Creating Social Value in Detroit:
Social Entrepreneurship Opportunities for Detroit Venture Partners’ Portfolio Firms

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University of Detroit Mercy
Honors Program Undergraduate Dissertation
Foreword Quotes

“Detroit is especially noted for its broad and cleanly streets, its wide and well-kept walks, its numerous and thrifty shade trees, its extensive and beautiful lawns and gardens, the number and attractiveness of its parks and public squares, the varied and tasteful architecture of its residences, the stability of its mercantile life, and the range and extent of its manufacturing interests.” — Guide to the Streets, Street Pavements, Street Car Routes and House Numbers of Detroit, 1901 (Martelle, 2012).

"The great need of the world has always been for leaders. With more leaders we could have more industry. More industry, more employment and comfort for all.” – Henry Ford, in an interview with Fred C. Kelly, 1931. (The Henry Ford Museum, 2015).

”Ironically, it was Detroit’s signature product – the automobile – that hastened the city’s dissolution...The federal government paved the way to the suburbs [via the National Highway Act], and the city of Detroit gave its people ever more powerful incentives to take those roads and never look back.” – What Doomed Detroit, 2013 (Williamson, 2013).

Acknowledgements

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   This paper is dedicated to all of the citizens in the city of Detroit; after taking up residence in your neighborhood, I, like many of my peers here at UDM, have become huge advocates for your city’s advancement and change. I admire your positive attitudes, friendly demeanor, and entrepreneurial spirit. I hope that this paper shows my commitment to making sure that your voices are heard and respected not only among your fellow Michiganders, but among the entire nation and world.
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Abstract

The struggles of Detroit’s most underprivileged citizens have been pondered by many, but truly understood by few. Some altruistic for-profit firms have taken steps to improve the standards of living for Detroiters suffering from poverty, crime, and corruption; others have written off their plight as inevitable or self-inflicted. In this thesis, I argue that premier Detroit venture capital firm, Detroit Venture Partners, can and should assist members of its portfolio to create social initiatives that will (1) permanently and (2) positively change the lives of Detroit’s citizens. I contend that having Detroit Venture Partners invest financial resources into its portfolio for social reasons may be one potential solution to help solve the city’s shortcomings related to education, financial services, and employment. I propose that Detroit Venture Partners allocate funds specifically for social purposes to its portfolio members BoostUp, Ginkgo Tree, Grand Circus Detroit, and Quikly. Funds invested in these firms will be used to create social divisions within each of them, and ultimately they will be able to help lift Detroit’s most neglected citizens out of particularly dire economic situations. In essence, this study presents an outline for a plan that Detroit Venture Partners may use to begin investing its resources to obtain a social, rather than financial, reward.
Organization

This dissertation is divided into chapters that present the information researched in a systematic fashion.

Chapter 1 contains an introduction and description of the present study’s primary objective. It goes on to explain the term “social entrepreneurship” in both a general and study-specific manner, and also describes the potential impacts of social entrepreneurship on the city of Detroit. The methods for measuring social impact in Detroit are presented in this chapter, and the primary sectors of impact are introduced as well. Chapter 1 ends with a conclusion that prepares readers for forthcoming chapters.

Chapter 2 provides details regarding the process for completing the study. It begins with explanations of how both a general and study-specific approach for researching the information in the study were selected. The process for selecting literary sources is briefly touched upon, and then the specific set of steps taken to gather data is described in detail. Then, the method of consulting experts in the areas of social entrepreneurship and finance is described and explained. In Chapter 2, the 2015 Opportunity Finance Network Conference is cited and described in some detail as well. Lastly, a chapter summary and conclusion are used to round out Chapter 2.

Chapter 3 includes detailed analyses for each of the firms that were candidates for social entrepreneurship recommendations. In this chapter, each firm is described, and based on these descriptions, they are grouped into one of three categories: (1) not a candidate for further analysis, (2) candidate for further analysis, or (3) definite participant in further analysis.

Chapter 4 provides specific social entrepreneurship recommendations for the firms selected in Chapter 3. An introduction describes the process for creating these recommendations, and then four specific potential social initiatives are presented to readers. A conclusion defines
the steps that will be necessary to implementing these initiatives and making a positive
difference in the Detroit community.

Chapter 5 explains the inputs, activities, outputs, outcomes, and impacts that may viably
result from implementing the social initiatives for each firm proposed in Chapter 4. It provides a
thorough analysis and itemization of how actions taken by these selected firms will positively
impact residents of Detroit. It also includes the study’s conclusion and outlines the next steps that
will need to be taken in order to bring these social recommendations to life.

Chapters 6 and 7 include Appendices A-F and a references page, respectively. All
citations and sources are included in Chapters 6 and 7 in APA format.
Chapter 1: Background and Basis for the Study

Introduction/General Objective

The purpose of this study is to identify and recommend specific social entrepreneurship opportunities for the portfolio firms of Detroit Venture Partners with the hope that they will result in increased education, access to financial services, and employment for Detroit’s citizens. It is conceivable that creating strategies for certain members of Detroit Venture Partners’ portfolio to participate in social entrepreneurship will cause Detroit Venture Partners to be more willing to invest in the social divisions of these portfolio firms; thus, by creating specific recommendations for high-potential portfolio firms, Detroit Venture Partners will be more likely to enthusiastically and confidently invest in the social areas of local businesses and consequently improve the community of Detroit.

In the 21st century, many firms consider themselves accountable for more than solely their day to day operations; they consider the importance of their actions’ impacts on the communities where they are located as well (Savitz & Weber, 2014). This study will examine how Detroit Venture Partners can use social entrepreneurship to assist their portfolio firms develop social entrepreneurship initiatives as a part of their investment operations. While there is no one generally agreed upon definition of social entrepreneurship (Guo & Bielefeld, 2014), it has been said by Chao Guo and Wolfgang Bielefeld that “…social entrepreneurship tends to include all types of innovative, social-value-creating activities that can occur within or across sectors,” (Guo & Bielefeld, 2014). In any community, the existence of social entrepreneurship can yield positive impacts that last for many years. Thus, this study seeks to determine appropriate opportunities for social entrepreneurship for the portfolio firms of Detroit Venture
Partners in the City of Detroit, which is considered by economic experts (Martelle, 2012) to be underserved and filled with opportunities for social betterment.

**Social Entrepreneurship: A General Definition**

Social entrepreneurship opportunities are abundant in suffering societies around the globe, and benefits of social entrepreneurship have been observed in many communities (Nicholls, 2006). As mentioned in the introduction, social entrepreneurship does not have a universal definition; often times, it has been interpreted loosely to include any enterprise that produces social benefits for a community (Guo & Bielefeld, 2014). Even the term social benefits can be interpreted loosely, and its definition can be construed to have many and diverse meanings. Social entrepreneurship firms/bureaus can exist in the private, public, or social sectors, and the purpose of these ventures is to change the (perhaps broken) system from within and bring about permanent positive change for citizens (Nicholls, 2006). Community programs, both public and private, that produce any type of social benefit have the potential to have a massive positive impact on communities around the globe, including ones in the United States. One example is the existence of credit unions, considering that one quarter of the 300+ million people in the United States belong to a credit union (Nicholls, 2006). Foreign examples of social entrepreneurship transforming poor villages, communities, and societies can be found in the table below (Nicholls, 2006):
<table>
<thead>
<tr>
<th>Region</th>
<th>Firm Name and/or Description</th>
<th>Economic Development Initiative</th>
<th>Economic/Societal Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh/Afghanistan</td>
<td>Grameen Bank</td>
<td>Uses micro-credit lending efforts</td>
<td>More than 2.4 million customers served in the region</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>Bangladesh Rural Advancement Committee</td>
<td>Employs 4x more staff than the region’s largest private firm</td>
<td>Unemployment significantly reduced in rural communities</td>
</tr>
<tr>
<td>England/Wales</td>
<td>Aggregate social entrepreneurship firms</td>
<td>Hire new workers</td>
<td>Each new job created privately is done so at 1/3rd of the public sector’s job creation cost</td>
</tr>
<tr>
<td>Latin America</td>
<td>Cooperative social venture models</td>
<td>Focus on the wellbeing of civil society (as opposed to government or the private sector)</td>
<td>Individuals and households directly benefit from social ventures</td>
</tr>
<tr>
<td>Eastern Europe</td>
<td>Hybrid commercial models exist due to political and cultural tradition</td>
<td>Social value and economic value is created through social enterprises</td>
<td>Individuals, households, and the public sector benefit from social ventures</td>
</tr>
</tbody>
</table>

It is evident that social entrepreneurship is gaining momentum in regions all over the world; many of its beneficiaries have had their lives transformed due to its newfound force.

According to Nicholls (2006), social entrepreneurship “…represents an umbrella term for a considerable range of innovative and dynamic international praxis and discourse in the social and environmental sectors,” as there are abundant opportunities for creating new social value and addressing unmet social needs in many types of communities. Detroit is but one example of a region where social entrepreneurship efforts could permanently change the face of its community for the better. Some potential impacts of improved social entrepreneurship on Detroit’s citizens are discussed in the following section.
Social Entrepreneurship: Creating Social Impacts for Detroit

Potential positive social impacts that may result from social entrepreneurial efforts in Detroit include increased access to education, more accessible financial services, and added employment opportunities for Detroit’s citizens. Detroit Venture Partners exists in the private sector and has the potential to implement solutions to critical community problems that have existed for, in some cases, decades. Some of Detroit’s more recent problems include high unemployment and poverty rates, a high percentage of single parent families (compared to two parent families), a large average number of children per family, and extremely low high school graduation rates (Martelle, 2012). Appendix D provides detailed economic data for Detroit and comparisons to national averages. According to Martelle’s *Detroit: A Biography* (2012), “It took decades of government, corporate, and personal decisions, social pressures and fractures, and global economic shifts, to make Detroit what it is,” and thus it may take a significant amount of years to rebound. While the city’s morale has improved in the time since The Great Recession, there is still ample suffering all around its neighborhoods that needs to be mitigated. Thus, it is important that the better-equipped members of Detroit’s community work to mitigate the problems that run rampant in the city and its neighborhoods. To overcome the various challenges existing in the community, significant financial, physical, and human capital will need to be allocated towards improving education, financial services, and employment opportunities.

As discussed in the previous section, social entrepreneurship is one potentially highly effective solution; its results have had measurable benefits for suffering populations around the globe. By examining Detroit’s most successful private, venture capital firm, I find that there is potential for many benefits to arise from from the creation of a plan that calls for a better
educated community. The Detroit Venture Partners website says on its homepage (Detroit Venture Partners LLC, 2014):

“We’re here to help rebuild Detroit through entrepreneurial fire. We believe venture investing is a full-contact sport, and we are ready to do whatever it takes to help our portfolio companies win. You’ll find us hands-on, in the trenches, and deep behind enemy lines while other VC’s are enjoying their French-vanilla, no-whip, mocha frappucinos…We’re one player in a community of great Detroit pioneers who see the city for its opportunity and potential. Check out what's happening in Detroit.”

