



SAGE INFORMATION HANDBOOK

ACADEMIC
YEAR
2011/2012

A global community of teenage
entrepreneurs sharing a common
purpose:

To make the world a better place.

The World's Premier Youth Entrepreneurship Network

SAGE has established one of the most impactful international linkages among teenagers, higher education, and the business community. Based on a survey of 178 teens participating in the most recent two SAGE World Cup tournaments in 2010 and 2011, we found that: (1) over 90% of the teens are more confident about their future because of business skills they have learned through SAGE; (2) over 90% of the students believe that giving back to the community is an important part of a business's social responsibility; (3) 84% of the students are now more highly motivated to pursue a college or university degree; and (4) 95% of the students consider themselves to have a broader worldview, and are now more accepting of people from other backgrounds and cultures.

Burkina Faso

Burundi

Canada

China

Democratic Republic of the Congo

England

Ghana

Kenya

Nigeria

Philippines

Russia

Singapore

Ukraine

United Arab Emirates

USA

South Africa

Tanzania

Zambia

Zimbabwe





SAGE

Welcome from SAGE Global CEO

On behalf of SAGE Global, I welcome you to another exciting year. SAGE is becoming one of the most unique and impactful youth organizations in the world.

Entrepreneurship can be the key to personal happiness and country vitality. Both forms of entrepreneurship, business enterprise and social enterprise, can propel individuals and countries to brighter futures. We believe that undertaking new, innovative enterprises can best start at a young age. Where legal, financial, political, religious or cultural constraints may inhibit such endeavors, entrepreneurs seek innovative ways to overcome barriers; they create financial and social capital in the face of constraints.

For those SAGE teenagers who do not actually go on to launch their own enterprises someday, we are convinced that the entrepreneurial knowledge, skills and attitude learned through SAGE can benefit them no matter what they choose as a career. Thus, SAGE is as much about education as it is about entrepreneurship. As an action-based, hands-on education program, teens have the opportunity to apply textbook knowledge in real-world settings.

The ninth annual SAGE World Cup in Buffalo, NY was successful and thrilling. We have learned and improved from previous World Cup venues in Cape Town (2010), Brasilia (2009), Abuja (2008), Odessa (2007), Shanghai (2006), San Francisco (2005), and Kansas City (2004 and 2003). The 2011 SAGE World Cup in Buffalo included 250 individual participants, 12 competing countries, three observing countries, and three countries that were unable to attend because of visa issues or financial constraints.

Now starting our tenth year, we are convinced that we have only just begun. In 2011–2012, we are planning to add at least two or three more countries to the SAGE network, along with nurturing former participating SAGE countries back into the fold. My personal goal for the 2012 World Cup is to have between 15–20 competing countries, with most countries sending two delegations to the World Cup. *(Note: as of the date of this handbook, the city and country host for the 2012 World Cup are still being decided—stay tuned!).*

If you are new to the SAGE network, welcome! Your decision to accept our invitation is because:

- You know at least three teenagers in your area high school, city or organization who want to start their own socially-responsible business.

- You want them to help create something that taps into their individual passion.
- You want them to be matched with university student mentors and coaches/teachers/adult allies/sponsors from the business community.
- You want to help them develop leadership, teamwork and project management skills.
- You want them to have the opportunity to travel to an exciting new country in order for them to present their business venture to a panel of successful business leaders.
- You want better futures for yourselves—and for your children and grandchildren.

If you are a SAGE veteran, you have decided to remain with us because you have witnessed the power of SAGE to inspire youth to initiate the change they want to see in the world.

Can SAGE teens really solve the global unmet needs? Maybe not yet, but they are tomorrow's leaders. As Martin Fisher and Kevin Starr said in their article, "Real Good, Not Feel Good," (January 2009), "It takes a long time to solve difficult social problems, so don't expect a project to leave sustainable impacts in place quickly—after all, it took almost ten years and billions of dollars of lost investments to generate sustainable business models for the internet."

SAGE helps teenagers form the belief that it is possible for them to make the world a better place, not only for themselves but for their fellow man. The SAGE experience begins with small-scale efforts by teenagers, and provides them with an early taste of success. It also provides a stage where they can describe their successful business and social ventures to others. And for those students who are exceptionally creative and innovative, a national and world stage is offered.

Welcome to SAGE 2011–2012!

Sincerely,



Dr. Curtis L. DeBerg
SAGEGLOBAL CEO and Founder

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SAGE GLOBAL OVERVIEW

“The solution to adult problems tomorrow depends on large measure upon how our children grow up today.”

—*Margaret Mead, American Anthropologist and Writer*

Our Mission

Welcome to the SAGE network! Students for the Advancement of Global Entrepreneurship is a global network of teenage entrepreneurs—and their advocates—who share a common purpose: to make the world a better place.

SAGE Mission

To help create the next generation of entrepreneurial leaders whose innovations and social enterprises address the major unmet needs of our global community.

About SAGE Global

SAGE Global is an international nonprofit corporation dedicated to teenage entrepreneurs. Our youth entrepreneurship program bridges two divides. The first divide is among secondary education, higher education and the private sector. The second divide is across countries, one that prevents international cooperation at a time when such cooperation is crucial.

Global challenges, such as environmental sustainability, alternative energy and transportation, and problems caused by global climate change, pose common threats. Thankfully, entrepreneurs with a global worldview see such threats as opportunities. These entrepreneurs can be classified into two categories: (1) those that own and operate socially-responsible businesses (SRBs) and (2) those that own and operate social enterprise businesses (SEBs).

In today's increasingly complex world, cross-cultural cooperation in entrepreneurial ventures can raise standards of living if the right environment is created. One way to create such an environment is to focus on one key stakeholder—teenagers—for it is youth who have the most at stake.

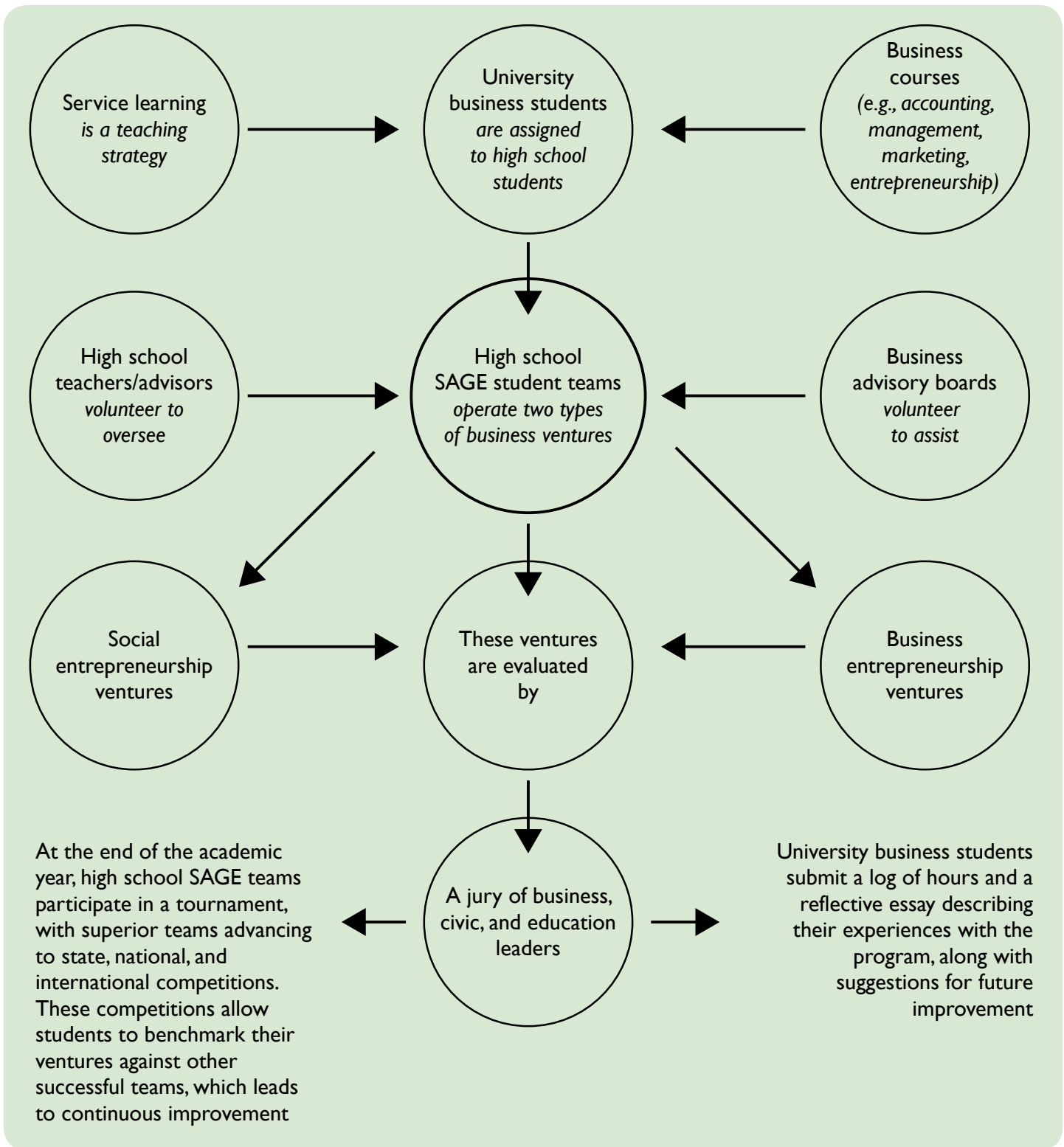
The SAGE Model

Each year, SAGE organizes and hosts a series of regional and national tournaments where teams of SAGE teens showcase the SRBs and SEBs to a panel of influential members from the business, civic and education communities. SAGE teams are encouraged to identify a SAGE Teacher/Adult Ally/Coach to guide them during the year. During the year, they are also encouraged to solicit advice from members of the business community and, if possible, from university business students. At the end of each year, all teenage SAGE teams are invited to compete in the SAGE national competition. The competitions may be hosted by a college, university, nongovernmental organization (NGO) or a governmental organization (GO). Winners advance to the "SAGE World Cup."

Focus on Teenagers

A program like SAGE focuses on training young entrepreneurs because, for many, their creative energy has not been dampened by life's harsher realities. According to Prahalad (2005), between four and five billion people in the world live on less than \$2 a day. Though their individual incomes are small, Prahalad's book summarizes the untapped market here by the title of his book, *The Fortune at the Bottom of the Pyramid*. For companies who want to tap into this fortune, Prahalad indicated market development at the bottom of the pyramid can create millions of new entrepreneurs at the grass roots level—from women working as distributors and entrepreneurs to village-level micro enterprises. He emphasized that "entrepreneurship on a massive scale is the key" (p. 2).

The notion that teenagers can make the world a better place must seem unrealistic and overly idealistic, especially to the hard-nosed business people among us. They are not weighed down by failure, but have the enthusiasm, the optimism



The SAGE Model

and the belief that success is possible. SAGE provides youth with a platform to share their first taste of success, allowing a venue with which to share their stories. Bornstein, in his book, *How to Change the World* (2004) explains: “People who solve problems must somehow first arrive at the belief that they can solve problems. This belief does not emerge suddenly. The capacity to cause change grows in an individual over time as small-scale efforts lead gradually to larger ones. But the process needs a beginning—a story, an example, an early taste of success—something along the way helps a person form the belief that it is possible to make the world a better place. Those who act on that belief spread it to others. They are highly contagious. Their stories must be told” (p. 282).

Creative Capitalism

The combination of business entrepreneurship and social enterprise provides a formula for a new kind of capitalism—a more humanitarian capitalism—espoused by Nobel Laureate, Muhammad Yunus, and Microsoft’s founder, Bill Gates. Yunus (2007) asserted: “We need to reform the capitalist system to make room for social enterprise.” In his view, generating ideas for social businesses is the most important, immediate challenge of today’s business thinkers.” Gates (2008, p. 40) concurs: “Governments and nonprofit groups have an irreplaceable role in helping [the world’s poor], but it will take far too

long if they try to do it alone. It is mainly corporations that have the skills to make technological innovations work for the poor. To make the most of those skills, we need a more creative capitalism: an attempt to stretch the reach of market forces so that more companies can benefit from doing work that makes more people better off. We need new ways to bring far more people into the system—capitalism—that has done so much good in the world” (p. 40).

Quick Facts

Founded: Summer 2002

Countries in which SAGE has a presence: 20

Active SAGE teams: about 600

Active SAGE students: about 6,000

SAGE World Cup Host Cities:

- Buffalo, NY, USA (2011)
- Cape Town, South Africa (2010)
- Brasilia, Brazil (2009)
- Abuja, Nigeria (2008)
- Odessa, Ukraine (2007)
- Shanghai, China (2006)
- San Francisco, CA, USA (2005)
- Kansas City, MO, USA (2004 and 2003)







MEMBERSHIP GUIDELINES

The entrepreneur casts aside his assurance of 40-hour weeks, leaves the safe cover of tenure and security... and charges across the perilous fields of change and opportunity. If he succeeds, his profits will come not from what he takes from his fellow citizens, but from the value they freely place on the gift of his imagination.

—*George Gilder*

MEMBERSHIP GUIDELINES

General Information

Forming a Team

To participate in SAGE, a team of at least three teenagers is organized. This team may consist of students from the same high school, in which case the high school would be the sponsor. Or the SAGE team may consist of any group of teenagers which has identified an adult sponsor or sponsoring organizations. Sample sponsors include: Boys & Girls Club, Rotary Club, Lion's Club, faith-based organizations, or managers from local stores such as Best Buy, Target, Staples, etc.

A high school may have several SAGE teams, as long as each team has a sponsoring teacher, adult or sponsoring organization.

As mentioned above, a SAGE team must operate (A) one SRB or (B) one SEB.

“Veteran” SAGE teams may enter the same business venture for up to three years. The size of the team can be as few as three members; there is no upper limit.

The high school SAGE team may be part of an existing class, such as an economics, accounting, general business, Future Leaders Institute or Virtual Enterprise class, or it can be an active student organization (e.g., Student Government, FBLA, DECA, Junior Achievement, Rotary Interact, Virtual Enterprise, FFA, FHA-Hero, Skills USA, and Technology Student Association). SAGE is not a competitor for existing high school business organizations, and it does not advocate any one curriculum over another; however, we do recommend certain entrepreneurship programs that are widely-known and respected, such as the Network for Teaching Entrepreneurship—NFTE—curriculum (see <http://nfte.com> and Junior Achievement's Company Program <http://www.ja.org/>).

SAGE is not a competitor for existing high school business organizations, and it does not advocate any one curriculum over another

Viewed from our perspective, the groups mentioned above should view SAGE as an exciting avenue for students to showcase their activities. What better way to market your school, program or curriculum than by presenting the RESULTS of your activities to a group of influential leaders?

