting Assignments

- All written assignments should be submitted electronically to me via email at brittonjt@cofc.edu.

- They should be **saved as PDFs** and include your first and last name in the file. Always save duplicates of your work on an external source (e.g., thumb drive, Google Drive, Dropbox.com). Every single semester, a student loses their work because of a hard drive crash or the Library computer logging off unexpectedly.

- For your protection, keep all assignments that are graded and handed back to you until final grades have been submitted at the end of the semester.

Technical Difficulties

If you have questions or problems related to the course, please follow the communication procedures noted above. If you have technical problems, please contact Student Computing Support or Helpdesk using these methods:

- **Student Computing Support**
  - 843-953-5457
  - studentcomputingsupport@cofc.edu
  - blogs.cofc.edu/scs

- **Helpdesk**
  - 843-953-3375
  - helpdesk@cofc.edu
  - it.cofc.edu/help/helpdesk
It’s important to resolve technical problems swiftly, so do not delay getting support. Computer failure or unavailability does not constitute an excuse for not completing assignments.

**Writing Format:** It is expected that all written assignments in this course be word-processed, double-spaced, 1-inch margins, closely proof-read, and saved as PDFs.

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**Course Schedule - READINGS & Materials**

**Week 1 – August 31st**

Introduction and Overview: Definitions, Classical Finance and the Case for Impact Investing

**Resources:**

https://corporatefinanceinstitute.com/resources/knowledge/finance/what-is-capm-formula/

https://corporatefinanceinstitute.com/resources/knowledge/finance/analysis-of-financial-statements/

https://corporatefinanceinstitute.com/resources/knowledge/finance/what-is-wacc-formula/

https://philanthropynw.org/networks/impact-investing

**Week 2 - September 14th**

Socially Responsible Investing: negative screening, positive screening, the fiduciary standard revisited

**Resources:**


https://www.ussif.org/sribasics
**Week 3 – September 21st**

Shareholder Activism: positive and negative investment

**Resources:**

https://commons.clarku.edu/cgi/viewcontent.cgi?article=1053&context=idce_masters_papers

https://www.ussif.org/proxies

**Week 4 – September 28th**

Corporate Social Responsibility (CSR)

**Resources:**

https://youmatter.world/en/definition/definitions-csr-report-important-examples/


**Week 5-6 – October 5th & October 12th**

Microfinance, targeted investments, specialty themes

https://vittana.org/the-history-of-microfinance

https://www.ussif.org/communityinvesting

**Week 7-8 October 19th & October 26th**

Environmental Finance, Greentech, Infrastructure. Scale and PE

**Week 9 – November 2nd**

Philanthropy and Its Models – thinking about Philanthropy as both a goal, mechanism and asset class.

**Resources:**

https://www.ft.com/content/972adac6-d928-11e9-9c26-419d783e10e8

**Week 10 – November 9th**
UN SDG’s – framework, analysis and incorporation

**Week 11 – November 16th**
New Products, New Approaches

**Week 12 – November 23rd**
Selected Team Presentations

**Week 13 – November 30th**
Selected Team Presentations