Thus, based on their website, Detroit Venture Partners appears to be committed to bringing a higher standard of living to Detroit’s population, and I examine this research question in the remainder of this thesis. Specifically, I examine ideas for resource investment and their potential outcomes. Since several of Detroit Venture Partners’ portfolio firms examined in this study already provide educational and financial services, there is high potential for them to “do good” while doing well (Savitz & Weber, 2014).

A firm’s profitability has historically been its major primary measure of success, but in the 21st century it has become popular for firms to consider more than just the traditional, financial bottom line; the triple bottom line (Savitz & Weber, 2014), in fact, has gained recognition for its focus on environmental and social concerns in addition to financial issues. This is significant because finding alternative ways to measure a firm’s success are vital to creating sustainable businesses; by focusing solely on a firm’s profits, other essential areas of impact are carelessly ignored.
Consider a firm that is extremely profitable but whose operations produce an illegal amount of fossil fuel emissions. The firm makes plenty of money for its shareholders (as a direct result of covering up its emissions by using software that reduces the reading for fossil fuel emissions), but at what cost? This unsustainable business practice is an example of why the “environmental bottom line” is needed to create a more holistic view of a business’ success.

Likewise, consider a firm that operates similarly to the fossil fuel emitting firm; only this time, instead of practicing unsustainable environmental operations, it engages in poor social practices. Perhaps it neglects and/or abuses its surrounding communities by obtaining a license to build up a super-grocery store in an area traditionally run by small businesses with diverse grocery offerings. Or perhaps the firm provides its employees with little or no benefits to working a grueling factory job; for instance, it provides but a meager amount of vacation/sick/personal time, little dental/vision/medical insurance, or insufficient retirement planning assistance. Should traditionally profitable firms that participate in unsustainable social practices really be considered a success? The triple bottom line theory argues that these firms are not successful. The way that these alternative bottom lines relate to the study will be examined in the coming paragraphs.

The firms included in this study have shown that their financial health is robust; Detroit Venture Partners listens to pitches from firms who can meet the following criteria (Detroit Venture Partners LLC, 2014):

<table>
<thead>
<tr>
<th>Location</th>
<th>Competitive Advantage and Plan for Growth</th>
<th>Revenue</th>
<th>Business Model</th>
<th>Vision</th>
</tr>
</thead>
</table>
| • Michigan  
• Willing to relocate to Michigan | • Well-defined competitive advantage  
• Well-defined growth plan | • Strong line of sight of $1 million per year annually | • Predictable  
• Assessable  
• Profit producing | • Be the best in industry |
Detroit Venture Partners is interested in hearing from both early stage companies and early growth stage companies; companies primarily involved with producing disruptive technologies that create efficiencies will be standout contenders for investment (Detroit Venture Partners LLC, 2014).

After examining Detroit Venture Partners’ current portfolio, it was discovered that on many of the portfolio firms’ web pages, environmental and social activities are currently highlighted in addition to their primary duty to make a profit. Thus, the impacts that venture capital investment has already had on the community of Detroit extend beyond those that are purely financial. In this study, the social bottom line is the most crucial consideration for the sample firms examined and analyzed. By pitching new ideas and getting even more resources to start social initiatives to Detroit Venture Partners, local poverty and suffering may become further alleviated once new programs are implemented. What will be needed is a clearly defined plan that will convince investors that the programs to be implemented will be profitable, as well as able to scale its social impact.

**Measuring Social Impact in this Study**

Determining metrics that measure social impact can be more difficult than determining financial impacts, since the quantitative nature of profit and cost data can be more easily traced through accounting than social data (Kreiner, 2015). Different social impact models exist, and the benefits produced by differing models can be very difficult to compare.

Consider the example of two separate, independent community organizations in Detroit: Focus Hope and Neighborhood Service Organization. Focus Hope exists to improve Detroit’s welfare and morale by providing a supplemental food program, offering career preparation
courses that provide trainees with sustainable wages in dynamic fields like IT and engineering, and widening the scope of education that children in Detroit’s neighborhoods are able to enjoy (Focus Hope, 2015). The breadth of the services offered by Focus Hope is significant; any household meeting the supplemental food program criteria, many unemployed workers, and Detroit’s young children that attend school are all positively affected by Focus Hope’s services. In contrast, Neighborhood Service Organization provides services for Detroit’s most vulnerable citizens, such as those with mental illness (who are at an increased risk of suicide), those with developmental disabilities (who may struggle to complete day to day activities), and the homeless (who need shelter in inclement weather and a place to get clean and feel safe) (Neighborhood Service Organization, 2015). Neighborhood Service Organization is able to more deeply support a specific group of Detroit’s citizens through its programs that are carefully calibrated to impact Detroit’s most defenseless and deprived citizens.

It is evident that Focus Hope and Neighborhood Service Organization both serve a vital role in Detroit; but which one is more effective and sustainable in the long term? Currently, it has been accepted and recognized that the benefits provided by these organizations (and other nonprofit, charitable, and community-oriented organizations) are virtually impossible to measure; creating a standardized approach to measure social impact will not have the same effectiveness as an approach to measure numeric data, since numbers can be much more easily charted and compared (Kreiner, 2015).

The logic model presented in Marc J. Epstein and Krisi Yuthas’ book Measuring and Improving Social Impacts: A Guide for Nonprofits, Companies, and Impact Investors provides general guidelines for measuring the effectiveness of social efforts on the part of a firm such as
Detroit Venture Partners or one of its portfolio firms. This logic model is shown according to the following process flow (Measuring and Improving Social Impacts):

![Logic Model Diagram]

By following this process flow, it will be somewhat simpler to follow a system for measuring all of the elements involved in developing, executing, and monitoring a social entrepreneurship initiative for one of Detroit Venture Partners’ portfolio firms. A detailed account of each phase of this process flow is as follows:

**Inputs:** Traditional inputs include resources like time, labor and capital, and money. In a social firm or the social division of a firm, traditional inputs tend to be very similar to conventional inputs used by a for-profit, good/service offering firm. In the present study, the corresponding inputs are financial investments made by Detroit Venture Partners to one of its portfolio firms. An investment can be made in any amount but must be used towards a social entrepreneurship opportunity that will help educate, provide financial services, or employ marginalized citizens of Detroit.

**Activities:** Activities, in the regular sense, mean any actions that can take place when inputs are provided to a firm. Activities are the direct result of financial inputs and other types of investments; thus, activities can include classes and/or training for employees, a new program to help reach a specific market, promotional events that will help draw in customers by offering products/services at a discount, and so on. In this study, activities will be the programs and divisions of portfolio firms that actively educate, assist, or employ members of Detroit’s community. Activities are generally broad, and examples of social activities in this study include: informational classes taught by a portfolio firm, a financial monitoring app offered by a
portfolio firm, and networking/hiring events that place emphasis on reaching out to and employing residents of the city of Detroit.

Outputs: The outputs of a conventional business include physical products for companies that produce goods. For companies that provide services, output is commonly measured as the number of assisted, changed, trained, and/or otherwise positively affected customers that have experienced the firm’s service. Sometimes, firms provide both goods and services; consider the restaurant industry, where customers receive both physical goods (food/beverages) and service (the wait staff). The number of outputs produced for each company is determined fairly easily, as long as there is a quantitative aspect of measurement involved, and there usually is, whether it is goods produced, the number of people serviced, or some other number. In this study, one unit of output will be defined as one good or service that is provided and has the capacity to positively affect citizens of Detroit, regardless of their age, gender/sex, sexual orientation/identity, race, national origin, religion, disability status, or any other class that is federally protected by the US Government. An effect, in this study, will be any amount of increased knowledge, confidence, or curiosity about becoming empowered to make smart educational, financial, and employment decisions.

Outcomes: The term “outcomes” refers to the effect of producing outputs. Thus, for a business that produces goods or services, an outcome would be, for example, a large profit margin for providing the good or service. A nonfinancial example of a conventional outcome would be a good reputation for the producing firm. In terms of social entrepreneurship, an outcome is the social impact that is felt by individuals and/or communities. Traditionally, outcomes are more difficult to quantify when measuring the effects of social impacts, and in this study measuring outcomes will be no less difficult. Therefore, the “outcomes” in this study will be the positively
impacted citizens. This means that each individual (measured as a unit of output) that is affected will self-report the extent to which they feel as if the initiative used to assist them has resulted in a positive outcome.

**Impacts:** Impacts are ordinarily felt by the users of the goods/services offered by a firm; this holds true for both conventional for-profit firms as well as for social firms. Another term for impact would be user value; the value of a product is the benefit to the consumer. Impact (or value or benefit) is felt at first on an individual, or micro, level. When these impacts are added up they create aggregates that can measure the total impact of the good/service. Thus, hereafter, it will be assumed that impacts are the aggregate of outcomes. Thus, all of the output units (individuals) who report a positive outcome will be summed to determine the total reach/depth of impacts that result from Detroit Venture Partners’ portfolio firms’ social entrepreneurship efforts. Using the aggregate impact of social efforts to measure their success will help convince investors that financing these firms’ social efforts is worthwhile, meaningful, and lucrative.

By using the logic model created by Epstein and Yuthas, it will become easier to define and understand the effects of social impact firms such as Focus Hope and the Neighborhood Service Organization. Even though these two vastly different, albeit altruistic firms provide very dissimilar social assistance, it will become possible to better measure the breadth and depth of their impacts. By understanding and measuring the social impacts that firms in areas like Detroit are having, social entrepreneurs can get a better sense of how to appropriately take advantage of the social portion of the triple bottom line.

Epstein and Yuthas’ logic model will be revisited in Chapter 5; the firms that have been picked for social entrepreneurial suggestions will be presented and investigated in accordance with this logic model. Chapter 5 will provide a qualitative and quantitative breakdown that
strives to convince Detroit Venture Partners’ investors that funding social projects in the Detroit area is a smart idea with assessable benefits. By using the five elements of the social logic model introduced in this chapter, the likelihood that these ideas (or similar ones) will be undertaken as a new social initiative in the community is significantly greater.

**Sectors of Impact in Detroit and their Importance**

This study will focus on three sectors of impact in Detroit’s community: education, financial services, and employment; special attention will be paid to social entrepreneurship initiatives that will likely yield positive impact on one of these sectors. These three factors were picked because they are three integral areas for community growth and development, and also areas where Detroit struggles (see Appendix D). Detailed descriptions of each sector are as follows:

*Education:* A quality education provides substantial economic and noneconomic benefits for recipients. An educated (for instance, has completed high school, possesses an undergraduate degree, and/or a graduate degree) person is more likely to earn a steady and living income at a job paying well above the minimum wage\(^1\). Noneconomic factors, such as increased creativity and critical thinking skills, exist as well. Those that have a college degree are also more likely to be satisfied with their job.