The key to starting a team is to find an enthusiastic group of teenage leaders who are interested in starting their own business venture, along with an adult ally who is willing to encourage and support their participation as a SAGE sponsor. Once a group of teens has decided to participate, the ally who becomes their adviser should contact the SAGE state or national coordinator and notify them of their intent to participate. *(Note: each state or country has its own timetable; please, if your SAGE team intends to compete, make sure to check with your state or national coordinator to ensure compliance with your regions' time schedule).* There is no fee or cost to join the SAGE network.

To qualify to enter a SAGE tournament, the following conditions must be met:

- A team must consist of at least three contributing teenagers who operate a business that they have created; a high school or organization may sponsor several SAGE teams;
- there is no upper limit to the number of teens that can be a member of one team;
- The minimum and maximum age requirements for student **presenters** for their SAGE team must be between the ages of 13 and 19. Specifically, a student must be at least age 13 years old on or before June 30, 2012 and no older than 19 years old on or prior to June 30, 2012.

- A SAGE team must meet certain benchmarks throughout the year; these benchmarks are established by that country's SAGE National Coordinator. For example, in the United States, such benchmarks are:
- *By November 1: Submit a letter of intent to compete (on-line). This letter must also identify the sponsor (e.g., high school; organization; adult ally).*
- *By December 1: An acceptable one-page description of the business (on-line).*
- *By February 1: Acceptable evidence that the business is underway and the team has enlisted at least (1) one or two college mentors and (2) three members of a business advisory board (BAB).*
- *By April 15: Submission of an acceptable annual report (online); SAGE will identify the topics that must be covered in the report, but teams will be able to design the report in any way they choose.*

Each SAGE team will be allowed to enter just one of the two competitions and can only enter the same business for a maximum of three years; as 2010–2011 was a transition year, all returning businesses entered into the SAGE competition in 2011–2012 will be considered a YEAR 2 business.

In both competitions, teams will be judged on their ability to demonstrate measurable results. Judging criteria are described in the next section.

The National Champions from each competition—the SRB and the SEB competition—advance to the SAGE World Cup, which will take place in July or August, 2012.

At the end of each year, all teenage SAGE teams are invited to compete in the SAGE national competition (although some countries may first choose to conduct state or provincial competitions before conducting a national event). The competitions may be hosted by a college, university, nongovernmental organization (NGO) or a governmental organization (GO). Winners advance to the “SAGE World Cup.”

Each SAGE team will choose to compete in one of two separate competitions:

- **Socially-responsible businesses (SRBs):** Socially-responsible businesses are always legally structured as for-profit businesses; they do not directly address social needs through their products or services or through the numbers of disadvantaged people they employ; instead, they create positive social change indirectly through the practice of corporate social responsibility (e.g., paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects; and so on)
- **Social enterprise businesses (SEBs):** Social enterprises directly address social needs through their products or services or through the numbers of disadvantaged people they employ; they can be legally structured either as for-profit businesses or not-for-profit businesses, but in either case must have an earned income strategy in place.

State and/or national competitions take place between February and June each

year. Country coordinators should plan their competitions such that the national champion teams have adequate time to acquire their travel visas. The National Champions from each competition—the SRB and the SEB competition—advance to the SAGE World Cup, which will take place in July or August, 2012.

Last year, in 2011–2012, approximately 600 high schools from 19 countries around the world participated in SAGE. The Ninth Annual SAGE World Cup took place on July 22–26, 2011 in Buffalo, New York (USA). The tenth Annual SAGE World Cup will take in a city to be determined. Tentative candidates include Dublin, Ireland; London, England; San Francisco, CA; Dubai, United Arab Emirates; and Rio de Janeiro, Brazil. The final decision will be made no later than April 1, 2011.

SAGE Competition Categories

As mentioned above, each SAGE team will choose to compete in one of two separate competitions:

Socially-Responsible Business (SRB) and Social Enterprise Business (SEB).

Below, we describe each competition in greater detail, along with the judging criteria that will be used to evaluate each SAGE team's business.

Socially-Responsible Business (SRB) Competition

Socially-Responsible Businesses (SRBs) are always legally structured as for-profit businesses; they do not directly address social needs through their products or services or through the numbers of disadvantaged people they employ; instead, they create positive social change indirectly through the practice of corporate social responsibility (e.g., creating and implementing a philanthropic foundation; paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects; and so on).

Teams that enter the SRB tournament should do their best to meet the following four judging criteria:

Socially Responsible Business (SRB) Judging Criterion	Written Annual Report	Oral Presentation
1. How innovative and creative is the business? Does this business have features which few, if any, other businesses have, which add to the success of the business?	10	10
2. What is the amount of profit of the business (e.g., has it achieved profitability through earned income? Or has it defined a believable path toward profitability)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring?	10	10
Total Possible Points	40	40
How effective were the students in their responses to judges' questions during the Q and A period?		20

Written Annual Report	_____	(40 points maximum)
Oral Presentation	_____	(40 points maximum)
Q & A Period	_____	(20 points maximum)
Total	_____	(100 points maximum)

**Teams should bring 40 written annual reports with them to each competition. The written annual report is limited to four pages, including cover page. In addition, teams can have copies of media attention they have received for their projects (e.g., magazine articles, newspaper articles, web pages, etc.). Teams may NOT distribute copies of business plans or letters of commendation. Violation of this rule will result in an automatic 5-point deduction from the total of 40 points available for the written annual report. However, presenters MAY distribute their personal business cards.*

Here is a handy summary of the four criteria:

1. Innovation and creativity
2. Profit
3. Sustainable business practices
4. Succession plan

Note: Please compare the new criteria, above, with prior years, where we included the following as explicit SAGE judging criteria:

a. Marketplace viability—We believe profitability, or a believable path toward profitability, is a good surrogate for marketplace viability. Therefore, new judging criterion #2 addresses the former criterion on marketplace viability.

b. Social responsibility—This criterion asked SAGE teams to demonstrate how they created positive social change indirectly through the practice of social responsibility. New criterion #3 addresses this under the category of sustainable business practices, by asking how the business meets the needs of the present without compromising the ability of future generations to meet their own needs. This includes being responsible stewards of the environment and by being good community citizens.

c. Environmental stewardship—This is now embedded in new criterion #3.

d. Civic engagement—This is now embedded in new criterion #3.



Social Enterprise Business (SRB) Competition

An SEB can be a for-profit or nonprofit enterprise; it explicitly intends to address a social problem by using earned revenue strategies; this may be any type of business so long as:

- its products or services themselves directly address a social need and are paid for by customers (i.e., a customer-focused social enterprise), OR
- it employs a significant number of the people it serves—at least 50 per cent of the company’s direct labor force (i.e., an employee-focused social enterprise)

The focus is on providing social value but with a strategy in place to eventually achieve sustainability through earned income. During the startup phase in both types

of businesses, financial resources may also include a mixed revenue stream that includes “unearned income” (e.g., donations, fundraisers, corporate grants, charitable contributions from philanthropists, public sector subsidies) to help meet expenses.

A nonprofit social enterprise is not the same as nonprofit organization (NPO) or nongovernment organization (NGO). For an organization to be considered a viable SEB, it cannot rely solely on grants, fundraisers donations, and public sector subsidies. To be competitive as a SAGE SEB, the organization must show that it has a long-term strategy that includes earned income.

Teams that enter the SEB tournament should do their best to meet the following four judging criteria:

Social Enterprise Business (SEB) Judging Criterion	Written Annual Report	Oral Presentation
1. Does the business have measurable and proven impacts ? Has the organization succinctly defined exactly what change it is trying to achieve? How has the organization measured the desired changes, and demonstrated that they are caused by the actions/interventions of the organization?	10	10
2. What are the community resources obtained by the business in helping it achieve its mission, and how were these resources employed (e.g., earned income; sources and uses of unearned income; cooperation from community organizations, volunteers, local government; note: at least 50% of the financial resources during the first year of business must come from earned revenue and the business must have a clear plan to eventually achieve profitability from earned revenue alone)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring? Is there a chance that this organization’s effectiveness can be expanded locally and replicated in new settings?	10	10
Total Possible Points	40	40
How effective were the students in their responses to judges’ questions during the Q and A period?		20

Written Annual Report	_____	(40 points maximum)
Oral Presentation	_____	(40 points maximum)
Q & A Period	_____	(20 points maximum)
Total	_____	(100 points maximum)

* Teams should bring 40 written annual reports with them to each competition. The written annual report is limited to four pages, including cover page. In addition, teams can have copies of media attention they have received for their projects (e.g., magazine articles, newspaper articles, web pages, etc.). Teams may NOT distribute copies of business plans or letters of commendation. Violation of this rule will result in an automatic 5-point deduction from the total of 40 points available for the written annual report. However, presenters MAY distribute their personal business cards.

Here is a handy summary of the four criteria:

1. Measurable impacts
2. Community resources
3. Sustainable business practices
4. Succession plan

Note: Please compare the new criteria, above, with prior years, where we included the following as explicit SAGE judging criteria:

a. Marketplace viability—We believe that community resources, including earned and unearned income, are a good surrogate for marketplace viability. The community will not support businesses that are not viable. Therefore, new judging criterion #2 addresses the marketplace viability aspect.

b. Social impact—This criterion asked SAGE teams to demonstrate how the goals of the SEB were met. The new criterion #1 replaces previous criterion #2.

c. Environmental stewardship—New criterion #3 addresses this under the category of sustainable business practices, by asking how the business meets the needs of the present without compromising the ability of future generations to meet their own needs. This includes being responsible stewards of the environment and by being good community citizens.

d. Civic engagement—This criterion is now embedded in new criterion #3.

SAGE Coach/Teacher/Adult Ally/Sponsor

One of the best resources for a SAGE team is a supportive adult or adult organization that believes in the mission and goals of the team members. This person is really your “SAGE coach.” This may be a teacher, adult ally, parent, business leader or some other sponsor. He or she will admire you for your desire to become an entrepreneur. When the prospective coach learns about your business idea, he or she must be willing to enthusiastically share their expertise, their time and sometimes their financial resources to help you accomplish your goals.

Each SAGE team must have an adult SAGE coach, sponsoring organization or adult ally. Examples of a SAGE coach include:

- a teacher at your school
- the school itself
- an active and involved parent
- a university student mentor
- a business leader or entrepreneur
- an organization in the community, such as the Chamber of Commerce, Rotary Club, Lions Club or Suroptimist Club
- a faith-based institution (e.g., church, synagogue or mosque)

In prior years, SAGE had an explicit criterion—judging criterion #8—that rewarded teams for utilizing university students and a BAB as resources. The criterion read:

In their projects, how effective were the students in: Utilizing their resources, including at least one or two “consultants/mentors” from a nearby college or university, and a Business Advisory Board (each team should have at least three active BAB members, at least two of whom come from the private sector) to help them identify, deliver, assess and present their projects?

This is no longer a judging criterion; rather, SAGE teams must identify its official coach in the fall (e.g., in the United States, a team must identify the sponsor by November 1) and report this coach on-line. This requirement is the first of several benchmarks that a SAGE team must meet in order to qualify for a SAGE tournament.

What qualities should be possessed by your SAGE coach?

Willingness to be a role model. Ideally, the coach is someone who is a successful entrepreneur, or a person or organization that is committed to the power of entrepreneurship to change the world.

Willingness to commit one or more of the three T's: Time, Talent, Treasure. The SAGE coach will commit a minimum amount of time to advise the team as it identifies launches, operates and assesses its business venture. Of course, it will be helpful if the coach has a special talent that complements the SAGE team's venture; also, the sponsor should do its best to help the team showcase their venture at the SAGE tournament. The ideal SAGE coach will be instrumental in helping a SAGE team deliver its business venture in a way that has potential to make a true impact in the lives of its owners, customers, suppliers, employees and citizens in the community.

Willingness to uphold the SAGE Ambassador's Creed. As a SAGE ambassador, a SAGE coach has the rare opportunity to help others fulfill a personal dream and create an honorable legacy; namely, by helping to make manifest a vision to bring benefit to humankind. SAGE ambassadors enable their protégés to fulfill their potential for individual self-reliance and freedom, and encourage them to practice community sustainability and environmental stewardship. They also encourage transnational understanding and cooperation. In short, SAGE ambassadors serve as mature role models and contribute their wisdom to help the teenagers.

How does a SAGE team find a coach?

A SAGE team should invite a prospective coach to a welcome reception at its school or at a local restaurant. SAGE team members should make a presentation about mission, goals and objectives of the proposed business. Also provide them a list of the SAGE judging criteria, and provide them with ideas about how your team believes it can best meet the criteria. Then ASK THEM for ideas. Your second activity should be to schedule a strategic planning retreat, and invite prospective sponsors and university mentors to help you out as you complete your activities.

Another outstanding source of a potential coach might be older students enrolled at a nearby community college and/or university (e.g., alumni from your high school who were SAGE members, or older brothers and sisters?). The mission of almost all colleges and universities include a commitment to serving the educational, cultural and economic needs of their area. Many collegiate business student organizations are given credit for completing activities in the community, and K-12 students are a primary audience for these activities. Specific to the business discipline, there are many student organizations that are rewarded for community service work. Among these organizations are Beta Alpha Psi, the Marketing Association, Delta Sigma Pi and Students in Free Enterprise (SIFE). In documenting how a SAGE team has used its mentors, the team should explain what role the mentors played in helping them identify, deliver, assess and present their activities. The best mentors take on the role of coach and consultant to help the SAGE team achieve its goals.



SAGE Coach/Teacher/Adult Ally/Sponsor/Agreement Form

As a SAGE Coach/Teacher/Adult Ally/Sponsor for the _____ SAGE team,
(SAGE Team name or school)

I, _____, will provide support and guidance
(Sponsor name)

without taking the control of the SAGE business ventures away from the team members. As a Sponsor, I agree to:

- Attend SAGE team meetings when available
- Help the team brainstorm ideas
- Provide guidance when the SAGE team makes decisions concerning the socially-responsible business (SRB) or social enterprise business (SEB)
- Offer my expertise to the SAGE team
- Help connect the SAGE team to my community
- Be a liaison between SAGE home office and the SAGE team
- Do my best to help the SAGE team travel to and participate in the SAGE Tournament(s)
- Encourage the SAGE team throughout the year

As a SAGE Sponsor, I will not...

- Make decisions for the SAGE team
- Take over the SRB or SEB
- Schedule or lead SAGE meetings

Coach/Teacher/Adult Ally/Sponsor's Contact Information:

Coach Name: _____

Mailing Address: _____

Daytime Telephone: _____ Evening Telephone: _____

Email: _____ Relationship to Team: _____

This Coach Agreement does not bind, legally or otherwise, a Coach to SAGE or any partnering organization; signing indicates that the signer understands the conditions of the agreement, and that he/she is committed to fulfilling his/her responsibilities. All Coaches are subject to background checks conducted by SAGE or partnering organizations.

Coach/Teacher/Adult Ally/Sponsor: By signing below, I am stating that I understand my role as a Sponsor, and am agreeing to the above conditions, and am making a commitment to the SAGE team.