*Financial Services:* Access to legitimate and helpful financial services will prepare Detroit’s citizens to prudently and knowledgeably (and therefore effectively) make financial decisions for themselves and their families. For instance, making the decision to buy a house or car can put a significant dent in a household’s ability to meet its other financial obligations. By providing

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\(^1\) This has been illustrated in numerous studies throughout the 20\(^{th}\) and 21\(^{st}\) centuries; the economic benefits of formal education are measurable and proven.
Detroiters with budgeting tools, financial advice, and credit tracking devices, citizens may be more likely to take control of their financial situation and make smart money decisions.

*Employment:* Reducing Detroit’s unemployment rate so that it is more consistent with the national average (see Appendix D) is also an important factor to consider when developing social entrepreneurship solutions for the city of Detroit. By getting discouraged workers, disabled veterans, and other former members of the labor force back into the workforce, it will be possible for these people to earn higher wages and feel empowered. Finding jobs for those that have been going without them also has the potential to increase the city’s morale, allow workers to feel sanctioned in the workplace, and increase the supply and demand for both specialized and generic goods and services in Detroit.

**Conclusion**

By using the logic model to measure education, financial services, and employment opportunities in Detroit, any social recommendations that will be made will be more measurable (and therefore more conclusive) than proposing investment in Detroit without such a model. Thus, once portfolio firms of Detroit Venture Partners are identified for closer study and social recommendations are drawn up for them, the logic model will be revisited. At that time, specific inputs, activities, outputs, outcomes, and impacts will be presented. First, however, the process of picking firms must be outlined, and this is visited in the next Chapter, namely Chapter 2.
Chapter 2: Process/Method of Completion

Identifying/Choosing a General Approach

After it was decided that social entrepreneurship in Detroit would be the focus of this study, various venture capital firms that have the potential to use their business models to have a positive societal influence on Detroit were pinpointed. Thus, the earliest stages of this study included researching and isolating specific venture capital firms with a presence in Detroit. Among the most well-known and renowned local investment firms include Detroit Venture Partners, Rockbridge Growth Equity, and Techstars Detroit; thus, these are the three firms that were chosen for preliminary analysis in the current study.

The portfolio firms associated with each of the above venture capital firms were first analyzed qualitatively. The end goal was to ultimately select one venture capital firm whose attributes could be studied further in depth; this would result in specific recommendations for social entrepreneurship initiatives for its highest potential portfolio firms. To determine the most appropriate venture capital firm for further study, an original empirical analysis of Detroit Venture Partners’, Rockbridge Growth Equity’s, and Techstars Detroit’s portfolio firms’ missions and current philanthropic efforts was completed. Between January 2015 and March 2015, I collected data on portfolio firms through on their websites. Data that was taken from each portfolio firm’s website includes the firm name, investment type and subtype (if applicable), the firm’s headquarters location, the firm’s description/purpose, any existing community programs that the firm has in place, and a description of existing community programs (if applicable). The number of firms in each venture capital firm’s portfolio, as well as headquarters locations for each portfolio firm, appears in Appendix A.
A breakdown of investment types for each venture capital firm’s portfolio firms is presented in Appendix B. It was observed that each of the three portfolios consist of firms in similar industries; the most popular industries among all three venture capital firms include Business Services, Technology, and Financial Services. Other prevalent industries that these venture capital firms invested in include Digital Media and Media (both of these industries comprise 20% or more of the venture capital firms’ portfolios). Other categories of investment include Education and Healthcare Services, but these industries do not make up significant portions of any of the firms’ portfolios.

After researching firms’ headquarters locations, it became evident that Detroit Venture Partners’ portfolio firms have the biggest physical presence in Detroit. More than half of its portfolio firms have headquarters locations in Detroit, whereas Rockbridge Growth Equity’s and Techstars Detroit’s portfolio firms are generally headquartered out of state. Additionally, Detroit Venture Partners has the highest number of firms in its portfolio at 17; 10 firms each are in the portfolios of Rockbridge Growth Equity and Techstars Detroit. Accordingly, due to the number and diversity of firms in its portfolio and the proximity of many of its portfolio firms’ headquarters, Detroit Venture Partners was ultimately selected as the principal venture capital firm that will be analyzed henceforth in this study. Its complete portfolio of firms are listed alphabetically in the following table:
Identifying/Choosing a Specific Approach

After collecting preliminary data, I concluded that Detroit Venture Partners is the best candidate for the “in depth” portfolio firm study, and I decided to conduct more research on its portfolio firms. Specific and exhaustive information on its portfolio firms was gathered; information taken included firm names, firm descriptions, whether or not the firm had existing community programs, and if it did have a community program, what that program entailed. Appendix C further displays these findings. Only 3 of the 17 firms included in Detroit Venture Partners’ portfolio have existing community programs; for the sake of this study, “community program” is defined as any firm whose daily operations have the existing potential to directly positively influence the public. Thus, there is room for immense expansion into the social entrepreneurship sphere for Detroit Venture Partners’ portfolio firms. Even the three firms whose daily operations can contribute to or be considered a “community program” may expand upon these programs or merge with another of the firms in the study. In the cases of BoostUp, Ginkgo
CREATING SOCIAL VALUE IN DETROIT

Tree, and Grand Circus Detroit (the 3 firms considered to have “existing community programs”), daily operations contribute to the public’s wellbeing and help people save their money (BoostUp), become educated (Ginkgo Tree), and learn skills for the jobs they need (Grand Circus Detroit); the fact that they exist and function in Detroit’s underserved communities makes them exceptional candidates for further improving social entrepreneurship efforts.

The remaining fourteen firms offer a plethora of services to both business clients and individual/household clients; they, too, can contribute to social entrepreneurship efforts in Detroit and have a lasting impact on the community. Researching the business models of these firms in order to recommend opportunities for social entrepreneurship will be an effective approach to determining how these firms can improve the wellbeing of Detroit’s citizens. Understanding the businesses from within is vital to seeing which of their strengths can best be applied to the goal of creating social entrepreneurship in Detroit.

In this study, a firm with high potential for social entrepreneurship meets the following criteria: (1) the firm’s purpose is to educate, (2) the firm’s purpose is to help people save money, and/or (3) the firm is going through a period of high growth and thus anticipating an increase in required labor and capital.

Chapter 3 provides a detailed breakdown of suggestions for high potential firms in the study; after learning about firms’ business models, daily operations, and current philanthropic efforts. Recommendations for continued and improved social entrepreneurship endeavors will be suggested for the firms with the highest potential for social impact in Chapter 4.

Determining Appropriate Literary Sources

A literary source was deemed suitable if it was (1) a recent (published less than 10 years ago) academic textbook, (2) a peer reviewed article, (3) taken directly from the website of a firm
examined in the study. In the case of textbooks and articles, abstracts and/or introductions of each potential source for the study were read first, and if the information and findings presented there had the potential to contribute to this study’s purpose, then the source was saved, read, and cited for the study in Chapter 7. Some quotes from live speakers are used and cited as well; these live speakers are experts in their field of study and their seminars/presentations are also cited in the bibliography in Chapter 7.

**Methods: Consulting Experts in Social Entrepreneurship**

Experts in social entrepreneurship provided important insight regarding the potential for improved social efforts by for-profit companies in Detroit. Professors from the University of Detroit Mercy’s School of Architecture’s Master of Community Development Program were consulted early in the study to help provide direction and vision, as well as help sculpt the study’s purpose.

Additionally, faculty members of UDM’s College of Business Administration were questioned; communication with these faculty members was maintained throughout the study. Furthermore, the College of Business Administration is currently developing a Center for Social Entrepreneurship, and its Founding Director was consulted as data was being gathered; this expert provided guidance for structuring and framing the study. He also provided assistance in the form of suggested content and topics of interest, many of which are included in this paper. With this expert’s counsel in mind, this paper may be able to further assist them in their mission to further develop the University of Detroit Mercy’s Center for Social Entrepreneurship.

**Methods: Consulting Experts in Finance**

The firms observed in the study were selected at the suggestion of (academic) financial experts in the city of Detroit. Again, faculty members at the University of Detroit Mercy’s
College of Business Administration were instrumental in providing guidance for picking appropriate high potential portfolio firms for the study. These faculty members provided important insight regarding the appropriate breadth and depth of analysis for each firm, as well as the most effective way to present recommendations for future social entrepreneurship plans and initiatives.

**Methods: Attending the 2015 Opportunity Finance Network Conference**

From November 9-12 in 2015, the 2015 Opportunity Finance Network Conference took place in Detroit, Michigan. This event gave CDFI social entrepreneurs the opportunity to “…work more effectively toward inclusive development where all people share in the opportunities that CDFIs make,” (Opportunity Finance Network, 2015). A CDFI, according to the Opportunity Finance Network, stands for community development financial institutions. CDFIs exist “…to ensure that low-income, low-wealth, and other disadvantaged people and communities have access to affordable, responsible financial products and services,” (Opportunity Finance Network, 2015). By attending this conference on November 11, 2015 and listening to speakers during breakout sessions that addressed issues like Sustainability, Succession, and Transition Planning 101 and Building Scale through Place Based Collaboration, important lessons about creating and maintaining new social divisions of a business were learned and weaved into this study. Descriptions and summaries of these breakout sessions follow in the next two paragraphs.

Sustainability, Succession, and Transition Planning 101 was a seminar given by Tom Adams of Raffa P.C., who provides consulting services related to business transition processes. He is the author of the book *The Nonprofit Leadership Transition and Development Guide* (2010) and a public speaker that gives seminars to social entrepreneurs whose business will
transition due to an executive’s departure, a change in the company’s business model, or the introduction of a new department. His main points during the seminar were on the importance of investing in human capital; to quote Adams, “…never underinvest in leader development,” (Adams, 2015) because human capital is arguably the most important resource in a business. His other significant points were that an emotional transition will occur during a change in business operations, regardless of the change’s cause. This transition may be positive or negative or a mixture of both for firm employees, but nevertheless it is crucial to address that these changed emotions are occurring; ignoring them will cause a lack of open and effective communication, not achieving the business’ highest potential leveraging of human capital, and possibly even increase the firm’s employee turnover. By ensuring that careful attention is paid to employee morale during times of company transition as social divisions are introduced, the likelihood of success increases drastically; thus, it will be necessary for portfolio firms to invest in their employees while they simultaneously invest in other opportunities to begin social entrepreneurship initiatives.

Building Scale through Place Based Collaboration was a panel seminar conducted by the Detroit CDFI Coalition and included various members of 17 CDFIs in Michigan (many of them located in Detroit). The seminar focused on how CDFIs can and should use different financial products to impact a specific target market; in this seminar, suggested groups were First Nations tribes, urban households living in poverty, and elderly persons with fixed incomes. Many CDFIs in Detroit have been created or improved as the result of only one truly dedicated person; with proper leadership and motivation, a small CDFI can begin to flourish and offer life changing financial products for many members of its target market. The CDFI Grid provided by the Detroit CDFI Coalition prompts social entrepreneurs to ask two questions when developing a
CDFI. The first question is “What’s my project or business?” and the second is “What type of financing product do I need?” (Detroit CDFI Coalition, 2015). These two questions will provide a strong base for CDFI development and ensure that the firm will be able to successfully serve its clients once a business model is in place and capital has been obtained.

Both of these breakout sessions offered valuable insights regarding how to best create social divisions for some of Detroit’s businesses that have high potential for social impact. Having a plan to tackle possible setbacks, knowing how to manage employees in the midst of a large operational transition, carefully identifying and catering to a target market, and reflecting on the progress of goal achievement along the way to project enactment will all be important elements needed to make these portfolio firms successful. A for-profit firm whose newest social goals and ideas are not carefully spelled out will not be able to maintain sustainability and momentum in the marketplace, nor will it be able to attract attention from investors. Thus, it will be important that the firms that are thoroughly analyzed in this study to have meticulously spelled out their goals in a way that will allow them to maintain their financial robustness while simultaneously attracting investment from Detroit Venture Partners.

**Conclusion**

The information presented in this chapter has given the reader a foundation for understanding why Detroit Venture Partners was selected as the primary venture capital firm for examination. It also explained the use of various resources, such as literary resources and experts in relevant fields. Now that the process of firm and resource selection has been outlined in detail, the firms that have been selected for study will be analyzed in Chapter 3.
Chapter 3: Firm Examination and Analysis: Results

Introduction and Firm Analysis

The seventeen firms listed in the below section currently receive investment funding from Detroit Venture Partners. Their current practices are listed and explained in some detail, and in each description there is an explanation of whether or not the firm will be a candidate for social entrepreneurial recommendations and profiling in Chapter 4. The firms are presented in alphabetical order, and each firm’s title is highlighted in one of three colors; each of these colors has a different meaning. The tri-color scheme is explained in the following chart:

<table>
<thead>
<tr>
<th>Red</th>
<th>Yellow</th>
<th>Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>The firm was immediately ruled out as a candidate for further study</td>
<td>The firm was considered to become a candidate for further study; final decisions regarding these firms are presented in Chapter 4</td>
<td>The firm was immediately determined to become a candidate for further study</td>
</tr>
</tbody>
</table>

The 17 firms are listed and clarified below starting with Are You a Human and ending with Velos. For all of the firms, an explanation as to why/why not the firm was selected for further study is given. In the cases of the red firms, suggestions for future and/or alternative studies may be given. See below for firm exploration and details:

**Are You a Human**

After perusing Are You a Human’s website, it was evident that this company exists to serve business clients. Its primary customer base is advertisers and agencies, publishers and media companies, and ad tech companies (Are You a Human, 2015). Recommendations for social entrepreneurship for this firm will not be made in this study, but may be included in future studies.
The nature of BoostUp’s operations made it an excellent candidate for social entrepreneurship recommendations in this study. Its purpose as a down payment savings planning assistant give it the potential to inform, educate, and equip the community. BoostUp separates its savings process into two simple steps: (1) create a goal to start saving and (2) add “boosts” to achieve your goal faster (BoostUp, 2015). During the goal creation phase, BoostUp assists users in selecting a savings plan so they can effectively set aside money. A “boost,” defined by the firm, is “…a dollar-for-dollar match on your savings,” (BoostUp, 2015). BoostUp has partnered with automotive and financial services companies that have pledged to match some portion of clients’ savings as they work to achieve their goal (BoostUp, 2015). Companies like BoostUp can help ensure that creditors taking on new clients are less likely to engage in predatory subprime lending (i.e. eliminating or reducing the down payment for a client receiving a loan). Subprime lending in the form of reduced or eliminated down payments was one massive contributor to the housing crisis of 2007-2009.

Chore Monster is an app that helps children complete their chores by making them fun, likable, and gratifying. It is an app geared towards tech savvy parents who hope to monitor and reward their kids as they complete their chores. There are three steps to using Chore Monster for parents: (1) create chores and assign them point values, (2) add rewards for children to purchase upon chore completion, and (3) allow the children to complete the chores and then claim their rewards (Chore Monster). This app is directly marketed towards individuals and households; it thus has the potential to expand its offerings so as to include a social entrepreneurial element. In

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2 There is some controversy as to why lending requirements were less strict. Many economists believe that private institutions are to blame for subprime lending; however, some economists also argue that regulatory pressures driven by the government were the reason subprime lending occurred in the first place (Belsky, Herbert, & Molinsky, 2014).
particular, Chore Monster’s developers could create a similar app that allows parents to track their kids’ reading, homework, and studying progress. Creating a parallel app that tracks students’ learning progress will help motivate and inspire students to do their work and educate themselves.

**Ginkgo Tree**

Ginkgo Tree exists to provide reduced cost and open source textbooks for students. Its website asserts that students can get up to 70% off the price of textbooks, use 72% of all digital textbooks, and learning to use the system can take as little as 4 minutes (Ginkgo Tree, 2014). The website is also clearly designed to be used by teachers and currently only provides textbooks and videos for learning, which technically makes it a firm for business clients (i.e. schools and teachers). This company has fantastic potential for a social entrepreneurship program; expanding upon its services so it can be used by individuals and households is one idea that promotes social entrepreneurship. In addition to this, expanding its product line to include discounted novels, articles, and journals could have fantastic effects on Detroit citizens’ desires to start reading as a hobby (and thus improve literacy, critical thinking skills, and logical reasoning) at no or low cost.

**Grand Circus Detroit**

According to its website, Grand Circus Detroit exists to “…vet and train Detroiter in the skills businesses need to grow, and then we introduce them to companies needing talent. Our bootcamps [*sic*] are intensive learning experiences that emphasize workplace needs like teamwork, paired programming, and cutting-edge technical skills,” (Grand Circus Detroit). Its coding boot camps are ten weeks long and cost between $6,500 and $7,500. Grand Circus Detroit also offers evening in-depth courses for professionals seeking to switch careers, mini courses for those seeking to try something new without making a huge commitment, and crash
courses that last one night only (Grand Circus Detroit). These courses are noticeably geared towards individuals and households, and underserved citizens might have a difficult time affording or attending them. Fittingly, Grand Circus Detroit’s website has a page called Grand Circus Community, where free workshops are offered. Among these workshops is the free Intro to Coding Workshop for those who are interested in learning to code with minimal experience (Grand Circus Detroit). The workshop provides a strong foundation for computer users who would like to learn a programming language. Social entrepreneurship opportunities for Grand Circus Detroit could include offering discounted comprehensive boot camps based on financial need or expanding their free workshop services to include seminars to learn about jobs in tech and the skills needed to attain these jobs, networking events to allow Detroiters to show their natural charisma and ability to work on a coding team, or even workshops that specifically showcase the fundamentals of a specific programming language(s).

iRule’s concept as a universal remote control and ancillary automated thermostat, security system, and lighting functions (iRule, 2015) can serve both business and individual/household clients. Its crucial purpose is to make remote control operation and automation convenient for users, and for this reason it will not be included in this study. It may be included in a future study that determines how convenience services can enter into the social entrepreneurship segment.

Upon viewing LevelEleven’s website, it was clear that company techniques and operations exist to serve business clients. LevelEleven’s main customer base is sales companies that aim to find out their target market’s sales behaviors, create tracking for salespeople that work at client firms, and signal when sales are increasing or decreasing (LevelEleven, 2015).
Recommendations for social entrepreneurship for LevelEleven will not be made in this study, but may be included in upcoming studies.

Marxent’s purpose as a product visualization firm implies that it exists to serve business clients; while firms with solely business clients can be good candidates for social entrepreneurship opportunities, Marxent appears to be a bit too sophisticated for implementing a simple social entrepreneurship strategy. Virtual reality and augmented reality services are Marxent’s livelihood (Marxent, 2014). Perhaps future studies concerning utopian community visualization, job interview preparation, or virtual case studies can link social entrepreneurship and Marxent together.

Opsmatic is a firm that provides data and platform monitoring for business clients (Opsmatic). The firm allows clients to view and be alerted of any critical changes on their website, view the history of all hosts, and track configuration management systems (Opsmatic). After reading reviews of Opsmatic’s services, its role as a firm for businesses became more obvious; in fact, most of its clients are not only businesses, but tech startups that rely heavily on information technology infrastructure. It will not be analyzed in this study, but would be an appropriate candidate for future studies that focus on IT-heavy firms and their operations.

Quikly allows various brands to give coupons/promotional codes directly to customers via their smartphones. It provides offers for brands like New York and Company, Dunham’s Sports, Pet Supplies Plus, Domino’s Pizza, Jo-Ann Stores, Victoria’s Secret, Sole Society, Henri Bendel, and Hollister (Quikly, 2015). Quikly will be included in this study, since its services are meant to lessen the financial burden of shopping for its clients. While its current coupon/promotional code lineup is for retailers, Quikly could feasibly expand into the
food/grocery or education industries. For instance, coupons could be offered for regional grocery chains or bookstores to help the citizens of Detroit afford some of their essential purchases.

*Reach Influence*

Reach Influence offers digital coupons to mobile users based on their interests after assisting independent retailers determine which coupons people want to see. The three main services provided by Reach Influence are: engaging shoppers with personalized loyalty programs, offering digital coupons to individuals through email, and offering a price optimization tool to firms that wish to offer coupons to their customers (Reach Influence, 2015). Reach Influence may be included in this study, since its services can help small businesses in the Detroit area improve their sales and help provide special offers to the community. There will be benefits for both the small business and the customers; the small businesses will be able to enjoy increased publicity and sales, while customers will begin to enjoy local products/services at a discount.

*Rockbot*

Rockbot is a next generation jukebox app that allows mobile users to request songs via the Rockbot app. If a restaurant, park, or other public area has Rockbot configured on their speakers, then users are able to submit songs through the app and hear them played over the speakers (Rockbot, 2015). Rockbot is a fun concept for mobile users, and its services undoubtedly help improve the atmosphere in areas where it is used. However, it will not be included in this study, since creating social entrepreneurship plans for Rockbot will require complex, tech-related plans.

*Social Proof*

Social Proof creates tailored marketing engines and helps businesses more effectively advertise to their target markets online. Testimonials on Social Proof’s website claim that the firm can help increase web traffic to a site, attract new clients, and manage advertisements that
are shown to internet users (Social Proof, 2014). Social Proof’s services could definitely help small businesses in Detroit become more publicized, but it will not be included in this study. Impending studies on entrepreneurship and marketing in Detroit may consider looking into Social Proof’s services for ideas on how to help local firms successfully market to their target demographics.

Spirit Shop sells men’s and women’s sportswear, including wholesale uniforms for teams (Spirit Shop). This type of firm is an excellent candidate for charitable contributions, such as free warm clothing for Detroit’s citizens in the winter. However, this type of donation does not fall under the social entrepreneurship category since the goods being donated are depletable and no social value is created by donating them. Thus, Spirit Shop will not be included in this study but it may be worth looking into seeking out donations from them.