SAGE Coach/Teacher/Adult Ally/Sponsor Signature

Date

SAGE Team: By signing below, we are stating that we understand the Sponsor's role, and we are making a commitment to the Sponsor:

SAGE Team Captain Signature

Date

Planning a Business

Brainstorm about how various ideas might work for your team, or how existing activities may be tailored to meet the SAGE competition criteria.

Ask yourself, “What really bothers me? What can I do about it?” These types of questions can often lead to viable business ideas.

Discuss local economic issues that the team might address. Your SAGE sponsor, a Business Advisory Board (BAB), faculty adviser, friends, parents and community leaders are all good resources to use when brainstorming ideas. Include college mentors as much as possible in your business planning. Read the judging criteria to determine how your ideas can fit in the competition.

There are so many business ideas that can be pursued by entrepreneurs today, especially with issues such as global warming, high cost of fossil fuel, carbon emissions, landfills filling up with harmful plastic bags and obsolete high-tech equipment, and... the list goes on and on. Now is an ideal time for youth to use their school learning to explore ways to find a market niche by creating businesses that consider alternative energy, alternative transportation, alternative consumption patterns and new ways to recycle. SAGE gives teenagers an outlet for their creative business ideas! Re-think. Recycle. Reclaim. Re-use.

You can find many examples of SAGE businesses by reviewing the annual reports from SAGE teams that participated in the eighth SAGE World Cup in Buffalo, NY in July 2011. They can be found at <http://sageglobal.org>.

Ideas for businesses by prior teams include starting a health food snack bar, conducting energy audits, manufacturing designer bags, manufacturing a board game teaching business skills, creating a web consulting business, inventing a new product, selling Frisbee golf discs, and manufacturing jewelry and/or candles. Hint: writing a good business plan before beginning operations is a very wise move! There are outstanding examples on the Internet; also, your school may already be offering the learning materials provided by the National Foundation for Teaching Entrepreneurship (NFTE—see <http://www.nfte.org>), Junior Achievement (see

<http://www.ja.org>) or Virtual Enterprise, International (<http://www.virtualenterprise.org/>).

Also, as we noted below, SAGE has eight global special competitions. We encourage all SAGE teams to create business and social ventures that address the Millennium Development Goals.

Funding Your Business

Be sure to ask your SAGE teacher/sponsor for advice here.

If your SAGE team is affiliated with a school, make sure to obtain your school’s approval before you start a business, or undertake any fundraising activities. Follow your school’s guidelines and regulations.

To obtain startup capital, you can consider various fundraising activities, from bake sales and garage sales to monetary or in-kind solicitations. Some teams obtain funds from student government. Your team will need to determine what works best.

It is much easier to obtain funding when you have a specific business in mind, and potential financial supporters are much more likely to fund your business if they are included in the planning and operation of the your business.

Many companies (e.g., Best Buy, Target, Wal-Mart, Sam’s Club) offer grants through their individual stores. Please consult your local store managers and ask about their store’s community grants program.

Also, please consult <http://sageglobal.org> for examples of successful grant proposals. You may use this proposal as a template in seeking funding from companies or foundations in your area.

Documenting Activities

Take snapshots or videotapes of activities; keep copies of all media coverage, educational lesson plans, letters your group receives; and maintain a list of all activities completed

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with dates. These will be invaluable when your SAGE team prepares its annual report and verbal presentation. See the SAGE web site for examples of Annual Reports from the 2011 SAGE World Cup teams.

Frequently Asked Questions (FAQs)

It takes a bold teacher/entrepreneur/leader to be a SAGE Coach or SAGE Adviser. Below, we answer several questions that you may have before launching a SAGE program in your community.

- 1. How do I start a SAGE team?*
- 2. What does SAGE provide to schools interested in starting the program?*
- 3. Will participating in SAGE prevent me from participating in other student groups at my school?*
- 4. What is the minimum or maximum number of members required for a SAGE team?*
- 5. How much money does it cost to run a SAGE program?*
- 6. Does SAGE USA provide funding to SAGE teams?*
- 7. Can students receive course credit for participating in SAGE?*
- 8. How many hours per week do I need to commit to SAGE?*
- 9. Can a SAGE team have more than one SAGE Coach/Teacher/Adult Ally?*
- 10. How are SAGE mentors, coaches and high school faculty trained?*
- 11. Does SAGE compete with other high school business organizations, like Junior Achievement, DECA or FBLA?*
- 12. What are some of the outcome measures after nine years of SAGE regarding benefits to the students involved?*

13. How do SAGE competitions link teens to community leaders?

14. May a high school have more than one SAGE team?

15. What if my country or school doesn't permit teens to start real businesses because we are too young?

16. Can I continue with SAGE after I graduate from high school?



1. How do I start a SAGE team?

The initial step involved with starting a SAGE team is identify a teenager who want to start his or her own business, and for them to recruit at least two more teens to help them organize, launch and operate the business.

If you are a high school student team, you must obtain support from your administration and identify a teacher to act as the adult ally for the team. The key is to find an entrepreneurially-minded SAGE teacher who sees SAGE as a way to showcase their students' creative work. It's not so much the amount of resources that matter most; rather, what matters most is to find an innovative teacher who is truly dedicated to teenagers, and one who has the COURAGE to allow the teens to show the outside world what they are learning.

If you cannot find a teacher willing to be your SAGE sponsor, then look for a successful entrepreneur or business leader to be your SAGE coach.

Starting a team involves finding committed students to take on leadership roles within the team and develop the team further by recruiting other students. The SAGE team should work directly with the regional or national SAGE coordinator. If you are unsure who to direct your questions, please feel free to contact Dr. Curt DeBerg at cdeberg@sageglobal.org.

2. What does SAGE provide to schools interested in starting the program?

SAGE provides a tremendous amount of information on its global web site: <http://sageglobal.org>.

We also provide consulting advice from SAGE Home Office, which consists of a highly-qualified team of CSU, Chico SAGE Leaders. We can also provide sample letters to possible funders, such as banks and insurance companies, to help finance your operations.

3. Will participating in SAGE prevent me from participating in other student groups at my school?

No—while SAGE will require some of your time, you are still able to participate in other student groups. In fact, students already involved in student groups are ideal candidates for being part of your SAGE team.

4. Is there a minimum or maximum number of members required for a SAGE team?

Yes, you must have at least three (3) teenagers to start and operate a SAGE team. There is no maximum; your entire school can be a part of SAGE!

5. How much money does it cost to run a SAGE business?

You create a budget for your team based on your business plan. To start a business, you need startup capital. Usually, you can get startup capital through donations, grants, fundraisers, personal savings or loans from relatives.

6. Does SAGE Global provide funding to SAGE teams?

No—SAGE Global does not currently provide any funding to SAGE teams. Funding for your team can be obtained through fundraising initiatives or the business run by your SAGE team. You are encouraged to speak with your SAGE national representative for fundraising ideas. Sample grant proposals can be downloaded from the SAGE Global web site. (*Note: some retail stores offer community grants; in the US, these stores include Target, Best Buy, Wal-Mart, Staples, etc.*)

7. Can students receive course credit for participating in SAGE?

That is something that must be determined by the administration at each high school and SAGE Global has no involvement in that decision.

8. How many hours per week do I need to commit to SAGE?

There is no minimum number of hours you need to commit to SAGE; everyone works at different paces and some projects will require more of a time commitment than others. Keep in mind, though, the more you put into SAGE, the more you'll get out of it.

9. Can a SAGE team have more than one SAGE Coach/Teacher/Adult Ally?

Yes—SAGE teams may have more than one adult ally. For example, some SAGE teams have more than one teacher advisor (this teacher is sometimes called the SAGE Coach); however, there will need to be one adult ally that acts as the main contact point between your SAGE team and the SAGE National Coordinator.

10. How are SAGE mentors, coaches and adult allies trained?

In the USA, SAGE provides one or two fall training workshops for high schools, either face-to-face or via web videoconference. As for other SAGE countries, SAGE works closely with each national coordinator to help them develop their own training program. The SAGE web site has a wealth of information, including PowerPoint presentations, handbooks, sample annual reports, and a summary of outstanding SAGE businesses in prior years. When feasible, a representative of your SAGE National Office will visit your state or high school to help you launch the program.

11. Does SAGE compete with other high school business organizations, like Junior Achievement, DECA, FBLA, NFTE or Virtual Enterprise?

SAGE is not a competitor for existing high school business organizations, and it does not advocate any one curriculum over another. However, we do recommend certain entrepreneurship programs that are widely-known and respected, such as the Network for Teaching Entrepreneurship—NFTE—curriculum ([see http://nfte.com](http://nfte.com)) or Junior Achievement's Company Program (<http://www.ja.org/>).

SAGE is an exciting avenue to showcase the activities completed by the high school SAGE students, no matter what curriculum they use or what business club they may already be a part of! The good news is that they can present the results of their work to influential leaders. Moreover, SAGE encourages SAGE teens to develop a direct connection to nearby colleges through the SAGE mentor/consultant criterion.

It is important to point out several of SAGE's unique features:

1. SAGE allows teens to pick either an SRB or an SEB as its business venture.
2. Businesses are judged primarily on innovation, profits, social impact, social responsibility and a plan to continue operating after the school year ends.
3. Environmental stewardship and civic engagement are embedded in the social responsibility judging criterion.
4. In order to participate in a SAGE tournament, a SAGE team must meet certain milestones during the year. For

example, in the United States, the following milestones must be achieved:

- *By November 1: Submit a letter of intent to compete (on-line). This letter must also identify the sponsor (e.g., high school; organization; adult ally)*
- *By December 1: An acceptable one-page description of the business (on-line)*
- *By February 1: Acceptable evidence that the business is underway and the team has enlisted at least (1) one or two college mentors and (3) three members of a business advisory board (BAB)*
- *By April 15: Submission of an acceptable annual report (online); SAGE will identify the topics that must be covered in the report, but teams will be able to design the report in any way they choose*

5. SAGE has regional and/or a national tournament to showcase the entrepreneurial ventures created and operated by the teams; the best teams advance to the SAGE World Cup.

6. SAGE encourages students to CONTINUE/SUSTAIN their existing businesses by allowing teams to enter the same business venture for up to three years.

12. What are some of the outcome measures after nine years of SAGE regarding benefits to the students involved?

Based on a survey of 178 teens participating in the most recent two SAGE World Cup tournaments in 2010 and 2011, we found that: (1) over 90% of the teens are more confident about their future because of business skills they have learned through SAGE; (2) over 90% of the students believe that giving back to the community is an important part of a business's social responsibility; (3) 84% of the students are now more highly motivated to pursue a college or university degree; and (4) 95% of the students consider themselves to have a broader worldview, and are now more accepting of people from other backgrounds and cultures.

After each competition, SAGE collects the annual reports and multimedia presentations, and accompanying media coverage and creates a portfolio for each team. This portfolio allows us to summarize the quantity and quality of ventures created, operated and sustained during the year. Other descriptive statistics are also collected, summarized and analyzed. At the end of the year, each SAGE student also

is asked to complete a SAGE Student Questionnaire, and each high school teacher is asked to complete a SAGE Team Data Sheet. We recognize the limitations inherent in a methodology that relies on surveys and authentic assessment. With adequate funding, we will begin querying SAGE alumni about how their current activities map on to their original career goals, whether or not the ideas they pursued in SAGE have been continued in their lives, and what impact, if any, they have had on their local communities. Though the “measures” of effectiveness are not as precise as financial measures, they are long-term in nature and focus on impact in the field. Descriptive statistics include:

1. Number of new or improved SRBs.
2. Number of new or improved SEBs.
3. Number of annual written reports summarizing each team’s activities.
4. Number of verbal presentations made at state and national SAGE competitions.
5. Number of business and community leaders directly involved as SAGE BAB members.
6. Number of business and community leaders directly involved on a “SAGE Jury” of panelists who evaluate the written reports and multimedia presentations (this form of assessment leads to benchmarking and continuous improvement among all SAGE teams).
7. Number of university mentors (usually two per SAGE high school) who assist each SAGE team in identifying, completing and reporting its projects.
8. Number of gross impressions made by media obtained, including newspaper, radio, television and Internet.

Anecdotally, we know that six of the members of the first SAGE team to win the world cup graduated high school in 2003. Three of them have now graduated from UC Berkeley, one from Stanford, one has served two tours of duty in the Middle East, and one is an electrician. Most of our outcome measures have been anecdotal, such as the comment from Teri Jones, the adviser of Santa Monica: “Two of our students last year would never have gone on to college this year without SAGE.” You should note that it is very difficult to track SAGE students after high school, if the teacher doesn’t make it a point to do so.

13. How do SAGE competitions link teens to

community leaders?

Through their competitions against other teenage SAGE teams, the SAGE competition offers a forum for teenage teams to present their activities to a panel of distinguished judges. These judges represent a cross-section of local leaders, including CEOs, entrepreneurs, policymakers, educators and the media.

SAGE business supporters (individuals, corporations, and foundations) provide financial support for the competitions, serve as judges and competition coordinators, and provide funds for prize money and trophies awarded to winning teams. SAGE is an all-inclusive student association, allowing for maximum participation from many existing or new secondary school organizations promoting business and economic literacy, with an emphasis on the development of communication, leadership and teamwork skills. SAGE headquarters does not charge fees of any kind to participating teams, and all materials provided to SAGE teams are free of charge.

Because of the skills acquired by SAGE students, SAGE donors actively recruit participants in SAGE for employment. Also, university and community colleges that have active SAGE teams in their areas actively recruit secondary school students who want to continue their SAGE experience in higher education.

14. May a high school have more than one SAGE team?

Yes! A secondary school or other organization serving teens may now have several competing SAGE teams. Also, if students from more than one high school wish to come together as one team, that is permissible. Example: Teen members of a Boys and Girls Club’s “Keystone Club.”

15. What if my country or school doesn’t permit teens to start real businesses because we are too young?

In most countries, teens are not legally able to launch their own companies until they are of legal age. For example, the legal age in the United States is 18. Remember, though, that SAGE is an education organization, first and foremost. The overarching goal is help teens learn how to start and operate their own venture, so that when they get older they have the knowledge and skills to create a legal business. In the meantime, though, teens can either create “hypothetical businesses” under the watchful eye of their adult ally and

mentors, with “profits” being rolled back into the business and/or paid out in the way of “scholarship” dividends!

16. Can I continue with SAGE after I graduate from high school?

Yes, you may continue your business for up to three years, and if you are still a teenager by the time of your national competition, you can compete in the SAGE tournament. If you discontinue your business and go on to university, you can serve as a university mentor to active SAGE teams at your high school. And once you graduate from university, you can become a member of their business advisory board. We will also invite you to be a SAGE judge!

Incentive for Teachers and Students

One of our mottoes is, “Creating Better Futures through Entrepreneurship.” SAGE provides an avenue by which the innovative businesses started and operated teenagers can be showcased. We provide a formula for education and economic reform that so far has proven to be successful; after nine years, we are now beginning to show real results in how we have changed the lives of teenagers, both from advantaged and disadvantaged communities.

Consider the words of one SAGE student from last year: “When I began SAGE as a sophomore, I was shy and quite afraid of public speaking. Through SAGE, not only was I able to gain confidence but I was able to start my own business and help people around the world.” And consider another: “Before SAGE, I wanted to become a doctor. After SAGE, I want to build hospitals.”

There are many benefits for teens involved in SAGE. They will have the ability to:

- Do real work versus just completing class assignments, and have a hand in determining their own activities.
- Have the chance to travel internationally to participate in SAGE World Cup in July or August 2012; there they will meet students from around the world.
- Improve their community directly and by setting an

example for peers and adults; many of the projects address the Millennium Development Goals.

- Strengthen their college applications: extraordinary activities, letters of commendation, references.
- Be encouraged to think creatively in developing and implementing solutions.
- Have the chance to compete for prize money.
- Meet and network with business, community, and civic leaders.
- Strengthen their job applications (if they choose not to continue with their business): business and leadership skills, letters of commendation, references.
- Develop teamwork, leadership, time-management and communication skills.
- Show their adult abilities by assuming adult roles.
- Gain curriculum specific knowledge in a stimulating way.
- Help people in other countries by doing business with them (Millennium Development Goal #8).
- Travel to regional and/or possibly a national competition between February 2012 and June 2012.
- Perhaps be at the forefront of an historic change for a better world.
- Meet and network with other teenagers locally, nationally, and internationally during competition time.
- Perhaps make money for college or to expand their business.

If a SAGE team is sponsored by its local high school, the SAGE teacher will also see several benefits. First, because students complete activities during the year in anticipation of presenting the results orally and in writing at the end of the year, they have a motivation other than grades. Second, by encouraging students to participate in a friendly competition, the quality of programs goes up from one year to another. Third, by providing teenagers with the opportunity to showcase their best activities in front of peers and a panel of influential judges, under the direction and guidance of their college mentors/consultants, SAGE provides a formal link between high schools, universities, and business that is currently missing.

In addition to the benefits listed above, a teacher will have the ability to:

- Motivate students in a fun, competitive way.
- Introduce students to an innovative form of activity-based learning.
- Offer a unique way to help students learn entrepreneurship knowledge and skills.
- Explain the difference between a business enterprise, a social enterprise and a nonprofit organization.
- Establish a network of business, civic and education leaders.
- Gain attention for the achievements of your students.
- Travel to regional and/or the national; the champion team(s) in each country advances to the international competition.

In summary, SAGE is filling an unmet need. Competition based on innovation, social responsibility, business involvement, and mentorship are key aspects that set SAGE apart from other youth education programs.

Guiding Philosophies and Driving Forces

Teenagers are the future business owners, entrepreneurs, investors, consumers and citizens. SAGE focuses on teens because “teenagers are the single most influential group in a low-income community” (Bornstein, 2004, pp. 176–177). According to the International Labor Organization (2009), about 85.3 million young men and women were unemployed throughout the world in 2006. Moreover, about 59 million young people between 15 and 17 years old are engaged in hazardous forms of work. According to Haftendorn and Salzana (2003), “A generation without the hope of a stable job is a burden for the whole of society. Poor employment in the early stages of a young person’s career can harm job prospects for life. The economic investment of governments in education and training may be wasted if young people do not move into productive jobs that enable

them to pay taxes and support public services. Result: a desperate need to create employment, and to recognize and harness the youth resource.”

A program like SAGE focuses on training young entrepreneurs because, for many, their creative energy has not been dampened by life’s harsher realities. According to Prahalad (2005), between four and five billion people in the world live on less than \$2 a day. Though their individual incomes are small, Prahalad’s book summarizes the untapped market here by the title of his book, *The Fortune at the Bottom of the Pyramid*.

The combination of business entrepreneurship and social enterprise provides a formula for a new kind of capitalism—a more humanitarian capitalism

Prahalad indicated market development at the bottom of the pyramid can create millions of new entrepreneurs at the grass roots level—from women working as distributors and entrepreneurs to village-level micro enterprises. He emphasized that “entrepreneurship on a massive scale is the key” (p. 2). The combination of business entrepreneurship and social enterprise provides a formula for a new kind of capitalism—a more humanitarian capitalism—espoused by Nobel Laureate,

Muhammad Yunus, and Microsoft’s founder, Bill Gates.

Yunus (2007) asserts that “We need to reform the capitalist system to make room for social enterprise.” In his view, generating ideas for social businesses is the most important, immediate challenge of today’s business thinkers.” Gates (2008, p. 40) concurs: “Governments and nonprofit groups have an irreplaceable role in helping [the world’s poor], but it will take far too long if they try to do it alone. It is mainly corporations that have the skills to make technological innovations work for the poor. To make the most of those skills, we need a more creative capitalism: an attempt to stretch the reach of market forces so that more companies can benefit from doing work that makes more people better off. We need new ways to bring far more people into the system—capitalism—that has done so much good in the world” (p. 40).

The notion that teenagers can make the world a better place must seem unrealistic and overly idealistic, especially to the hard-nosed business people amongst us. They are not weighed down by failure, but have the enthusiasm, the optimism and the belief that success is possible. SAGE

provides youth with a platform to share their first taste of success, allowing a venue with which to share their stories.

Our guiding philosophies and driving forces are based on the SAGE vision and mission.

Vision

Creating better futures through social enterprises, socially-responsible businesses and community service.

Note that one word in our vision statement is creating—be it the creation of a new product, a new service or a better way of doing things. A socially-responsible business (i.e., a “for-profit” business) stimulates economic growth and improves standards of living through the creativity, innovation and hard work of its founders. The value these entrepreneurs create is measured primarily by financial profits.

Social entrepreneurs are also innovators, but their ideas often address major social problems in their communities. The value added by social entrepreneurs is much harder to measure, but the problems they address are often much more difficult to solve.

Mission

To help create the next generation of entrepreneurial leaders whose innovations and social enterprises address the major unmet needs of our global community.

To truly understand SAGE, it is helpful to take a closer look at the SAGE mission. Let’s look at each key word or phrase in the mission.

Create—the word ‘create’ conveys innovation. SAGE has a created a unique, action-based entrepreneurship education program aimed at youth age 13–19; the program can be delivered through curricular and co-curricular means, in schools and community youth organizations. SAGE is an education program first and foremost, and our goal is to teach teens the knowledge and skills to become successful (either by starting their own businesses someday, or by being productive employees, managers and leaders of existing businesses).

Next generation—by our definition, this is today’s teenagers. We want today’s SAGE teens to become the New Greatest Generation.

Entrepreneurial—to undertake something new by creating a product or service, or a new process to deliver a product or service, in a way that adds value to society. To be financially sustainable, the entity created by the entrepreneur must generate earned income through the sale of goods or services, as opposed to unearned income (e.g., from donations, fundraisers or public sector subsidies).

Leaders—individuals who are competent, confident and have a “take-charge” mentality to inspire others to pursue a value-creating endeavor; SAGE empowers youth, many of whom wouldn’t normally be leading, with a structure to achieve meaningful change by allowing them to identify something that needs improvement in society.

Innovations—Creations of new products, services, or delivery mechanisms in pursuit of financial value and/or social value (A key question is how is value measured? For business enterprises, value-added is measured via earned income; for social enterprises, value-added is measured via earned income and other social impact metrics that are often much more difficult to measure. While a social enterprise often generates resources from unearned income, such as donations, philanthropy or public sector subsidies, it must look beyond unearned sources of funding to sustain its social impacts).

Social—tending to form cooperative and interdependent relationships with others; these relationships facilitate certain actions of individuals who are within an association or network.

Enterprise (noun)—an entity that seeks to add value to society; there are two types of enterprises:

b. Business enterprise: An entity that sells goods or services to customers who pay for the goods or services (e.g., a for-profit commercial entity in the private sector); its primary emphasis is to make a financial profit.

c. Social enterprise: An entity whose primary emphasis is to make a social or environmental impact; it may provide goods and services to non-paying clients (e.g., a for-profit commercial enterprise in the private sector, or a non-for-profit enterprise in the social sector); SEBs may, in the short-term, derive a majority of their income from unearned income, but they must have an earned income strategy in place in order to be financially sustainable.

- A significant challenge for social enterprises, absent a free external market for its social value-added, is to identify and measure social impact.
- Do not confuse a social enterprise with an innovative, nonprofit (NPO) organization or nongovernment organization (NGO) that derives its resources entirely from unearned income. These entities are valuable to society, but rely mostly on charity, fundraisers, philanthropy, and government subsidies to ensure financial sustainability.
- NPOs and NGOs, for the most part, are fundamentally not constructed to run efficiently, and often times fail to meet their original mission. Without an external market for its social goods and services as a motivating factor, the mission often becomes one of continued employment for the people originally hired to run the “business” and a need to increase “income” through grants and donations.

Major unmet needs—problems usually linked to major societal issues, such as poverty, health and gender inequality, environment, energy, and transportation (e.g., see the eight Millennium Development Goals). When the public sector (i.e., government) is unable to meet societal needs, enterprises from the private and social sectors play a key role.

Can SAGE teens really solve the global unmet needs? Maybe not yet, but they are tomorrow’s leaders. As Martin Fisher and Kevin Starr said in their article, “Real Good, Not Feel Good,” (January 2009), “It takes a long time to solve difficult social problems, so don’t expect a project to leave sustainable impacts in place quickly—after all, it took almost ten years and billions of dollars of lost investments to generate sustainable business models for the internet.” Also, recall David Bornstein’s words: “People who solve problems must somehow first arrive at the belief that they can solve problems... But the process needs a beginning—a story, an example, an early taste of success—something along the way helps a person form the belief that it is possible to make the world a better place.”

Global community—a humanitarian worldview, whereby individuals see themselves as part of an interconnected international network. Under this worldview, individuals go beyond economic wealth to where business ethics, social responsibility, and sustainable business practices are part an enterprise’s core goals. They seek to meet the needs of

the present without compromising the ability of future generations to meet their own needs (this is the essence of sustainable development).

Other attributes that set SAGE apart are the emphasis on involvement, teamwork, crossing boundaries.

Involvement

SAGE provides a new way of working with secondary schools, by involving college students and successful leaders from the private sector as the teenagers operate their businesses. SAGE participants strive to create better futures for people in their own communities and across the world. Active involvement is a key to progress, and we subscribe to the saying:

“People support what they help create.”

Teamwork

Small teams of SAGE students in each state or country roll up their sleeves and go to work. Can they really create better future for themselves and their community? Absolutely! We agree with Margaret Mead, who said:

“Never doubt that a small group of thoughtful, committed citizens can change the world. Indeed, it is the only thing that ever has.”

Crossing Boundaries

SAGE cuts across boundaries between secondary education and higher education; between education and business; between business and government; and, most importantly, between countries. Another SAGE goal, especially for teams that advance to the World Cup, is to give teens a broader worldview. This goal is similar to the goals of major international corporations such as Unilever, who have coined the term ‘multicultural multilocal.’ As Unilever states on its web site:

“Being truly international, we have deep roots in many countries. By the very nature of our business we are an integral part of the societies in which we operate. Local companies are predominately run by local people in tune with their communities, who understand their needs and values—a truly ‘multinational multilocal’. Many of our brands have international appeal while others are leaders in local markets. It is our keen understanding of cultures and

their markets that allows us to anticipate consumers' needs and to provide them with what they need, when they need it.

Why Not?

SAGE's vision and mission are based on a quote by Robert F. Kennedy, who said:

“There are those who look at things the way they are, and ask why... I dream of things that never were, and ask why not.”

SAGE asks, “Why not create better futures? Why not change the world?” And then we strive to do exactly that. SAGE is contributing to a multinational, multilocal world.

SAGE's Driving Forces

THE CHALLENGES POSED BY SOCIAL NEEDS

Unmet social needs continue to proliferate

There is an increasing awareness that the social problems and challenges we face are global and interconnected

THE PROMISE OF ENTREPRENEURSHIP

Entrepreneurship has become broadly accepted as a productive way to address social needs

A GLOBAL COMMUNITY OF TEENAGERS READY AND WILLING TO HELP

Teenagers have a growing understanding of the social needs that threaten our global community—and they want to help

They are increasingly knowledgeable about conditions in other countries

Modern communications technology makes it much easier for teenagers in different parts of the world to collaborate

Because they are no longer so isolated from each other, teenagers also have a heightened sensitivity and respect for cross-cultural differences

SAGE Code of Conduct/Ambassador's Creed

In the SAGE organization, where borders between countries are becoming increasingly transparent, principles adhered to by SAGE network participants are becoming the necessary criteria for building a good reputation in the international business community. The following ambassador's creed is the basis on which ongoing quality relationships are formed and maintained. This Ambassador's Creed should be applied in good faith, with reasonable business judgment, to enable SAGE to achieve its mission within the framework of the laws of each participating country. It applies to all individuals participating in the SAGE network in any capacity (including, but not limited to, SAGE employees, SAGE student team members, SAGE Coaches/Teachers/Adult Allies/Sponsors, judges at SAGE tournaments, alumni and members of the SAGE Global Board and Business Advisory Boards). These individuals will be referred to as network participants within this Ambassador's Creed.

SAGE Ambassador's Creed

As a SAGE ambassador I have the rare opportunity to help others fulfill a personal dream and create an honorable legacy; namely, by helping to make manifest a vision to bring benefit to humankind. I will do my best to enable teenagers to fulfill their potential for individual self-reliance and freedom, and encourage them to practice community sustainability and environmental stewardship. I will also encourage transnational understanding and cooperation. In short, as a SAGE ambassador, I will serve as a mature role model and contribute my wisdom to help the teenagers.

I shall strive to avail myself fully of this opportunity by enabling youth and young adults to

- learn about SAGE,
- participate in SAGE,
- start up business and social ventures which become replicable and self-funding,
- develop into dedicated and indefatigable social entrepreneurs.

To bring these benefits to our emerging generation, I shall

- recruit or assist in recruiting a SAGE ambassadorial team which would subscribe to this creed;
- facilitate the underwriting for SAGE in the city or country in which I represent SAGE;

- invite youth and young adults to avail themselves of SAGE;
- invite professionals to mentor the youth and young adults in SAGE and evaluate social ventures so that they operate optimally;
- work cooperatively with governments, institutions, and other organizations so as to advance all programs consistent with the guiding philosophies of SAGE. At all times, I shall
- teach and advise others on the Six Pillars of Character: trustworthiness, respect, responsibility, fairness, caring and citizenship;
- integrate the Six Pillars of Character into all my activities;
- teach and utilize the best practices of social entrepreneurship, so that an example be set for youth and young adults;
- teach that community and compassion come first for social entrepreneurs; cooperate with SAGE so that the SAGE vision be fulfilled.