Style Caster may be a leisure and fashion website directed at women, but its role as a member of the online media community gives it the power to influence the opinions of and educate its readers. This means that Style Caster has some potential for social entrepreneurship campaigns, such as publishing articles about personal financing or job seeking. It already includes some articles that are weightier than beauty tutorials and celebrity gossip; on the homepage, there is a link called “Lifestyle” (Style Caster, 2015) that opens a page with articles about female vloggers in finance, affording interior design services, and artists to invest in. These types of articles are a good start to educating Style Caster’s readers, but adding more of these to their regular article lineup could have lasting positive effects on the minds of Style Caster’s readers.

3 Nondurable goods are items like food, clothing, and energy such as fuel that have short lifespans. Since these items are depleted more quickly than items like cars, furniture, and appliances/electronics, they are considered to be nondurable and depletable (SOURCE: Macroeconomics).
UpTo is a calendar syncing site that allows individuals, households, and firms to manage their calendars and prioritize events/meetings as they see fit. UpTo utilizes a two layer system; the first front layer of the calendar is a personal calendar with high priority events and meetings included, and the second layer is more for leisure and convenience, as it allows users to follow upcoming events based on personal interests (UpTo, 2015). UpTo will not be included in this study, but it may be useful for small business owners in Detroit who do not enjoy the services of a fully equipped IT department or software engineers that can assist with computer and calendar synchronization.

Velos is a firm that provides data assistance services for medical institutions, such as hospitals (Velos, 2015). According to its website, Velos’ “…pure Internet platform offering connects essential financial, administrative and clinical research activities,” (Velos, 2015). The firm’s mission is to help streamline databases in many types of medical establishments, and social entrepreneurship opportunities likely exist. For the sake of this study, Velos will not be included due to limitations on connections in the medical field. However, future studies on medical divisions of social entrepreneurship would be prudent to include Velos as a potential provider of services.

Conclusion and Summary

In the table below is a brief review of the 17 portfolio firms of Detroit Venture Partners. To reiterate, the firms highlighted in green will definitely have social recommendations drawn up for them, and the firms in red will not be further investigated as a part of this study. Those firms that are in yellow will experience additional analysis to determine which of them should have social recommendations created; this selection process is included in the beginning of Chapter 4.
From this table, it can be observed that at least 17.6% of the firms in Detroit Venture Partners’ portfolio will have social recommendations created (since three of the firms are highlighted in green). If the three firms plus one yellow firm are analyzed, that number will jump to 23.5%. This is a significant percentage of Detroit Venture Partners’ portfolio; even if only one of the firms implements some sort of social entrepreneurship project, the other remaining suggestions may be used in the future to craft future social entrepreneurial plans.

Generating excitement and getting investors to discuss ideas for social entrepreneurship programs will be the first step to successfully making change in the community; by depicting recommendations for at least four of Detroit Venture Partners’ firms, significant conversations about the future of Detroit’s venture capital firms may arise among investors in many different sectors and industries. This may even inspire other venture capital firms to become interested in similar concepts, such as investing in a nonprofit firm, stipulating that any financial resources
provided must be used to finance a positive social development, or only investing in firms that have strong social development policies in place.

Chapter 4 discusses the selection of yellow firms for analysis, and then showcases the yellow firm(s) picked alongside the green firms. Model social initiative profiles for these firms are then presented and next steps for recruiting investment funds are discussed.
Chapter 4: Potential Conclusions and Implications

Picking and Profiling Four Firms

After developing general recommendations for all of Detroit Venture Partners’ firms and ruling out the firms that would definitely not be candidates for further examination in this study, there were seven contenders that remained. As outlined in Chapter 3, these firms include: BoostUp, Chore Monster, Ginkgo Tree, Grand Circus Detroit, Quikly, Reach Influence, and Style Caster. BoostUp, Ginkgo Tree, and Grand Circus Detroit were all highlighted in green and will definitely be examined.

The remaining four firms, Chore Monster, Quikly, Reach Influence, and Style Caster will be selected by following a selection method created by Andrew W. Savitz and Karl Weber in their book *The Triple Bottom Line: How Today’s Best-Run Companies are Achieving Economic, Social, and Environmental Success – and How You Can Too*. Savitz is a businessman (he worked for PricewaterhouseCoopers with a strong interest in creating strong sustainability practices and change management, while Weber is a writer specializing in social issues, business, and the relationship between them; he has published other books including *Creating a World Without Poverty* and *Building Social Business* (Savitz & Weber, 2014).

The process introduced by the authors in *The Triple Bottom Line* requires that three simple (yet closely-related) questions are asked to determine which of these yellow candidate portfolio firms should be most comprehensively analyzed (along with the green firms) by having model social division profiles drawn up for them. These questions are: Who, What, and How (Savitz & Weber, 2014). According to original and novel research by Savitz and Weber (2014):

- “Who” encompasses the identity of a company and its aspirations, which consists of a brand’s promise, culture, reputation, and values (Savitz & Weber, 2014)
“What” refers to the social (and environmental, in some cases) impact of a firm’s business model, profits, and goods/services (Savitz & Weber, 2014)

“How” considers a firm’s practices and the way it handles employees, the supply chain, and the community it serves (Savitz & Weber, 2014)

While asking these questions, it became apparent that among the yellow firms, Quikly possesses premium potential for executing social entrepreneurship programs/operations; this is because its mission to provide lower cost goods and services to customers is most consistent with “Who,” the coupons and promotional codes effectively represent the “What,” and its easy process for signing up and receiving digital coupons/codes best comprises the “How.”

The selected firms, BoostUp, Ginkgo Tree, Grand Circus Detroit, and Quikly, have the ability and the resources to create positive social change in Detroit through their identities and aspirations, their impact on the community through product/service offerings, and their desire to serve while simultaneously improving their communities. The following section explains the process for creating example social initiatives for each of these four firms and how these examples may be used to encourage investors’ participation in them.

Creating Model Social Profiles

As mentioned previously, social division profiles of potential social entrepreneurship programs for each of these four firms are included in the following section; these profiles are inspired by the Miller Center for Social Entrepreneurship at Santa Clara University. They mirror the profiles of firms that have gone through the extensive Global Social Benefit Institute Accelerator Program (Santa Clara University, 2015). Social enterprises in the Miller Center received training during a ten month program designed to help entrepreneurs who have a special interest in addressing poverty (Santa Clara University, 2015). The GSBI Accelerator Program is
offered at no cost to entrepreneurs, but allows them to receive training in areas like business model optimization, acquiring and maintaining appropriate capital, recognizing and quantifying needed funding, and the marrying of new operations to current operations (Santa Clara University, 2015).

These model profiles make it easier to visualize and quantify\(^4\) the impact of social divisions of for-profit firms like BoostUp, Ginkgo Tree, Grand Circus Detroit, and Quikly. By creating these models, Detroit Venture Partners will be able to see where the firms’ social efforts are concentrated, which groups of people benefit from them, how much money and/or other capital will be needed to continue these efforts, and whether the program hopes to expand (and what it hopes to accomplish with that expansion). The model firm profiles follow on the next several pages:

\(^4\) Appendix E provides a breakdown of the financial calculations for each profile, including the Investment Required and Annual Budget.
Detroit Dream Program – BoostUp
BoostUp already provides saving services for people looking to buy a home or car. Its new Detroit Dream Program will allow qualified, low income members of the community to get additional financial support to assist them achieve their goal of car or home ownership.

**Headquarters:** Detroit, MI  
**Firm Established:** 2013  
**Social Division Established:** 2017  
**Impact Region:** Detroit, MI  
**Impact Population:** Low income citizens that need a home or car; 500 people/year  
**Type:** For-profit  
**Sector:** Financial services  
**Staff:** 10  
**Investment Required:** $2.5M/year  
**Annual Budget:** $3.5M

**Firm Vision**
The Detroit Dream Program will provide grants to qualified BoostUp customers. These customers can use their grant to afford a home or car (and subsequently help improve their overall quality of life).

**Target Market**
Low income households in the city of Detroit will be eligible for grants. Providing these people with grants will help them to live their lives instead of constantly worrying about paying back their debt.

**Value Created**
Lasting social value will be created by helping citizens afford these essential assets; a sense of independence comes with home ownership, and car ownership allows people to drive themselves to their jobs.

**Future Goals**
- Vehicle recycling program development  
- Partner with local auto dealers  
- Help with Detroit’s blight removal efforts

**Growth Plan**
The Detroit Dream Program will continue to grow each year as it becomes more well-known and attracts additional investment from other sources:

**2016:** Develop a business plan/model and find supporting partners (real estate brokers, auto manufacturers, etc.)

**2017:** Launch program and gather feedback from clients and partners

**2018:** Refine program as needed for continued success and expand partnerships if applicable

**2019:** Continue to increase the impact population at a sustainable rate for the foreseeable future
Wisdom Branch – Ginkgo Tree
Ginkgo Tree has provided low cost textbooks since 2012. Its new social department, Wisdom Branch, will provide free physical/digital textbooks to qualified citizens. By providing free textbooks to citizens in the community, Wisdom Branch will nurture and cultivate their minds.

Headquarters: Detroit, MI
Firm Established: 2012
Social Division Established: 2017
Impact Region: Detroit, MI
Impact Population: Citizens looking to improve their literacy; 5,000 people/year
Type: For-profit
Sector: Educational Services
Staff: 6
Investment Required: $1M/year
Annual Budget: $2M

Firm Vision
Wisdom Branch will provide novels/textbooks to underprivileged citizens that seek to better their lives through literature or formal education (thereby developing human capital in Detroit).

Target Market
Citizens that possess below average reading and comprehension skills (for their age) and low income students will be the primary recipients of Wisdom Branch’s services.

Value Created
Increased reading and comprehension skills, improved critical thinking ability, and better logical reasoning skills are potential positive impacts of this literacy initiative. Also, by offering digital books, reading may become more convenient for students.

Future Goals
- Create a digital library
- Partner with schools and/or community centers
- Develop book clubs/discussion groups about specific themes (e.g. inspirational minority characters of history)

Growth Plan
Wisdom Branch will continue to grow each year as it becomes more well-known and attracts additional investment from other sources:

2016: Develop a business plan/model and purchase/obtain books to be used in the program
2017: Launch program, gather feedback from students and other readers who are engaged with the program, and create book clubs and/or literature discussion groups
2018: Refine program as needed for continued success, update the collection of books available to use, and begin development of the digital library
2019: Launch digital library
**Coding Scholarship Program – Grand Circus Detroit**

Grant Circus Detroit’s existing boot camps have trained thousands of IT workers; its Coding Scholarship Program will provide motivated students with partial/full scholarships to cover the cost of tuition, so passionate students will have a shot in IT (regardless of their ability to pay).