Liability Disclaimer

By participating in the SAGE program or SAGE tournaments, the participating team members, academic institutions, teachers, parents and adult allies acknowledge that SAGE is not responsible for team businesses, projects, activities or events. SAGE Coaches/Teaches/Adult Allies/Sponsors and team participants will follow the guidelines set forth in the SAGE Information Handbook 2011–2012 and their own institutional policies and regulations. Travel to SAGE events is strictly at each participant’s own risk and expense. SAGE shall not be liable for injury or loss of property traveling to or during a SAGE tournament. Participating SAGE Coaches/Teaches/Adult Allies/Sponsors and team participants agree to release, fully discharge, indemnify and hold harmless SAGE, its affiliates, officers, directors or representatives, from any and all liabilities, losses, claims, judgments, damages (whether direct or indirect, consequential, incidental or special), expenses and costs (including reasonable fees and expenses of counsel) that they may suffer or incur by reason of participating in any way in the SAGE program or at a SAGE tournament.





Assist 35,559
individuals





INTERPRETATION OF SAGE JUDGING CRITERIA

“The advent of free and competitive business changed the world in ways that are difficult to comprehend... What changed was that free market competition arrived. ‘Because of competition, survival in business meant not only continually coming up with better inventions, but putting them to use faster than your competitor,’ said William Baumol.”

—David Bornstein, *“How to Change the World,”* 2004.

“The house we hope to build is not for my generation but for yours. It is your future that matters. And I hope that when you are my age, you will be able to say as I have been able to say: We lived in freedom. We lived lives that were a statement, not an apology.”

—Ronald Reagan, *Fortieth President of the United States*

“True compassion is more than flipping a coin to a beggar; it comes to see that an edifice which produces beggars needs restructuring.”

—Martin Luther King, Jr.



INTERPRETATION OF SAGE JUDGING CRITERIA

Interpretation of SAGE Judging Criteria— Socially-Responsible Business (SRB)

The primary purpose of an SRB is to make a profit; a secondary purpose might be to solve a social problem. Judges will evaluate how successful was the SAGE team in creating and implementing one NEW enterprise this year or CONTINUING a SAGE enterprise from prior years.

Teams that enter the Socially-responsible Business (SRB) tournament should do their best to meet the following four judging criteria:

Socially Responsible Business (SRB) Judging Criterion	Written Annual Report	Oral Presentation
1. How innovative and creative is the business? Does this business have features which few, if any, other businesses have, which add to the success of the business?	10	10
2. What is the amount of profit of the business (e.g., has it achieved profitability through earned income? Or has it defined a believable path toward profitability)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring?	10	10
Total Possible Points	40	40
How effective were the students in their responses to judges' questions during the Q and A period?		20



Criterion #1 (20 points)—How innovative and creative is the business? Does this business have features which few, if any, other businesses have, which add to the success of the business?

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

Interpretation

Our definition of entrepreneurship is the act of undertaking something new by creating a product or service, or a new process to deliver a product or service, in a way that adds value to society. To be financially sustainable, the entity created by the entrepreneur must generate earned income through the sale of goods or services. In other words, its primary emphasis is to make a profit.

Entrepreneurs break new ground; they develop new models and pioneer new approaches. Entrepreneurship does not require inventing something new; it can simply involve applying an existing idea in a new way or to a new situation. It is not just a one-time burst of creativity. It is a continuous process of exploring, learning, and improving.

What is most important is that students show that they have applied their entrepreneurship knowledge to complete an actual business. Teams have been known to be judged favorably if they indicate that they have a completed, written business plan prior to starting their business. Part of this business plan should be a marketing plan for their business enterprise. To show that they have successfully applied their knowledge and skills, the best SAGE teams will have a completed set of financial statements summarizing profits and losses for a period, and providing a balance sheet and perhaps even a cash flow statement, for their SRB.

There are thousands of good examples of a socially-responsible business. One such example is Sierra Nevada Brewing Company of Chico, CA, founded by SAGE sponsor Ken Grossman and his family.

Sample Web Sites:

<http://www.sierranevada.com/>

http://www.sba.gov/starting_business/planning/basic.html

<http://www.nfte.com>

<http://www.bplans.com/>

<http://www.businessplans.org/>

http://home3.americanexpress.com/smallbusiness/tool/biz_plan/index.asp

<http://www.entrepreneur.com/>

<http://www.mbemag.com/>

<http://www.entrepreneur-america.com/>

<http://www.ja.org>

Sample Businesses

One SAGE team specialized in sewing, fabrics and design, and it created a designer handbag company. Another team started a new health food café to address growing concerns that too much unhealthy, fast-food was being sold on campus, with no healthy alternatives. They wrote a business plan, obtained funding, and got permission from school administrators to launch their new venture. Another SAGE team launched a four-color magazine featuring success stories of leading entrepreneurs in their city.



Criterion #2 (10 points)—What is the amount of profit of the business (e.g., has it achieved profitability through earned income? Or has it defined a believable path toward profitability)?

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

A for-profit business measures the value it creates primarily through the financial bottom line, otherwise known as net income, profit, or earnings.

SRB teams should include an income statement in its presentation. The income statement, also known as a profit and loss statement (P&L), shows the revenues generated by the business less the expenses incurred. Many businesses do not earn a profit in the first year; in fact, many incur losses until it builds a solid customer base and reputation. For SAGE teams that have not earned any profits in their first year, it is necessary that they convince the judges that they have a clear path toward profitability based on realistic projections.



Criterion #3 (10 Points)—Has the business exhibited sustainable business practices? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?

Interpretation

We want SRBs to create positive social change indirectly through the practice of social responsibility by adopting sustainable business practices. Examples include paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects; and so on. When companies explicitly use their skills to make innovations work for the disenfranchised and for the environment, this is what Bill Gates calls “creative capitalism.” Gates also said, “Businesses that do good work will find it easier to recruit and retain great employees. Young people today—all over the world—want to work for organizations that they can feel good about. Show them that a company is applying its expertise to help the poorest, and they will repay that commitment with their own dedication” (“How to Fix Capitalism,” *Business Week*, August 11, 2008, p. 44).

We subscribe to the definition of social responsibility based on the following description as taken from http://en.wikipedia.org/wiki/Corporate_social_responsibility:

Corporate social responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business, or corporate social performance, is a form of corporate self-regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its support to law, ethical standards, and international norms. Consequently, business would embrace responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the

public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: People, Planet, Profit.

Socially-responsible businesses adopt strategies that provide a balance between economic success and environmental sustainability/restoration. As businessman and author Paul Hawken said in his 1993 book, *The Ecology of Commerce*: “The ultimate purpose of business is not, or should not be, simply to make money. Nor is it merely a system of making and selling things. The promise of business is to increase the general well-being of humankind through service, a creative invention and ethical philosophy.” Hawken argues that businesses and policymakers need to work together to find an “ecological model of commerce” so that everything that is produced can be reclaimed, reused, or recycled. As business transactions increasingly move beyond local and national borders, companies must be careful to consider both the economic and ecologic effects of its activities on all stakeholders.

SAGE judges will scrutinize the SRB of each team to determine how well it has considered, and learned, the importance of this fine balance between personal economic goals and ecologic stability in the global community.

Sample Web Sites

www.thepeoplespeak.org/globaldebates

www.globalexchange.org/campaigns/

<http://www.bsr.org>

<http://www.ciesin.org/indicators/ESI>.



Criterion #4 (10 Points)—Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business will continue after the current year? Will the team carry on over the summer, winter and spring? Is there a chance that this organization’s effectiveness can be expanded locally and replicated in new settings?

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

Interpretation

Most school projects and activities end with a final exam, a term paper or a field trip. However, businesses don't end according to a calendar. They end when the market tells them that they can no longer operate profitably, or the owners call it quits and dissolve the business.

We don't want SAGE students to consider our program "just another school activity." We want students to treat their business like any other business owner would. That is, they will do their best to see that the business remains as a going concern. For this reason, we have created a special judging criterion to provide an incentive for a SAGE team to continue its programs after the school year. Moreover, we also want the best businesses to expand to other markets and, perhaps, be replicated by other businesses.

For those businesses that do not plan to continue, it is necessary that the SAGE team explain its exit strategy. Exit strategies are typically prepared well in advance of implementation, which can occur for both positive and negative reasons.

We don't want SAGE students to consider our program "just another school activity." We want students to treat their business like any other business owner would.

Interpretation of SAGE Judging Criteria— Social Enterprise Business (SEB)

An SEB can be a for-profit or nonprofit enterprise; it explicitly intends to address a social problem by using earned revenue strategies; this may be any type of business so long as:

- its products or services themselves directly address a social need and are paid for by customers (i.e., a customer-focused social enterprise) OR
- it employs a significant number of the people it serves—at least 50 per cent of the company’s direct labor force (i.e., an employee-focused social enterprise)

The focus is on providing social value but with a strategy in place to eventually achieve sustainability through

earned income. During the startup phase in both types of businesses, financial resources may also include a mixed revenue stream that includes “unearned income” (e.g., donations, fundraisers, corporate grants, charitable contributions from philanthropists, public sector subsidies) to help meet expenses

A nonprofit social enterprise is not the same as nonprofit organization (NPO or NGO). For an organization to be considered a viable SEB, it cannot rely solely on grants, fundraisers donations, and public sector subsidies. To be competitive as a SAGE SEB, the organization must show that it has a long-term strategy that includes earned income.

Teams that enter the SEB tournament should do their best to meet the following four judging criteria:

Social Enterprise Business (SEB) Judging Criterion	Written Annual Report	Oral Presentation
1. Does the business have measurable and proven impacts ? Has the organization succinctly defined exactly what change it is trying to achieve? How has the organization measured the desired changes, and demonstrated that they are caused by the actions/interventions of the organization?	10	10
2. What are the community resources obtained by the business in helping it achieve its mission, and how were these resources employed (e.g., earned income; sources and uses of unearned income; cooperation from community organizations, volunteers, local government; note: at least 50% of the financial resources during the first year of business must come from earned revenue and the business must have a clear plan to eventually achieve profitability from earned revenue alone)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring? Is there a chance that this organization’s effectiveness can be expanded locally and replicated in new settings?	10	10
Total Possible Points	40	40
How effective were the students in their responses to judges’ questions during the Q and A period?		20

Note: A not-for-profit social enterprise is not the same as nonprofit organization (NPO) or non-government organization (NGO). For an organization to be considered a viable SEB, it ultimately must not rely solely on grants, fundraisers donations, and public sector subsidies. Therefore, to be competitive as a SAGE SEB, the organization must show that it has a long-term strategy that includes earned income. The success of this strategy will transform the organization into a social enterprise business.



Criterion #1 (20 points)—Does the business have measurable and proven impacts? Has the business succinctly defined exactly what change it is trying to achieve? How has the business measured the desired changes, and demonstrated that they are caused by the actions/interventions of the business?

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

Interpretation

The primary purpose of a social venture is to make a social impact; a secondary purpose is to generate earned income in order to help meet expenses. A good example of a social enterprise, located in Chico, CA (SAGE’s home office), is Computers for Classrooms. You can learn more about this company here at <http://www.computersforclassrooms.org/>.

Computers for Classrooms refurbishes discarded computers and sells them at a very reasonable price to local schools. The selling price is so low because all “inventory” is donated; nonetheless, based on volume, the company continues to make tremendous profits, while at the same time employing disadvantaged people and reducing the amount of waste in the local landfill.

It is essential that a social enterprise understand what impact it is trying to achieve. For example, a project working to reduce the incidence of malaria by distributing mosquito bed nets must demonstrate that the incidence of malaria is in fact reduced. It is not enough to simply report how many nets were distributed. As Fisher and Starr (2009) state, for a project to have measurable and proven impacts:

a. The business must succinctly define what change it is trying to achieve. This is best done in a short and concise

mission statement that can be written in 10 words or less, such as “Poor families will earn a lot more money,” or “Fewer people will get, or die of, malaria,” or “the overall CO2 released into the atmosphere will be reduced.”

b. There has to be a way to both measure the desired change, and demonstrate that they are caused by the business’s actions.

Examples of areas for social entrepreneurs include providing clean drinking water; alleviating poverty through better healthcare and employment opportunities; legalizing rights for the disabled; providing electricity to remote villages; implementing new education methods and technologies into schools; finding more energy-efficient means of transportation.

**Social entrepreneurs
MUST have an earned
income strategy to either
generate profit or to help
offset the expenses of
the social enterprise.**

Social entrepreneurship is a relatively new term, and while many people have differences about the definition of social entrepreneurship, most do agree that social entrepreneurs are those people who start enterprises that may or may not be primarily profit-driven, but whose mission is driven by creating solutions to societal problems. As noted above, according to SAGE’s philosophy and values, social entrepreneurs MUST have

an earned income strategy to either generate profit or to help offset the expenses of the social enterprise.

If the goals of the social enterprise are workforce development, job creation and career development for people who are disadvantaged, then the evidence should include demographic information about the numbers of people employed and the types of disadvantages they were facing, the level of wages paid, and other pertinent information. If the goal is to deliver a product or service other than job creation, the evidence could include the numbers of products sold and/or services delivered and any results achieved by the people purchasing the products and/or services. Evidence of impact can include media coverage (e.g., newspaper, TV, radio) and potential market reach (e.g., regional, national, global scale).

Like the Ashoka Foundation (<http://ashoka.org>), SAGE believes that social enterprises strive to pass a “knockout test.” Is the business new and potentially pattern-changing, relative to prior attempts? Is the SEB practical? Scalable?

Cost effective? Examples of successful SEBs can be found at <http://ashoka.org/impact>. They include a company called Childline, which has provided direct assistance to more than 26,000 street children in Mumbai, India. Another company has helped cut rural electricity costs for over 1 million people in Brazil. This innovation has spread to 23 countries worldwide. A third example Martin Fisher started a company called KickStart. He and his colleagues have invented low-cost, human-powered irrigation pumps and other simple moneymaking tools, coupled with a sustainable and replicable supply-chain model that enables subsistence farmers to use the equipment to become self-reliant entrepreneurs. This process is transforming the lives of hundreds of thousands of poor Africans by enabling them to double or triple their annual net family incomes.



Criterion #2 (20 points)—What are the community resources obtained by the business in helping it achieve its mission, and how were these resources employed (e.g., earned income; sources and uses of unearned income; cooperation from community organizations, volunteers, local government).

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

Interpretation

An SEB measures the value it creates primarily through customized metrics that provide evidence that the desired social impact is being achieved. Before starting an SEB, the owners should ask, “How will we know we are successful at the end of the first year? What will we accomplish that will prove it?” Then, the owners should identify metrics that will quantify whether their desired outcomes are being achieved, and then make sure the measurement plan is carried out. What gets measured, get managed!

SEB teams should also include an income statement in its presentation summarizing sources of earned and unearned revenue, and how this revenue was used to cover expenses. Many businesses do not earn a profit in the first year; in fact, many incur losses until it builds a solid customer base and reputation. For SAGE teams that have not earned any profits in their first year, it is necessary that they convince

the judges that they have a clear path toward profitability based on realistic projections.



Criterion #3 (10 Points)—Has the business exhibited sustainable business practices? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?

Interpretation

We want SEBs to create positive social change directly through its social impact outlined in its mission statement, and indirectly through the practice of social responsibility by adopting sustainable business practices. Examples include paying equitable wages to their employees; using environmentally friendly raw materials; providing volunteers to help with community projects; and so on.