**Headquarters:** Detroit, MI  
**Firm Established:** 2013  
**Social Division Established:** 2017  
**Impact Region:** Detroit, MI  
**Impact Population:** Coding students with constricted budgets; 300 people/year  
**Type:** For-profit  
**Sector:** Education; Information Technology  
**Staff:** 6  
**Investment Required:** $2.25M/year  
**Annual Budget:** $3.25M/year

**Firm Vision**

Grand Circus Detroit’s Coding Scholarship Program will allow underprivileged, yet ambitious, IT enthusiasts to gain the skills they need to succeed in the workplace and maintain a meaningful role in IT.

**Target Market**

Many members of Detroit’s community have the motivation and mindset to complete an intense coding workshop; they simply do not have the financial resources to afford training. The Coding Scholarship Program will offer a solution to this challenge by offering financial aid to these people.

**Value Created**

Increased employment in IT roles around the city and a higher likelihood that program graduates will feel fulfilled in their jobs are two forms of value that will be created.

**Future Goals**

- Partner with local IT firms to hire in students after course completion  
- Increase the amount of scholarship funds available for students

**Growth Plan**

The Coding Scholarship Program will continue to grow each year as it becomes more well-known and attracts additional investment from other sources:

- **2016:** Develop a business plan/model and determine which classes will have scholarships available  
- **2017:** Launch program and gather feedback from students and potential employers  
- **2018:** Refine program as needed for continued success and expand scholarship opportunities if applicable  
- **2019:** Revise curriculum to include the newest developments in IT  
- **2020:** Continue to increase the impact population at a sustainable rate for the foreseeable future
Quikly Local Vouchers – Quikly

Quikly Local Vouchers expands upon Quikly’s mission to help customers afford brand name goods. QLV offers coupons from local grocery stores, retailers, and other businesses, and thus boosts local business owners’ profits while assisting citizens that struggle to afford necessities.

Headquarters: Detroit, MI
Firm Established: 2012
Social Division Established: 2017
Impact Region: Detroit, MI
Impact Population: Citizens that shop at local businesses; 10,000 people/year
Type: For-profit
Sector: Financial Services; Retail
Staff: 4
Investment Required: $1.2M
Annual Budget: $2.2M

Firm Vision

Quikly has always believed in making desirable products affordable; its new QLV division will make shopping local and supporting local business owners easier for coupon users while they save themselves money.

Target Market

Citizens who already make use of coupons will find QLV’S offerings to be excellent for local bargain hunting; the shrewdness of these citizens deserves to be rewarded by offering them homegrown products!

Value Created

Value will be created on both the supply and demand side for QLV. On the supply side, it will be easier for local business owners to market and sell their products. On the demand side, customers will be able to buy the products they need at significant discounts.

Future Goals

- Partner with a salon, a clothing retailer for men/women/children, and a home improvement retailer
- Create a separate QLV mobile app

Growth Plan

Quikly Local Vouchers will continue to grow each year as it becomes more well-known and attracts additional investment from other sources:

2016: Develop a business plan/model and partner with several local business owners that provide a variety of services (i.e. a grocer or a convenience store)

2017: Launch program and gather feedback from customers and business owners

2018: Develop and launch a QLV mobile app where coupons are emailed/texted to customers and redeemed digitally
Conclusion

As previously discussed, the preceding profiles for these four (highest) potential firms are drafts for future social developments. These drafts have been carefully crafted after a detailed review of the current missions of the firms they relate to, and each is tailored specifically to the firm it is associated with. These suggested social divisions distinctly answer the questions of Who, What, and How (Savitz & Weber, 2014), and thus provide investors with a solid understanding of their mission, vision, values, and impact. By developing one of the above designs into a full-fledged community program, the city of Detroit would likely be positively transformed over the coming years.

The next step of the social initiative development and suggestion process will be sharing this template with Detroit Venture Partners and arguing to the firm that these initiatives are worthy investments and should thus constitute a portion of their investment in BoostUp, Ginkgo Tree, Grand Circus Detroit, and Quikly. Chapter 5 will revisit the logic model that was used to help measure social impact and persuasively interpret the model profiles’ ultimate reach. It will showcase a more quantitative aspect of the social programs that have been introduced, and hopefully it will convince Detroit Venture Partners to move some of their resources into programs like the ones introduced in this chapter.
Introduction: Measuring Social Impact for Detroit Firms’ Social Divisions

Now that specific recommendations for social investment have been made, it will be necessary to determine exactly how each social division will positively impact Detroit’s community, as this will be fundamental and relevant information for potential investors at Detroit Venture Partners. At this time, the logic model created by Savitz and Weber will be reintroduced and used to break down the inputs, activities, outputs, outcomes, and impacts that may result from the Detroit Dream Program, Wisdom Branch, the Coding Scholarship Program, or Quikly Local Vouchers. The process flow for measuring social impact is given below:

As we have discussed in previous chapters, measuring social impact is not as easy as measuring other impacts of a business, such as those that are financial or economic. For the sake of my argument and method, I will write in the conditional tense when speaking about the potential impacts of social entrepreneurship initiatives; since these impacts are fictitious (as they have not actually been observed), I am making the assumption that they will be positive when aggregated as I write about them below. I acknowledge that it is unlikely that every single individual affected by these social efforts will have a positive experience. However, I expect that these impacts will be overwhelmingly positive for the majority of Detroiteras who are exposed to them, and while my ability to gauge some technical, quantitative, and psychological information has been limited in the following projections, I have still done my best to measure the social impacts for each proposed program outlined below. I believe that the speculation required to complete this study is evidence that the area of social entrepreneurship is still a relatively infant
field; speculation will need to be involved until it becomes further established in academic and professional disciplines.

For the remainder of this chapter, each model social division will be broken down and analyzed in accordance with Savitz and Weber’s logic model. After each social division has been analyzed, final thoughts and a conclusion will be presented.

**Detroit Dream Program: From Inputs to Impacts**

*Inputs:* The financial portion of the Detroit Dream Program is comprised of its $3.5M annual budget. Additionally, its staff of 10 is considered a labor input and is required for program success.

*Activities:* The grant application, writing, and distribution process is the main activity of the Detroit Dream Program. This process begins with potential grant recipients applying for funds by filling out necessary paperwork and providing documentation that they are in need of, and would benefit from, receiving a home or car grant. After the application is complete and submitted, staff members on the review committee will determine which applications should receive grant funding for either a vehicle or real estate. After application review, recipients will be contacted and informed that they are able to receive their requested asset. In the final step of the process, recipients will receive their funds and purchase their needed asset.

*Outputs:* The Detroit Dream Program’s main output will be the grants themselves; thus, the financial investment and labor inputs will be converted into all of the grant money available for recipient use.

*Outcomes:* The outcomes from this program are fairly obvious; roughly 500 low (or no) income residents of Detroit will be able to purchase assets that are required for their success, and maybe in some cases, their survival. People who do not have the traditional means to acquire a car or
home will receive and be responsible for these assets, just as someone who purchased a home or car with a more traditional financing type, such as a loan, would.

**Impacts:** The impacts from the Detroit Dream Program could be abundant; perhaps the most obvious initial impact from this program would be improved morale for the 500 citizens that receive grants each year. Car and home ownership will provide a sense of independence, responsibility, and purpose for those who are able to obtain these assets. Also, the employers and families of recipients would be positively impacted in a more secondary fashion. Cars provide a reliable means of transportation to and from a job, especially in a city like Detroit that lacks good public transportation; according to a 2013 study at the University of Michigan, Detroit residents are extremely dependent upon cars for commuting to work, as 70.10% of residents need to drive by themselves to get to their jobs (Transportation Research Institute at the University of Michigan, 2013). Grant recipients who buy cars will be able to ensure they are able to get to and from work for each shift; thus, these auto grants may help maintain steady employment. Employers will be relieved to know that these auto owners are able to be present for their shift each time it begins. Home ownership may have similar benefits for recipients of Detroit Dream Program grants; according to Harvard University’s Joint Center for Housing Studies, a person’s experience with homeownership can be sorted into economic, physical, and social categories (Rohe & Lindblad, 2013). The most important social benefits associated with homeownership are listed in the following table (Rohe & Lindblad, 2013):

<table>
<thead>
<tr>
<th>Mechanism Associated with Homeownership</th>
<th>Potential Positive Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding a physical asset</td>
<td>Wealth creation – either anticipated or real</td>
</tr>
<tr>
<td>Having a place to stay</td>
<td>Sense of stability</td>
</tr>
<tr>
<td>Better quality construction</td>
<td>Less work required to maintain housing quality</td>
</tr>
<tr>
<td>Intensified sense of accomplishment</td>
<td>Higher level of pride</td>
</tr>
</tbody>
</table>
Thus, the families of grant recipients that purchase real estate will be more likely to enjoy the above listed benefits, which may contribute to keeping them warm in the winter and less susceptible to crime that occurs on the streets. Families will be grateful to know that they have their own house as a place that provides refuge, relaxation, and security.

**Wisdom Branch: From Inputs to Impacts**

*Inputs:* Wisdom Branch’s main inputs will consist of a financial component (its annual budget of $2M) and the labor force required for completing daily operations and activities (6 people). Additionally, inputs in the form of donated or purchased books may be used to provide services for its clientele.

*Activities:* Wisdom Branch’s primary activity is giving away textbooks/other books to anyone who needs them for a constructive purpose, such as general education and literacy, decreasing expenses for schooling, or on the job training. To complete this activity, Wisdom Branch will acquire textbooks/other books from some source, such as accepting regular donations from established partners (i.e. libraries, secondhand bookstores, and schools) or purchasing books from publishers (possibly at discounted prices). After obtaining the texts required for Wisdom Branch to successfully operate, guidelines for distributing books to citizens must be followed to ensure that those receiving the books will use them productively and sensibly. The final stage of Wisdom Branch’s entire process will consist of book recipients using the texts to better their lives through increased education and literacy.

*Outputs:* The outputs of this endeavor include textbooks/other books that are purchased with financial resources and the textbooks/other books that are donated by some entity for the purpose of advancing Wisdom Branch’s mission.
Outcomes: Outcomes from Wisdom Branch, as discussed in its model social division profile, include (but are certainly not limited to) increased reading and comprehension skills, improved critical thinking ability, and better logical reasoning skills for beneficiaries. Books also will help students complete and understand their homework assignments; whether the student is a preschooler in school for the first time or a graduate students working on their Master’s or PhD degree, making books for their learning free will undoubtedly assist in their educational advancement and likelihood of career success. Also, new employees at firms requiring special/skilled training may benefit from technical manuals and/or other texts provided by Wisdom Branch for free.

Impacts: Recipients of Wisdom Branch’s services will have an enhanced mental database from which they can draw on for decisions that require reasoning, profound thinking, or life experience/practical wisdom. United Nations Educational, Scientific, and Cultural Organization (UNESCO) cites in their “Education for All Global Monitoring Report” that literacy is a right in modern societies and should be treated as such (UNESCO). A table of benefits and their explanations follows (UNESCO):

<table>
<thead>
<tr>
<th>Human Benefit</th>
<th>Explanation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Esteem</td>
<td>Studies done in regions across the world show that literacy has a positive impact on confidence and self-esteem</td>
</tr>
<tr>
<td>Empowerment</td>
<td>Literate people can be more self-reliant and independent due to a decreased dependency on assistance/goodwill from others</td>
</tr>
<tr>
<td><strong>Political Benefit</strong></td>
<td><strong>Explanation</strong></td>
</tr>
<tr>
<td>---------------------------------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Political Involvement/Democracy</td>
<td>Educated/literate people are more likely to vote, demonstrate democratic values, and be tolerant</td>
</tr>
<tr>
<td>(Sub)Cultural Equality</td>
<td>Promoting literacy among traditionally oppressed and/or underserved communities may allow them to catch up to traditionally literate communities</td>
</tr>
<tr>
<td>Post-Conflict Conditions</td>
<td>Encouraging formerly-illiterate people to write about their experiences, hardships, and ideas can be conducive to further improving the community</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Cultural Benefit</strong></th>
<th><strong>Explanation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultural Change</td>
<td>Improved literacy/education among members of a community can help sway them from holding corrupt or criminal beliefs</td>
</tr>
<tr>
<td>Preservation of Cultural Diversity</td>
<td>Literacy can help stimulate cultural/subcultural awareness through the arts</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Social Benefit</strong></th>
<th><strong>Explanation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Health</td>
<td>Higher literacy rates are associated with lower infant mortality rates worldwide</td>
</tr>
<tr>
<td>Reproductive Behavior</td>
<td>There is a negative correlation between literacy and female fertility</td>
</tr>
<tr>
<td>Education</td>
<td>Literacy permits people to better understand written and spoken information</td>
</tr>
<tr>
<td>Gender Equality</td>
<td>Improved literacy for women allows them to better participate in household decision making</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Economic Benefit</strong></th>
<th><strong>Explanation</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic Growth</td>
<td>Education and literacy is a major determinant of household income/professional experience</td>
</tr>
<tr>
<td>Returns to Investment</td>
<td>Investing in education (both primary and adult) results in positive returns in terms of increased personal income and better job prospects</td>
</tr>
</tbody>
</table>

Motivated citizens that choose to take advantage of Wisdom Branch’s services will be better-read and have larger vocabularies, which may very well result in an improved ability to effectively communicate with their friends, family, employers, and others whom they may encounter as they progress through life. Furthermore, the increase in confidence that would result
from new knowledge will empower students, employees, and other citizens to live a life filled
with curiosity, questions, and a motivation to understand and appreciate new
information/opinions.

The Coding Scholarship Program: From Inputs to Impacts

Inputs: The main financial input required for Grand Circus Detroit’s Coding Scholarship Program is the money required to cover the the cost of tuition for each student that will receive a full/partial scholarship. The Coding Scholarship Program’s annual budget comes $3.25M and much of that cost stems from the money required to provide the scholarships. Also, human capital in the form of labor will be required as well, since staff members at Grand Circus Detroit will be needed to teach the coding classes.

Activities: The process of turning a goodwill financial investment into education for 300 of Detroit’s citizens (per year) is the primary activity of The Coding Scholarship Program. Students will need to apply for a scholarship through the program by filling out some paperwork and also completing an assessment that will gauge their interest in and aptitude for coding (so that the most promising students will be selected). Once students are selected and gifted scholarship money, they will enroll in a class and/or classes that suit their abilities and interests. Staff members will teach the courses in accordance with Grand Circus Detroit’s normal class schedule, and scholarship students will receive the same quality education and curriculum as other students that participate in Grand Circus Detroit’s coding classes. After the classes end, a career placement program may help assist scholarship students obtain work in the IT industry.

Outputs: The output of The Coding Scholarship Program is very intangible; it consists of the education and increased knowledge that is received by scholarship students that participate in this program.
Outcomes: Several positive outcomes (that benefit both citizens and Grand Circus Detroit) may result from The Coding Scholarship Program; as mentioned before, one of the most obvious good outcomes is better job prospects for program graduates. By equipping Detroit residents with skills in IT fields, they will be more likely to gain fulfilling and meaningful employment in a constantly evolving and ever-dynamic industry. Also, Grand Circus Detroit will gain the attention of IT firms that are hiring skilled workers; thus, the firm may enjoy an improved reputation that will positively affect their business. It is even feasible that other firms will begin investing in or partnering with Grand Circus Detroit as a result of this scholarship program.

Impacts: With 300 Detroiters per year take on higher paying, more stable jobs as a result of this initiative, they can be expected to take better financial care of themselves and their families, perhaps with a lessened (or even eliminated) need for future financial assistance from the federal/state government or private philanthropic firms. The Coding Scholarship Program’s technical instruction and training will prepare workers to take on jobs and assignments more similar to apprenticeships and skilled trade work, which are both viable alternatives to obtaining an expensive college education. According to the Washington State Department of Labor and Industries, there are benefits to both workers and employers as a result of crash-course training in some discipline (Washington State Department of Labor and Industries, 2015), especially when those participating in the training have not attended college. A table that sorts these benefits is presented below and can be used to describe potential impacts on Detroiters who take classes through The Coding Scholarship Program:
By providing a means for financial and educational independence, The Coding Scholarship Program will have an incredible effect on hundreds (and indirectly, thousands) of people in Detroit. Not to mention, employers that receive graduates from the scholarship program will have educated, motivated employees that are ready and willing to make a difference at their firm.

**Quikly Local Vouchers: From Inputs to Impacts**

*Inputs:* Quikly Local Vouchers’ financial inputs will consist of its annual $2.2M budget that will be used for researching, developing, and executing mobile-friendly coupon programs that residents of Detroit can use to purchase groceries and other essential goods and/or services. Its labor inputs will consist of software developers that create an easy to use interface for citizens that take advantage of Quikly Local Vouchers’ coupon program.

*Activities:* Marketers for Quikly will need to recruit local businesses that are seeking increased publicity and sales to participate in the Quikly Local Vouchers program by providing discounts or other incentives for Detroiters to shop at their firms. After these firms are selected, the activities of Quikly Local Vouchers’ software developers will be the next step in comprising the entire program’s operations. Developers will work to digitize the offers that have been compiled by marketers and make sure they are easily accessible on the Quikly app. Of course, once the coupons and other offers are on the app, they will be available for use by Detroit residents that...
need to purchase goods or services in Detroit; this will be the final phase of activities that are a part of Quikly Local Vouchers.

Outputs: The output for Quikly Local Vouchers is semi-physical; while the offers provided by local firms are intangible, people will be able to see and “touch” them on their mobile devices as they shop.

Outcomes: Good outcomes from Quikly Local Vouchers will exist for both local businesses and the customers that shop at these establishments. Local businesses will receive an increase in sales resulting from the loyalty programs, temporary discounts, or other incentives they offer through Quikly Local Vouchers to get customers into their stores. Better customer relationships and more clearly defined consumer preferences will be established as a result of this increase in sales for firms, and the firms may even be able to have more sophisticated marketing campaigns for their Detroit clients in the future (to further increase their sales and profits). Also, another outcome from this program is that customers will be able to purchase goods and services at discounted prices; items that they need (but may not be able to afford) will be more obtainable. Detroit residents will have access to items that may have been luxuries before, or in some cases, they will be able to buy items that they have desperately needed (such as over the counter medicine or new shoes) but have not been able to afford with their current income.

Impacts: As discussed above, it can be anticipated that Quikly Local Vouchers will be great for both businesses and customers in the short run as they both enjoy improved sales and qualities of life, respectively. The long run impact on these two discrete groups can be expected to be equally positive, since as the coupon program continues its operations and grows, more opportunities for creating profits (for businesses) and savings (for customers) will become available. Additionally, according to a 2004 patent belonging to Intel Corporation for mobile digital coupons, the
business and consumer benefits that can be expected from employing a digital couponing system are wide-ranging (Intel Corporation, 2004). Mobile coupons can be interactive; it is possible to program them to evolve with time, consumer purchases, and events, thus shaping a more personal experience for coupon redeemers. This means that in the long run, the coupons and other offers associated with Quikly Local Vouchers can contribute to establishing long-standing, mutually beneficial relationships between local businesses and local residents in Detroit. This will ultimately foster a cohesive, tightly-knit community where businesses and individuals work together to succeed and thrive in commerce and commercialism. Furthermore, there is no knowing exactly how technology will evolve to positively impact the consumer experience in the future; despite the fact that the Intel patent describes the function and processes of its mobile digital coupons in some detail, it ends by saying in the final paragraph, “…this description is not intended to be construed in a limiting sense.” It acknowledges that there are countless ways to modernize mobile technology, and the impact of further mobile innovation on Detroit’s citizens can only be imagined.

Final Thoughts and Conclusion

As seen throughout this section, the impacts of implementing these social programs would seemingly have lasting positive effects on Detroit and its citizens. Measuring social impact is not easy, but with a system in place to look at qualitative and quantitative changes that take place in Detroit after programs are put into effect, measuring these impacts becomes significantly easier. By looking at more comprehensive “bottom line” that includes numbers other than those associated with a firm’s finances, these programs will have broader measures for their success (such as increases in employment and homeownership). This, in turn, will increase the chances that members of Detroit Venture Partners will want to invest in the firm’s new
division, since not only will their investments in these divisions cause surging business, but they will also leave a lasting good impression on the city of Detroit, along with its people, who will benefit from new opportunities created by the programs.

It may be worthwhile to take this analysis a step further by aggregating, or adding up, the impacts produced as a result of these programs. By aggregating the impacts of each venture and coming up with a total number for impact, significant improvements in the quality of life in Detroit could also be witnessed; by looking at impacts on a macro level, it would be easier to see how socially entrepreneurial programs change the economic landscape in Detroit.

The end goal of this analysis is to convince the public that it is worthwhile to attempt to entice all sorts of people, whether they are heavily involved in Detroit-related business and investing or they are skeptical of Detroit’s potential to exist as a bustling metropolitan city, to take a second look at this city’s potential to grow and prosper as an urban oasis. While the current governmental statistics associated with Detroit and its citizens are on the rise, there is still significant work that needs to be done to bring about permanent, systemic change that will promote the common good of citizens in the city’s neighborhoods. By looking the other way at our friends that reside in Detroit city, we are ignoring the simple fact that they need more help than what current government and businesses assistance programs can provide.