We subscribe to the definition of social responsibility based on the following description as taken from http://en.wikipedia.org/wiki/Corporate_social_responsibility:

Corporate social responsibility (CSR), also known as corporate responsibility, corporate citizenship, responsible business, sustainable responsible business (SRB), or corporate social performance, is a form of corporate self-regulation integrated into a business model. Ideally, CSR policy would function as a built-in, self-regulating mechanism whereby business would monitor and ensure its support to law, ethical standards, and international norms. Consequently, business would embrace responsibility for the impact of its activities on the environment, consumers, employees, communities, stakeholders and all other members of the public sphere. Furthermore, CSR-focused businesses would proactively promote the public interest by encouraging community growth and development, and voluntarily eliminating practices that harm the public sphere, regardless of legality. Essentially, CSR is the deliberate inclusion of public interest into corporate decision-making, and the honoring of a triple bottom line: People, Planet, Profit.

Socially-responsible businesses adopt strategies that provide a balance between economic success and environmental sustainability/restoration. As businessman and author Paul Hawken said in his 1993 book, *The Ecology of Commerce*: “The ultimate purpose of business is not, or should not be, simply to make money. Nor is it merely a system of making and selling things. The promise of business is to increase the general well-being of humankind through service, a creative invention and ethical philosophy.” Hawken argues that businesses and policymakers need to work together to find an “ecological model of commerce” so that everything that is produced can be reclaimed, reused, or recycled. As business transactions increasingly move beyond local and national borders, companies must be careful to consider both the economic and ecologic effects of its activities on all stakeholders.

SAGE judges will scrutinize the SRB of each team to determine how well it has considered, and learned, the importance of this fine balance between personal economic goals and ecologic stability in the global community.

Sample Web Sites

<http://www.caseatduke.org/articles/0506/casecorner.htm>

http://www.impactalliance.org/file_download.php?location=S_U&filename=11707814261dees_sedef.pdf

<http://realgoodnotfeelgood.org/>

http://socialent.org/Social_Enterprise_Terminology.htm

<http://www.networkworld.com/news/2007/060807-gates-commencement.html>

http://firmsofendearment.typepad.com/srm/conscious_capitalism/

www.thepeoplespeak.org/globaldebates

www.globalexchange.org/campaigns/

<http://www.bsr.org>

<http://www.ciesin.org/indicators/ESI>



Criterion #4 (10 Points)—Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business will continue after the current year? Will the team carry on over the summer, winter and spring? Is there a chance that this organization’s effectiveness can be expanded locally and replicated in new settings?

Note: This criterion is worth 20 points total: 10 for written annual report and 10 for oral presentation.

Interpretation

Most school projects and activities end with a final exam, a term paper or a field trip. However, businesses don’t end according to a calendar. They end when the market tells them that they can no longer operate profitably, or the owners call it quits and dissolve the business.

We don’t want SAGE students to consider our program “just another school activity.” We want students to treat their business like any other business owner would. That is, they will do their best to see that the business remains as a going concern. For this reason, we have created a special judging criterion to provide an incentive for a SAGE team to continue its programs after the school year. Moreover, we also want the best businesses to expand to other markets and, perhaps, be replicated by other businesses.

For those businesses that do not plan to continue, it is necessary that the SAGE team explain its exit strategy. Exit strategies are typically prepared well in advance of implementation, which can occur for both positive and negative reasons.

SAGE Judging Criteria Scoring Rubric for a Socially Responsible Business (SRB) Written Annual Report and Oral Presentation (80 Points Max)

Note: Judges will be given 10 minutes to score the annual report; teams then orally present for 13 minutes

SAGE Team:
Judge ID #:

Section I. Based on examination of their four-page
Written Annual Report and Oral Presentation, to what
degree did the student team demonstrate that...

ELEMENT	High	Medium	Low	Points Possible Written	Points Possible Oral	Points Awarded
Innovativeness and Creativity	The business has features which few, if any other businesses have, which add to its success. 10 9 8	The business has features which some any other businesses have, which add to its success. 7 6 5 4	The business has few or no features which set itself apart from other businesses. 3 2 1	10	10	
Profit	The business has achieved strong profitability through earned income. Or it has defined a believable path toward profitability 10 9 8	The business has achieved moderate profitability through earned income. Or it has defined a believable path toward profitability 7 6 5 4	The business has not achieved profitability through earned income, nor has it defined a believable path toward profitability 3 2 1	10	10	
Sustainable Business Practices	The business strongly demonstrates that it employs sustainable business practices. The SAGE team firmly understands the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 10 9 8	The business somewhat demonstrates that it employs sustainable business practices. The SAGE team seems to understand the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 7 6 5 4	The business does very little to demonstrate that it employs sustainable business practices. The SAGE team does not demonstrate a strong understanding of the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 3 2 1	10	10	
Succession Plan	The business has clearly explained how the business will continue after the current year. There is a strong chance that the business can be expanded locally and replicated in new settings. 10 9 8	The business appears to be a going concern, but isn't certain that the business will continue after the current year. There is a moderate chance that the business can be expanded locally and replicated in new settings. 7 6 5 4	The business does not appear to be a going concern, and there is great uncertainty that the business will continue after the current year. There is a very little chance that the business can be expanded locally and replicated in new settings. 3 2 1	10	10	
			TOTAL POINTS	40	40	

SRB Presentation Question and Answer Period (20 Pts. Max)

Note: There will be a mandatory 7-minute Q and A period following the oral presentation

If SAGE students finish their oral presentation in exactly 13 minutes, the team will be given exactly 7 minutes to answer questions from the judges. If they finish in less than 13 minutes, the team will be given more time for Q and A. For example, if a team finishes its oral presentation in 12 minutes, it will be given a total of 8 minutes for Q and A.

Judges will be looking for:

1. Overall Effectiveness—Based on questions from the judges, overall, how well did the students demonstrate knowledge of the projects described in the written report and oral presentation?
2. Balance—Did students share responses, or did one or two students dominate?
3. Poise—Were the students confident and polished?



SAGE Judging Criteria Scoring Rubric for a Social Enterprise Business (SEB) Written Annual Report (80 Pts. Max)

Note: Judges will be given 10 minutes to score the annual reports; teams then orally present for 13 minutes



Section I. Based on examination of their four-page
Written Annual Report and Oral Presentation, to what
degree did the student team demonstrate that...

ELEMENT	High	Medium	Low	Points Possible Written	Points Possible Oral	Points Awarded
Measurable and Proven Impacts	The business has succinctly defined exactly what change it is trying to achieve. It has effectively measured the desired changes it seeks to make, and demonstrated that the changes were caused by the actions of the business. 10 9 8	The business has been moderately successful at defining what change it is trying to achieve. It has been somewhat effective at measuring the desired changes it seeks to make, and have indirectly shown that the changes were caused by the actions of the business. 7 6 5 4	The business has achieved little success at defining what change it is trying to achieve. It has been not been very effective at measuring the desired changes it seeks to make, and have has not clearly shown that the changes were caused by the actions of the business. 3 2 1	10	10	
Community Resources	The business has clearly identified the resources obtained to help it achieve its mission, and shown how these resources were employed. Financial resources include at least 50% of earned income. Examples of other resources include cooperation from community organizations, volunteers, and local government. 10 9 8	The business has somewhat identified the resources obtained to help it achieve its mission, and shown how these resources were employed. Financial resources may or may not include at least 50% of earned income. Other resources, such as cooperation from community organizations, volunteers, and local government, were used somewhat effectively. 7 6 5 4	The business has not clearly identified the resources obtained to help it achieve its mission, nor has it shown how these resources employed. Financial resources did not include at least 50% of earned income. Other resources, such as cooperation from community organizations, volunteers, and local government, were not used effectively. 3 2 1	10	10	
Sustainable Business Practices	The business strongly demonstrates that it employs sustainable business practices. The SAGE team firmly understands the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 10 9 8	The business somewhat demonstrates that it employs sustainable business practices. The SAGE team seems to understand the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 7 6 5 4	The business does very little to demonstrate that it employs sustainable business practices. The SAGE team does not demonstrate a strong understanding of the importance of being responsible stewards of the environment, either through its products or services, or by its actions in the community. 3 2 1	10	10	
Succession Plan	The business has clearly explained how the business will continue after the current year. There is a strong chance that the business can be expanded locally and replicated in new settings. 10 9 8	The business appears to be a going concern, but isn't certain that the business will continue after the current year. There is a moderate chance that the business can be expanded locally and replicated in new settings. 7 6 5 4	The business does not appear to be a going concern, and there is great uncertainty that the business will continue after the current year. There is a very little chance that the business can be expanded locally and replicated in new settings. 3 2 1	10	10	
			TOTAL POINTS	40	40	40

SEB Presentation Question and Answer Period (20 Pts. Max)

Note: There will be a mandatory 7-minute Q and A period following the oral presentation

If SAGE students finish their oral presentation in exactly 13 minutes, the team will be given exactly 7 minutes to answer questions from the judges. If they finish in less than 13 minutes, the team will be given more time for Q and A. For example, if a team finishes its oral presentation in 12 minutes, it will be given a total of 8 minutes for Q and A.

Judges will be looking for:

1. Overall Effectiveness—Based on questions from the judges, overall, how well did the students demonstrate knowledge of the projects described in the written report and oral presentation?
2. Balance—Did students share responses, or did one or two students dominate?
3. Poise—Were the students confident and polished?





SAGE COMPETITIONS

The citizen sector is, in fact, beginning to resemble a market economy of social ideas, characterized by a rich diversity of grassroots institutions and energetic entrepreneurs crafting solutions that no one could have anticipated, let alone planned for... In the past, citizen sector organizations have been isolated from the forces of head-to-head competition. As the romance of charity yields to a healthy realism that citizen organizations should rise and fall on their merits, the result is likely to accelerate innovation. In a competitive landscape—when rewards follow the best performers—it takes only one innovative organization to send everyone else scrambling to upgrade their products and services lest they be left behind.

—David Bornstein, *Author, How to Change the World, 2004*

SAGE COMPETITIONS

National Competitions: An Overview

Teenage SAGE teams will travel to a national competition sometime between February and June, 2012 (dates and locations pending). Some countries may opt to conduct regional/provincial competitions, and invite the regional winners to the national event.

Ideally, each country will host both the SRB competition and the SEB competition concurrently. The best team from each of the two national competitions will be invited to the SAGE World Cup.

In either case, the competition is usually hosted by a university or SAGE Coordinator in your area. At the competition, SAGE teams are assigned to “leagues,” just like in athletic competitions. Each team presents the results of their activities to a panel of judges. The SAGE team that is rated the highest in the country is known as the SAGE Country Champion.

Each team makes a 35-minute live presentation to a panel of business and civic leaders (10 minutes set up and handout annual reports to judges, 13 minutes oral presentation, 7 minutes for questions and answers, and 5 minutes for exiting the room while the judges score the team). This presentation describes how a SAGE team’s activities have met the four judging criteria.

The SAGE World Cup will take place in August 2011. The first place winner of each of the two SAGE National competitions is invited to the ninth Annual SAGE World Cup. Please refer to the SAGE web site for continuous news and updates.

Written Annual Report

The written report is the first impression the judges get of your year’s work. Make your report easy to follow by clearly identifying sections with the corresponding judging criteria. Samples of annual reports can be downloaded by going to <http://sageglobal.org>.

Please make sure the report is written in ENGLISH.

Suggestion: make sure someone who is very fluent in English proofreads and edits your report. A SAGE consultant or mentor available by e-mail can tell you whether your report would need editing, after which somebody at your school or in your community would proofread.

Written annual reports are limited to a total of four (4) printed pages on 8 ½ by 11 paper (or two pages front to back). If your team uses a cover or back page it will count as one of those four pages.

You may also attach copies of any newspaper coverage, and other evidence of media attention, of your activities. It would be helpful for the growth and prestige of our organization if SAGE is mentioned in the article. You may also attach sample newsletters and photos of billboards, etc. Also, presenters may distribute their personal business cards.

Teams may NOT distribute copies of business plans or letters of commendation. Violation of this rule will result in an automatic 5-point deduction from the total of 40 points available for the written annual report. Additionally teams can display their products but may not give gifts to judges.

Your team should bring 40 copies of your team’s annual report to be handed out to the SAGE judges.

During the ten minute setup period, we urge your team to display the annual report on the computer projection screen, one page at a time, so that judges and other audience members can see the report.

Oral Presentation

Competition presenters should write their own parts of the presentation so they are very familiar with the contents. Visual documentation should accompany the oral presentation. Presentations vary, with teams using slide projectors, video monitors, or computer presentations for visual documentation. You may want to ask the college mentors, your BAB, or your speech and drama teachers

at your school to critique your presentation and make suggestions for improvement. Presentation team members need to be familiar with EVERY activity.

For non-English speaking SAGE teams advancing to the SAGE World Cup, we urge you to speak in your native language if you do not speak American English with an American accent. If you choose to use your native language, we will allow as much time as needed in order for your interpreter to translate your verbal presentation into English.

Presentation Details

Each SAGE team will be given a 35-minute time block at the competition. During the first 10 minutes teams will immediately display their annual reports on the computer projection screen. While the judges are reading the annual reports, the team will set up its equipment, set up props, etc. The team will then have 13 minutes to give their oral/audio-visual presentation, followed by a 7-minute mandatory question and answer period. Finally, in the last 5 minutes, students will remove all their equipment and exit the room while the judges score the team.

Anyone (including the SAGE Coach/Teacher/Adult Ally) may assist the team with set up or operation of AV equipment. However, only the student team members may participate in the presentation or answer questions from the judges.

While we encourage SAGE teams to demonstrate their products during the presentation, teams should be careful not to use harmful ingredients or techniques that may create problems with the conference venue. If the presentation materials appear to be in violation of this rule, in the opinion of the league coordinator, the team will be banned from using such ingredients or techniques.

Presentation Equipment Provided by the SAGE Host

1. one large screen and two extension cords
2. a visual projection system compatible with PCs (not MACs)

Every effort will be made by the host university to supply the proper computer equipment, but it is a wise idea to bring your own laptop and visual projection system to be on the safe side.

Practice time in practice rooms

Every effort will be made by the SAGE tournament host to allow SAGE teams to practice time in designated practice rooms. Teams should be respectful of other teams, and only remain in the room for 15 minute periods unless no other teams are waiting.

General Information

1. Except for the annual report (and media, if any), the only other items that can be handed out are business cards of SAGE team members. However, teams may display products by holding them up during and after the oral presentation.
2. If you are using PowerPoint or other presentation software, please save your presentation on a zip disk and/or CD, to be loaded onto the computer in the presentation room. Make sure your presentation file is PC compatible (not Macintosh).
3. Members of local TV, radio, or newspaper media have full access to all presentation rooms at any time. All teams should be prepared for the possibility of the media taking video or photos of their presentation.

SAGE World Cup 2012

The host country for the tenth SAGE World Cup will be decided on or before April 1, 2012. We will provide details as soon as we get them. Candidate cities as of September 2011 include Dublin, San Francisco, London, or Rio de Janeiro.

Two SAGE teams from each country are invited to the World Cup: one who wins the national SEB competition, and the other who wins the best SRB competition. No second place teams are invited, unless they attend as observers and pay for their own expenses. No exceptions will be made.

Expenses

The SAGE host, working with SAGE Global, intends to pay for a minimum of three days for meals, and three nights for lodging for each official country delegation. An official delegation consists of eight people, plus the national coordinator, if the country brings two SAGE teams to

compete. If the country brings only one team to compete, SAGE will pay four people plus the national coordinator.

By all means, we encourage others to attend as observers, but they must pay their own food, lodging and miscellaneous expenses. Observers will be charged a fixed fee for the entire event. No pro-rated fees will be made to observers desiring to participate in only some of the activities.

Airfare, visa fees, and ground transportation to and from the airport at the host city are the responsibility of each national delegation.

The eight special competitions for Best Enterprises Addressing the UN Millennium Development Goals (MDGs), however, will be continued. As in prior years, we may offer special additional special awards at the World Cup.

Overall Awards and Prize Money

The SAGE World Cup champion, the first runner-up and the second runner-up teams in the SRB category will win prize money of \$2,000, \$1,000 and \$500, sponsored by the Ken Grossman Family. Likewise, the top three teams in the SEB category will also win prize money of \$2,000, \$1,000 and \$500. The sponsor, if any, is yet to be determined. Details are below.

The Grossman Family (Ken Grossman and Katie Gonser of Chico, CA) has established three special awards to be presented at the International SAGE competition each year.

1. The awards will be given to the SAGE World Cup Champion (Gold Medal), First Runner-Up (Silver Medal) and Second Runner-Up (Bronze Medal) in the SRB category.
2. SAGE World Cup judges will select the top three awards. The awards will be as follows:
 - US \$2,000 for the first-place team
 - US \$1,000 for the second-place team
 - US \$500 for the third-place team
4. The prize money must be used by the winning teams to defray the expenses associated with attending the international competition and/or be invested in their business ventures.
5. The three winning teams will also receive trophies and/or plaques.

6. The three winning teams will be featured on the web sites maintained by SAGE.

Mr. Jerr Boschee, Founder and Executive Director of The Institute for Social Entrepreneurs (www.socialent.org) has established a prize money fund to make awards to the top three teams at the World Cup each year. The prize money associated with the award is donated by Mr. Boschee and his wife, Linda Ball; by Mr. Boschee's brother, Ken Boschee, and his wife Jean; and by Jerr Boschee's long-time friend, Christopher Klose, and his wife Claudine.

1. The awards will be given to the SAGE World Cup Champion (Gold Medal), First Runner-Up (Silver Medal) and Second Runner-Up (Bronze Medal) in the SEB category.
2. The awards will be as follows:
 - US \$2,000 for the first-place team
 - US \$1,000 for the second-place team
 - US \$500 for the third-place team
3. The International Award has been established in memory of Jerr and Ken Boschee's father, Arthur Boschee, and in memory of Linda Ball's mother, Evelyn Ball. Arthur Boschee (1910-2000) and Evelyn Ball (1910-1993) were both successful small business entrepreneurs who took significant risks while building their businesses and had an abiding concern for the welfare of others.
4. The prize money must be used by the winning teams to defray the expenses associated with attending the international competition and/or be invested in their business ventures.
5. The three winning teams will also receive trophies and/or plaques.
6. The three winning teams will be featured on the web sites maintained by SAGE and by The Institute for Social Entrepreneurs. A press release announcing their selection and describing their business ventures will also be sent to other print and electronic publications.

Special Competition Awards and Prize Money

The eight special competitions for Best Enterprises Addressing the UN Millennium Development Goals (MDGs) will be continued. Details are as follows:

The SAGEGLOBAL Home Office has established eight special awards to be presented at the SAGE World Cup competition in 2012.

Did you know that more than one billion people around the world still survive on less than one US Dollar per day? Extreme poverty is a fact of life for more than 1 in 7 people on our planet, and youth have the creativity, drive and ingenuity to do something about this woeful statistic. In order to encourage SAGE teams to design social enterprises targeting the MDGs, we have created eight new special awards corresponding with each individual Millennium Development Goal (MDG).

On September 8, 2000, the United Nations General Assembly passed resolution 55/2 called the Millennium Declaration, which outlined eight Millennium Development Goals (MDGs) to be met by 2015. These goals are:

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a global partnership for development

Kofi Annan, who was the Secretary-General of the UN at the time the MDGs were announced, said that these goals can be achieved, however, “only if we break with business as usual.” Through these eight special competitions, we encourage all SAGE teams to create business and social ventures that address the MDGs. Our philosophy here is that social entrepreneurs must be as resolute and focused in the area of human development as free market entrepreneurs and capitalists are in the area of wealth development.

1. One award will be given for each of the eight goals to a SAGE team participating in the SAGE World Cup competition; the team must have successfully developed and launched a business and/or social venture that best meets the targeted MDG Goal.

2. SAGE World Cup judges will select the top award in each category.
3. The award for each category will be \$400 per MDG.
4. The prize money must be used by the winning teams to defray the expenses associated with attending the international competition and/or be invested in their business ventures.
5. The winning teams will also receive certificates to be displayed in their schools.
6. The winning teams will be featured on the web sites maintained by SAGE. A press release announcing their selection and describing their MDG ventures will also be sent to other print and electronic publications.

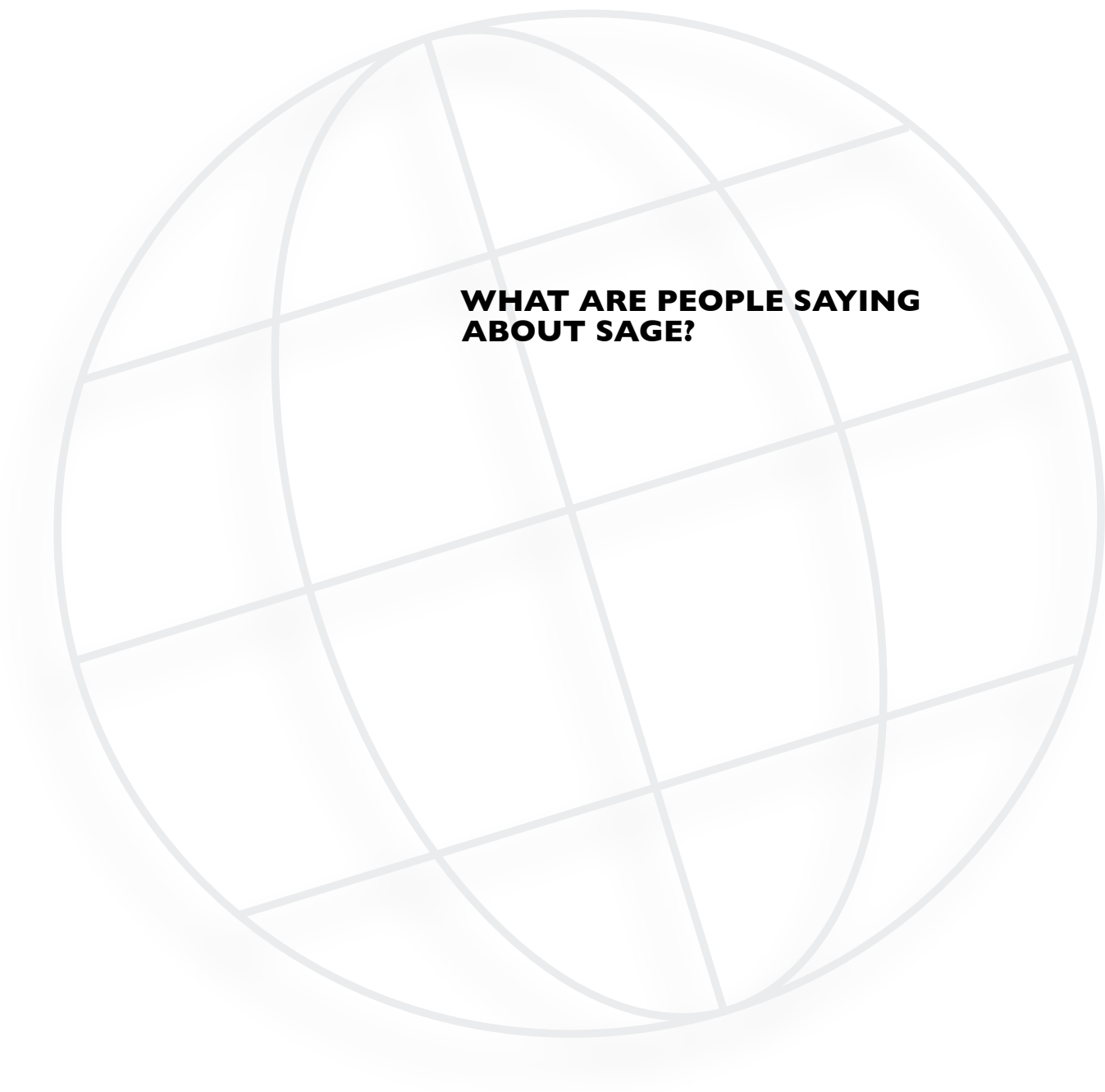
Judges will base their decisions on the following criteria:

1. Did the team clearly indicate which MDG they are targeting by their project/activity/venture? (10 points)
2. Did the project have a clear statement of goals and objectives before they were undertaken? (20 points)
3. How creative and innovative was the project? (20 points)
4. How sustainable is the project? (20 points)
5. How did the SAGE team measure social impact? (20 points)
6. How well did the students utilize their media outlets to create awareness of this activity and the importance of their intended message(s)? (10 points)

To learn more about the MDGs, and also to see examples of the kinds of projects that youth are doing to address the MDGs, please download “Only With Your Voice: MDG Youth Action Guide” at http://tig.phpwebhosting.com/themes/mdg/action_guide_en.pdf.

This guide was created by young people, and they have offered it to anyone who wants to make the world a better place or link up with movements already happening in their country.





**WHAT ARE PEOPLE SAYING
ABOUT SAGE?**

WHAT ARE PEOPLE SAYING ABOUT SAGE?

“When I began SAGE as a sophomore, I was shy and quite afraid of public speaking. Through SAGE, not only was I able to gain confidence but I was able to start my own business and help people around the world.”

—Allie Marasco, SAGE student, 2009–2011, Co-owner, *Small World Publishing*

“In my humble opinion, the U.S. Mission accomplished more with a few hours of our time and a couple hundred bucks than we accomplished with the entire foreign aid budget for Africa in a year. In short, the SAGE staffs are my heroes because you don’t talk about changing the world, you’re doing it!”

—Rich Shields, former Financial Management Officer, U.S. Mission to Nigeria

“Unemployment is a big problem in Nigeria, especially amongst our youth. What SAGE does is give young people the training and skills needed to run businesses and make money, and then in going forward to become employers themselves.”

—Dr. Abdu Mukhtar, MD and CEO of *Abuja Investments Company*

“I am proud that I represented my college and country. This programme has inspired me to start thinking about starting my own business and it has also helped me to be more creative and innovative, I am also considering going to university in America which I would have never considered before. I have also been able to utilise what I have learnt from the project to improve my grades.”

Omar Ahmad, SAGE Student, 2011, *John Ruskin College, England*

“It is inspiring to see how SAGE has motivated schools, teachers and students to participate in entrepreneurial ventures, learning and experiencing all aspects of business, while simultaneously focusing on profit, social responsibility and civic engagement globally.”

—Allen King, Founder, *Excellent Packaging and Supply, Richmond, CA*

“Before SAGE, I wanted to be a doctor. Now, I want to build high schools.”

—SAGE student from Nigeria; name and school are unknown



SAGE in the Media

Based on the results of the national and international SAGE programs the past few years, we have received outstanding state and national attention this past year. Recent examples include:

<http://allafrica.com/stories/201108050264.html>

<http://www.csuchico.edu/news/current-news/09-1-11-12-countries-represented-in-9th-ann-global-entrepreneurship-competition.shtml>

<http://www.buffalonews.com/life/next/article548923.ece>

<http://www.sagenigeria.org/>

Also consider the following:

SAGE Nigeria article

<http://www.punchng.com/Articl.aspx?theartic=Art2010061812355620>

SAGE USA article (Santa Monica)

http://www.smdp.com/Articles-c-2010-06-20-69829.113116_Samohi_entrepreneurs_headed_to_South_Africa.html

SAGE USA article (Benicia High School)

<http://beniciaherald.wordpress.com/2010/05/06/bhs-entrepreneurs-named-state%E2%80%99s-best-again/>

SAGE Nigeria

<http://allafrica.com/stories/200908241042.html>

Sultan Kudarat students invent 'new' cement block

Manila Bulletin: <http://www.mb.com.ph/node/216005/>

RP roars back as Mindanao HS wins in int'l business tilt

Manila Bulletin: <http://www.mb.com.ph/articles/219007/rp-roars-back-mindanao-hs-wins-int-l-business-tilt>

Teens take business model to Brazil

Times-Herald, Vallejo, CA: <http://www.allbusiness.com/government/government-bodies-offices-regional/12590769-1.html>

Rippling out from Chico, SAGE takes entrepreneurship to a new level

Chico News & Review: <http://www.newsreview.com/chico/content?oid=907104>

Here, you will see a 10-minute video documentary, accompanied by an article titled, "Students Make a Business of Learning." This article and video were launched in September 2003

George Lucas Educational Foundation: <http://www.edutopia.org/students-make-business-learning>

Nigerian School Repeats as Global Entrepreneurship Champion; Santa Monica High Wins Third Place in Competition, 8/20, 2008

California State University, Chico: <http://news.csuchico.edu/2008/08/20/nigerian-school-repeats-as-global-entrepreneurship-champion-santa-monica-high-wins-third-place-in-competition/>