The University of Detroit Mercy recognizes the dignity of every person and believes in promoting the common good in Detroit. In order to achieve political, social, and economic justice, we must campaign on behalf of our neighbors to raise awareness for their plight and inspire the privileged among us to help resolve it. Those in poverty did not ask to be poor; many of them were born into it, or forced into it as a result of some other injustice, such as lack of education or healthcare. It is important for those of us that have the means and power to bring
about change for these people to help them so that their children may have upbringings more like our own. While the numbers of the past cannot be changed, it is possible that through social entrepreneurship ventures that strive to provide improved justice and empowerment in the community, such as the ones presented in this study, future statistics will tell a much brighter story.
## Chapter 6: Appendices

### Appendix A*

<table>
<thead>
<tr>
<th>Firm Name</th>
<th>Headquarters Location</th>
<th>Firm Name</th>
<th>Headquarters Location</th>
<th>Firm Name</th>
<th>Headquarters Location</th>
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<td>Are You a Human</td>
<td>Detroit, MI; New York, NY; Los Angeles, CA</td>
<td>A BUV Media</td>
<td>Reno, NV</td>
<td>American Airlines</td>
<td>Fort Worth, TX</td>
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<td>Philadelphia, PA</td>
<td>AWS Activate</td>
<td>Seattle, WA</td>
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<td>Gas Station TV</td>
<td>Birmingham, MI</td>
<td>Cooley</td>
<td>New York, NY; Palo Alto, CA</td>
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<td>Prescott Valley, AZ</td>
<td>Digital Ocean</td>
<td>New York, NY</td>
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<td>Grand Circus Detroit</td>
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<td>Style Caster</td>
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<td>N/A; part of AOL Inc.</td>
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<td></td>
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</tr>
</tbody>
</table>

1 out of 10 in Michigan  
0 out of 10 in Michigan  

11 out of 17 in Detroit  

Appendix B

Detroit Venture Partners Investment Types

- Business Services: 41.18%
- Digital Media: 5.88%
- Education: 23.53%
- Financial Services: 23.53%
- Technology: 5.88%

Rockbridge Growth Equity Investment Types

- Business Services: 30.00%
- Digital Media: 10.00%
- Financial Services: 10.00%
- Healthcare Services: 10.00%
- Media: 20.00%
- Technology: 20.00%

Techstars Detroit Investment Types

- Business Services: 60.00%
- Financial Services: 20.00%
- Technology: 10.00%
- Transportation: 10.00%
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<tr>
<th>FIRM NAME:</th>
<th>Are You a Human</th>
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<td>INVESTMENT TYPE:</td>
<td>Technology</td>
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<td>INVESTMENT SUBTYPE:</td>
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<td>HEADQUARTERS LOCATION:</td>
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<tr>
<td>FIRM DESCRIPTION/PURPOSE:</td>
<td>Determines whether a web user is human or bot</td>
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<tr>
<td>EXISTING COMMUNITY PROGRAMS?:</td>
<td>N</td>
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<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
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<td>FIRM DESCRIPTION/PURPOSE:</td>
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<td>EXISTING COMMUNITY PROGRAMS?:</td>
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<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td>Helps users create savings plan for down payment</td>
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<table>
<thead>
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</tr>
<tr>
<td>INVESTMENT SUBTYPE:</td>
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<tr>
<td>HEADQUARTERS LOCATION:</td>
<td>Cincinnati, OH</td>
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<tr>
<td>FIRM DESCRIPTION/PURPOSE:</td>
<td>Allows parents to make chores &quot;fun&quot;</td>
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<tr>
<td>EXISTING COMMUNITY PROGRAMS?:</td>
<td>N</td>
</tr>
<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td>N/A</td>
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<table>
<thead>
<tr>
<th>FIRM NAME:</th>
<th>Ginkgo Tree</th>
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<tr>
<td>INVESTMENT SUBTYPE:</td>
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<tr>
<td>HEADQUARTERS LOCATION:</td>
<td>Detroit, MI</td>
</tr>
<tr>
<td>FIRM DESCRIPTION/PURPOSE:</td>
<td>Low cost/open source textbook site for students</td>
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<tr>
<td>EXISTING COMMUNITY PROGRAMS?:</td>
<td>Y</td>
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<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td>Provides resources for learning materials at no/low cost</td>
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<tr>
<th>FIRM NAME:</th>
<th>Grand Circus Detroit</th>
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<tr>
<td>INVESTMENT TYPE:</td>
<td>Education</td>
</tr>
<tr>
<td>INVESTMENT SUBTYPE:</td>
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<th>FIRM NAME:</th>
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<tr>
<td>INVESTMENT SUBTYPE:</td>
<td>Technology</td>
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<tr>
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<td>Firm Name</td>
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<tr>
<td>LevelEleven</td>
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<td>Opsmatic</td>
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<td>Quickly</td>
<td>Digital Media</td>
</tr>
<tr>
<td>FIRM NAME</td>
<td>Rockbot</td>
</tr>
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<td>--------------</td>
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<tr>
<td>INVESTMENT SUBTYPE</td>
<td>N/A</td>
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<tr>
<td>HEADQUARTERS LOCATION</td>
<td>Oakland, CA</td>
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<tr>
<td>FIRM DESCRIPTION/PURPOSE</td>
<td>Lets mobile users request songs jukebox style to be played over speakers in public areas</td>
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<tr>
<td>EXISTING COMMUNITY PROGRAMS?</td>
<td>N</td>
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<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
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<table>
<thead>
<tr>
<th>FIRM NAME</th>
<th>Social Proof</th>
<th>Spirit Shop</th>
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<tbody>
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</tr>
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<td>N/A</td>
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<tr>
<td>HEADQUARTERS LOCATION</td>
<td>Detroit, MI</td>
<td>Detroit, MI</td>
</tr>
<tr>
<td>FIRM DESCRIPTION/PURPOSE</td>
<td>Transforms existing digital footprint into a &quot;personalized marketing engine&quot;</td>
<td>Sells men's/women's school apparel/sportswear</td>
</tr>
<tr>
<td>EXISTING COMMUNITY PROGRAMS?</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
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<thead>
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<th>FIRM NAME</th>
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<th>UpTo</th>
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<table>
<thead>
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<th>FIRM NAME</th>
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<td>INVESTMENT TYPE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>INVESTMENT SUBTYPE</td>
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<td></td>
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<tr>
<td>HEADQUARTERS LOCATION</td>
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<td></td>
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<tr>
<td>FIRM DESCRIPTION/PURPOSE</td>
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<td>EXISTING COMMUNITY PROGRAMS?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td></td>
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### Firm Information

<table>
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<tr>
<th>FIRM NAME:</th>
<th>Velos</th>
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<tbody>
<tr>
<td>INVESTMENT TYPE:</td>
<td>Technology</td>
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<tr>
<td>INVESTMENT SUBTYPE:</td>
<td>Business Services</td>
</tr>
<tr>
<td>HEADQUARTERS LOCATION:</td>
<td>N/A; part of AOL Inc.</td>
</tr>
<tr>
<td>FIRM DESCRIPTION/PURPOSE:</td>
<td>Gathers data and provides it to clinicians</td>
</tr>
<tr>
<td>EXISTING COMMUNITY PROGRAMS?:</td>
<td>N</td>
</tr>
<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td>N/A</td>
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<table>
<thead>
<tr>
<th>HEADQUARTERS LOCATION:</th>
<th>Detroit, MI</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIRM DESCRIPTION/PURPOSE:</td>
<td>Syncs users' calendars and allows them to follow calendars of firms/other people</td>
</tr>
<tr>
<td>EXISTING COMMUNITY PROGRAMS?:</td>
<td>N</td>
</tr>
<tr>
<td>COMMUNITY PROGRAM DESCRIPTION:</td>
<td>N/A</td>
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</table>

*Data taken from firms’ websites and cited in Chapter 3.*
Appendix D (Martelle, 2012, United States Department of Labor, and United States Department of Education)

<table>
<thead>
<tr>
<th>Statistical Measure</th>
<th>National Number</th>
<th>Detroit Number</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>July 2009 Unemployment Rate</strong></td>
<td>9.5%</td>
<td>27.4%</td>
</tr>
<tr>
<td><strong>Per Capita Income 2009</strong></td>
<td>$27,041</td>
<td>$15,310</td>
</tr>
<tr>
<td><strong>June 2011 Unemployment Rate</strong></td>
<td>9.2%</td>
<td>20%</td>
</tr>
<tr>
<td><strong>Adults Over 25 with no High School Diploma in 2011</strong></td>
<td>8%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>2011 High School Graduation Rate</strong></td>
<td>80%</td>
<td>25%</td>
</tr>
<tr>
<td><strong>Average Age 2011</strong></td>
<td>36.2 years</td>
<td>33.2 years</td>
</tr>
</tbody>
</table>
**BoostUp**
Investment Required: (500 qualified low income households per year)($5,000 grants given to households per year) = **$2.5M**
Annual Budget: investment required $2.5M + all other direct and indirect costs $1M = **$3.5M**

**Ginkgo Tree**
Investment Required: (5,000 books per year)(average cost of $200 per book) = **$1M**
Annual Budget: investment required $1M + all other direct and indirect costs $1M = **$2M**

**Grand Circus Detroit**
Investment Required: (300 qualified students for scholarships)($7,500 tuition cost per student) = **$2.25M**
Annual Budget: investment required $2.25M + all other direct and indirect costs $1M = **$3.25M**

**Quikly**
Investment Required: (10,000 people per year)($10 in savings per month)(12 months per year) = **$1.2M**
Annual Budget: investment required $1.2M + all other direct and indirect costs $1M = **$2.2M**
Appendix F: Key Terms Defined

Affect - a set of expressions, discernible in humans, resulting from a subjectively experienced reaction (Merriam-Webster, 2015)

Charity – a firm/organization that assists that are people impoverished and destitute (Merriam-Webster, 2015)

Community program – firm whose daily operations have the existing potential to directly positively influence the public

Impact – to have a strong effect on something (Merriam-Webster, 2015)

Philanthropy – the act of donating financial resources and/or time to help improve the lives of others (Merriam-Webster, 2015)

Portfolio firm – a firm that a venture capital firm has invested its financial resources in; this firm will appear on the venture capital firm’s website

Social benefits – positive impacts that result from deliberate plans to improve/aid the public community

Social entrepreneurship – includes any enterprise that produces social benefits for a community (Guo & Bielefeld, 2014)

Social impact – the positive effects of something (a program, charity, etc.) on a community’s citizens

Triple bottom line – measuring a company’s success based on financial/economic, social, and environmental indicators (Savitz & Weber, 2014)

Venture capital firm – a firm that invests financial resources in startups and/or other firms with high potential for growth


Are You a Human? (2015). *Be certain you’re addressing a verified human before your serve content, services or ads*. Retrieved from areyouahuman.com


Chore Monster. (n.d.). *Make chores fun by engaging and rewarding your kids!* Retrieved from choremonster.com


Ginkgo Tree. (2014). *All your course materials together at last*. Retrieved from ginkgotree.com


iRule. (2015). *Control & automate your audio/video, lighting, security, entertainment, thermostat, window treatments, and more all from your phone or tablet*. Retrieved from getirule.com