SAGE Videos on the Web

<http://www.youtube.com/watch?v=-cIIQwNxozM>

<http://www.edutopia.org/student-entrepreneurship-high-school-video>

http://www.youtube.com/watch?v=VMRlv8Qf-r4&feature=player_embedded

<http://www.youtube.com/watch?v=8791QHlea-4>

<http://www.youtube.com/watch?v=z5mgcxHwkec>

<http://www.youtube.com/watch?v=dGyYIvrLvWU&feature=related>

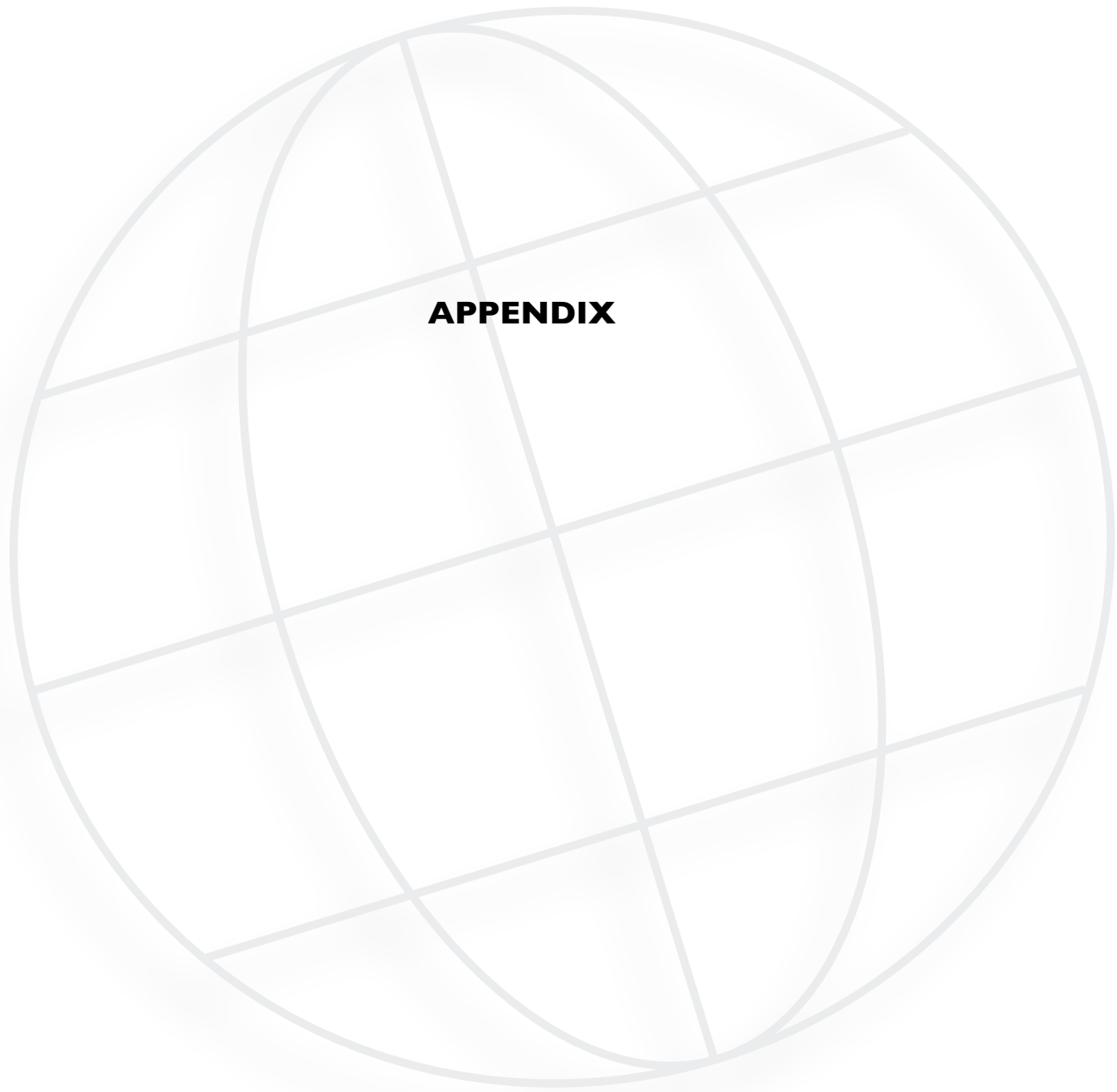
<http://www.youtube.com/watch?v=aLaLSaDTEh0&feature=related>



SAGE

GLOBAL

Students for the Advancement
of Global Entrepreneurship



APPENDIX

Summary and Justification of Major Changes

Effective 2011–2012

After considering input from all key stakeholders, SAGE will continue with two competition categories. Teams may start and/or continue entrepreneurial businesses in either of one of two main categories:

- 1. Socially-responsible businesses (SRBs)**, seeking financial profits as their primary emphasis;
- 2. Social enterprise businesses (SEBs)**, emphasizing solutions to social problems as their primary mission, while

recognizing that an earned income strategy is the only way to financially sustain the business over time. This category includes for-profit and nonprofit social enterprises. A nonprofit social enterprise is not the same as nonprofit organization (NPO or NGO). For an organization to be considered a viable SEB, it must not rely solely on grants, fundraisers donations, and public sector subsidies. Therefore, to be competitive as a SAGE SEB, the organization must show that it has a long-term strategy that includes earned income. The success of this strategy will transform the organization into a social enterprise business.

Below is a summary of the two categories.

I. Socially Responsible Business	I. Social Enterprise Business
SRB (emphasis on earned income)	SEB (emphasis on social impact, but must strive for earned income)
A for-profit enterprise with customers who pay for its goods or services	A for-profit or nonprofit enterprise that explicitly intends to address a social problem by using earned revenue strategies; this may be any type of business so long as: <ul style="list-style-type: none"> • its products or services themselves directly address a social need and are paid for by customers (i.e., acustomer-focused social enterprise), OR • it employs a significant number of the people it serves—at least 50 per cent of the company's direct labor force (i.e., an employee-focused social enterprise)
Focus is on financial profits derived from paying customers *; these profits are known as earned income	The focus is on providing social value but with a strategy in place to eventually achieve sustainability through earned income During the startup phase in both types of businesses, financial resources may also include a mixed revenue stream that includes “unearned income” (e.g., donations, fundraisers corporate grants, charitable contributions from philanthropists, public sector subsidies) to help meet expenses At least 50% of the financial resources during the first year of business must come from earned revenue and the business must have a clear plan to eventually achieve profitability from earned revenue alone
Must operate the business in a socially-responsible manner	Acts on opportunities to fulfill the unmet needs in society; metrics other than only net income are needed to measure impact; these metrics measure outcomes, not inputs
Focus is on classical entrepreneurship; structured as a for-profit business in the private sector	Emphasis is on making an impact by innovatively addressing a social problem

We have made four substantial changes:

Change # 1: Distinguishing Between a Nonprofit Social Enterprise and a Nonprofit Organization

We considered changing the SEB category to a pure, nonprofit organization category, but decided not to do this because we believe that an enterprise must have some type of earned income strategy to be considered entrepreneurial. Enterprise can be defined as follows:

Enterprise (noun)—a business entity that seeks to add value to society by seeking financial profits as its primary emphasis, or by making a social impact as its primary emphasis; in both cases, the entity must strive to earn income in order to provide long-term financial sustainability.

There are two types of enterprises:

a. Business enterprise: An entity that sells goods or services to paying customers (e.g., a for-profit commercial entity in the private sector); its primary emphasis is to make a financial profit;

b. Social enterprise: A for-profit or nonprofit enterprise that explicitly intends to address a social problem by using earned revenue strategies; this may be any type of business so long as:

- its products or services themselves directly address a social need and are paid for by customers (i.e., a customer-focused social enterprise) OR
- it employs a significant number of the people it serves—at least 50 per cent of the company's direct labor force (i.e., an employee-focused social enterprise).

The focus is on providing social value but with a strategy in place to eventually achieve sustainability through earned income. During the startup phase in both types of businesses, financial resources may also include a mixed revenue stream that includes “unearned income” (e.g., donations, fundraisers, corporate grants, charitable contributions from philanthropists, public sector subsidies) to help meet expenses.

Please don't be confused about terms. By our definition, a “nonprofit social enterprise” is required to earn income. Contrast this with a nonprofit organization (NPO) or a nongovernment organization (NGO) that derives all

financial resources from unearned income. NPOs and NGOs are valuable to society, but rely mostly on charity, fundraisers, philanthropy, and government subsidies to ensure financial sustainability. NPO and NGOs, for the most part, are fundamentally not constructed to run efficiently, and often times fail to meet their original mission. Without an external market for its social goods and services as a motivating factor, the mission often becomes one of continued employment for the people originally hired to run the “business” and a need to increase “income” through grants and donations.

Why do we emphasize such a distinction? One of SAGE's greatest supporters is its former Chairman of the Board, Mr. Jerr Boschee. Boschee described this well in his book called, *Migrating from Innovation to Entrepreneurship* (2006). On page 12, he says, “Without self-generated revenue, NGOs remain forever dependent on the generosity of others, and that is a risk that social entrepreneurs are unwilling to take. They are passionately committed to their mission—but they are just as passionately committed to becoming financially sustainable or self-sufficient in order to do more mission!”

Though many of SAGE's stakeholders indicated a preference to keep two competition categories as SRB and SEB, some preferred the categories to be SRB and NPO/NGO. We decided not to make NPO/NGO as a separate category because we want to encourage SAGE teams to start enterprises that are not merely charities or community service organizations. What sets SAGE apart is that we are about enterprise and entrepreneurship, not public service or charity. In order to “do real good projects” rather than “feel good projects,” we insist on the earned income strategy.

SAGE teams who have previously structured themselves as nonprofit organizations are now asked to step beyond their status as a nonprofit organization to become a nonprofit SEB. Therefore, during the startup phase of a for-profit or nonprofit SEB, financial resources may also include a mixed revenue stream that includes “unearned income” (e.g., donations, fundraisers, corporate grants, charitable contributions from philanthropists, public sector subsidies) to help meet expenses. However, at least 50% of the financial resources during the first year of business must come from earned revenue and the business must have a clear plan to eventually achieve profitability from earned revenue alone.

Change # 2: Change in Judging Criteria

Starting in 2011–2012, there are four new judging criteria, and each criterion has an equal weight. The new criteria are similar to prior years, but put additional emphasis on innovation, impact and continuation of the business beyond the school year. The written annual report will remain at 40 points, the oral presentation at 40 points, and the question and answer period at 20 points.

Teams that enter the Socially-Responsible Business (SRB) tournament should do their best to meet the following four judging criteria:

Socially Responsible Business (SRB) Judging Criterion	Written Annual Report	Oral Presentation
1. How innovative and creative is the business? Does this business have features which few, if any, other businesses have, which add to the success of the business?	10	10
2. What is the amount of profit of the business (e.g., has it achieved profitability through earned income? Or has it defined a believable path toward profitability)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring?	10	10
Total Possible Points	40	40

Teams that enter the Social Enterprise Business (SEB) tournament should do their best to meet the following four judging criteria:

Social Enterprise Business (SEB) Judging Criterion	Written Annual Report	Oral Presentation
1. Does the business have measurable and proven impacts ? Has the organization succinctly defined exactly what change it is trying to achieve? How has the organization measured the desired changes, and demonstrated that they are caused by the actions/interventions of the organization?	10	10
2. What are the community resources obtained by the business in helping it achieve its mission, and how were these resources employed (e.g., earned income; sources and uses of unearned income; cooperation from community organizations, volunteers, local government; note: at least 50% of the financial resources during the first year of business must come from earned revenue and the business must have a clear plan to eventually achieve profitability from earned revenue alone)?	10	10
3. Has the business exhibited sustainable business practices ? Does the business meet the needs of the present without compromising the ability of future generations to meet their own needs? Has the SAGE team understood the importance of being responsible stewards of the environment in a market economy, either through its products or services, or by its actions in the community?	10	10
4. Is there evidence that the business has a succession plan in place? In other words, has the team demonstrated that the business continue after the current year? Will the team carry on over the summer, winter and spring? Is there a chance that this organization's effectiveness can be expanded locally and replicated in new settings?	10	10
Total Possible Points	40	40

Change # 3: Focus on One Primary Business

SAGE teams must operate only one primary business (SRB or SEB) during the year, and not claim separate, ancillary activities as separate parts of the business unless it is directly related to the primary business. Several judges last year commented that some teams operate more as a “club” rather than a “business.” To avoid this, we explicitly mandate that a team must describe its one and only SRB or SEB. They should present the business model and address the judging criteria in their presentations, If SAGE teams choose to

complete any peripheral activities, they must demonstrate the importance of these activities in meeting the primary business mission.

Change # 4: Emphasis on Student-Driven Businesses

The SRB or SEB should be student-driven, student-organized, student-designed, student-developed, and student-presented. Of course, we encourage adults, including teachers, business advisers, parents and university mentors, to play key roles (especially in helping the business

obtain start-up capital, and providing consulting and mentoring services after the business is launched). However, their direct participation in the business should be minimal. Accordingly, the coach/teacher overseeing a SAGE team will be required, starting in 2012, to complete a form similar to the SAGE Judges Oath, attesting to the fact that the SAGE team was student-driven and that the facts presented in the written and verbal presentations have not been overstated, embellished or manipulated.

As in prior years:

- Teams will no longer need to be linked to a secondary school; however, it will be necessary for each team to identify and work with a legitimate sponsoring organization and with a designated adult supervisor appointed by the organization (e.g., a secondary school, a service organization such as a local Rotary or Lions club, a local non-governmental organization such as the Boys & Girls Club, a local Church/Temple/Mosque, a local Chamber of Commerce); the sponsorship will not have to be financial, but will have to be significant in some way
- Each team will consist of at least three contributing teenagers; thus, a high school or organization may sponsor several SAGE teams
- Each country will have the option of continuing sub-national competitions

While every SAGE national program is encouraged to use its own discretion in determining SAGE team eligibility, we urge each country to adopt a system where a SAGE team is eligible to participate only if it meets certain benchmarks throughout the year (*note: this handbook provides a blueprint by describing how the SAGE USA program will be run*).

- Each country will mount a marketing campaign at the beginning of the academic year to make sure teenagers throughout the nation are aware of the opportunity to compete in the SAGE tournament(s); the nature of the campaign will of course differ from country to country, but will include both traditional and social media; a second marketing campaign will be directed at potential sponsoring organizations, urging them to seek out and adopt one or more teams
- Each team will be allowed to enter just one of the two competitions and can only enter the same business for a maximum of 3 years (*note: we do this in order to prevent*

long-term dominance by a single team; also, once a business is established, simply adding new products or services does not make the business a new one); as 2010–2011 was a transition year, all businesses re-entered into the competition will be considered a YEAR 2 business.

- Each country will send one winning SAGE SRB team and one winning SAGE SEB team to the World Cup; however, if a country conducts only one competition, only the winning team will qualify for the World Cup.

A number of special awards will still be given at the World Cup in both competitions (e.g., best business ventures addressing the Millennium Development Goals); each country can also present whatever special awards it desires during its national and/or sub-national competitions

Note that each team has a 35-minute time slot. To review, the format and weightings are:

- 10 minutes: Judges read and score the written annual report (40 points maximum)
- 13 minutes: Judges observe the oral presentation
- 7 minutes: Judges pose questions to the SAGE team (*note: for teams that need translation services, this time will be extended as needed*)
- 5 minutes: Judges score the oral presentation (40 points) and how well students responded to judges' questions (20 points) as presenting team exits the room.

The minimum and maximum age requirements for student presenters for their SAGE team must be between the ages of 13 and 19. Specifically, a student must be at least age 13 years old on or before June 30, 2012 and no older than 19 years old on or prior to June 30, 2012.

Justification: SAGE is a global community of teenage entrepreneurs; thus, the main target audience is a student between the ages of 13-19. However, in some countries, a SAGE team member may be as young as 12 or, perhaps, older than 20. In order to focus on our target, we need to set boundaries. For a youngster to be a member of a SAGE presentation team, he or she must be at least 13 years old or no older than 19 years old on June 30, 2012.

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