It is often said that students’ most important lessons are those learned outside the walls of the classroom. In May 2009, a group of Baylor students, staff and professors will not only learn about, but experience social entrepreneurship in a classroom half a world away from the Hankamer School of Business — and that classroom is Africa.
AFRICA IS THE DESTINATION, BUT THE JOURNEY BEGINS ON THE FIRST FLOOR OF HANKAMER IN SUITE 106 WITH BUSINESS SCHOOL ACADEMIC ADVISOR, MELANIE SMITH.

Smith became involved with African missions after being inspired by her daughter, Katie, who worked for an organization called Invisible Children after her freshman year in college. Katie challenged her entire family to become more involved in mission work for Africa. “She opened my eyes to what is in Africa and how resilient the people are,” Smith said.

Smith decided to incorporate her daughter’s love for Africa with her own work at Baylor as an academic advisor and the advisor for the Baylor Business Women group. She led the organization to provide more study abroad opportunities for students, and in May 2007, Smith traveled with a Baylor group to Kenya to explore opportunities for a social entrepreneurship course with microfinance ministries there.

They visited ministries in the Kibera and Mathare Valley slums where microfinance companies were experiencing success, along with visiting HIV AIDS testing and guidance centers, where women were not only getting medical help but also microfinance loans. “We found business in Africa to be a message of hope to those that are impoverished,” Smith said.

During her trip to Kenya, Smith saw the success stories of those who have received microfinance loans. She met a young man who went from being a pickpocket on the streets to opening his own pastry business, selling pastries on the street corners in Nairobi and singing in a praise band at the City Harvest Church. She also met a woman who was homeless who received a loan and is now able to have a home for her children by selling homemade lace wrapped soaps to local hotels.
The success of these small loans not only affects the lives of individuals, but entire communities. Smith saw this when she visited the Kazuri Bead company, which employees single mothers who make jewelry from clay by hand. The women’s jewelry is now sold at Harrods of London, and Smith even brought some back to be sold in Waco. “I saw microfinance transform lives both financially and spiritually as it restored integrity to the lives of those involved,” she said.

In May 2009, Smith will once again journey to Africa, specifically Rwanda, as an advisor with a group of Baylor students and professors. The experience will be part of a new social entrepreneurship program at Baylor directed by Baylor professors Colene Coldwell, a senior lecturer in Finance; and Kendall Artz, director of the Baylor Entrepreneurship Program.

The students will spend two and a half weeks taking classes and experiencing the success and struggles of those granted microfinance loans. Students will receive six credit hours for two courses, ENT/MGT 4353: Social Entrepreneurship and Economic Development and ENT 4380: Social Entrepreneurship: Microfinance and Economic Development in Africa.

Students will also get to experience first hand how microfinance companies work by visiting Urwego Opportunity Bank, which is one of the largest microfinance banks in Africa, and the businesses that were started with support from bank lending.

“While it is possible to discuss the concept and value of microfinance in a classroom setting, it is difficult for many students to fully appreciate and understand the immense challenges and barriers to success that are encountered by individuals or firms that are undercapitalized. While we have poor in America, most students have only a very limited concept of what extreme poverty really means until they can actually experience it by meeting and working with the ‘poorest of the poor,’” said Coldwell.

The hope is that students not only open their eyes to the challenges and unique characteristics of small and emerging enterprises in such a challenging economic environment like Africa, but also that the students become equipped to do something about it by understanding and becoming involved with microfinance organizations.

Coldwell said it is also important to help the students gain an understanding of “the history and reasons for the rapid development of microfinance as a vehicle for economic and social change around the world, and to understand the various challenges facing microfinance institutions and to be able to offer potential solutions.”

Like Smith, Coldwell has also chosen to take part in this experience because she sees the future of new possibilities for the individual citizens of impoverished nations through microfinance loans. “It is a way that I, as a business professor, can use my knowledge to play a part in facilitating the entrepreneurial, bottom-up economic growth that has been shown to be effective in helping alleviate poverty. All of us hope to play a small role in helping that transition.”

Two students who have already signed on for the trip to Rwanda are Arlington junior Rachel Hill and Kingwood junior John Maxwell. Both are majoring in Entrepreneurship, and are eager to see how the micro financing they learn about in the classroom helps impoverished citizens in countries like Rwanda.

Maxwell decided to sign up for the trip after an advising session with Smith. “I want to play a role in helping Rwanda recover from one of the most unprecedented acts of violence the world has ever known,” he said. “I am interested in seeing how small loans, by American standards, can transform the lives of the Rwandan people.”

Hill said she became interested in Rwanda after all of the media attention regarding the violence and disparity there. “More than anything, I hope to learn how to have a heart for others and how I can be a servant,” she said. “I want to learn how to apply what I’ve learned at Baylor in Africa and see what I can do for these people.”

However, she acknowledges that while she may make an impact on the country she visits, the Rwandan people may have a much more powerful effect on her. “I have heard from many people that you think that you will be going to Rwanda and impacting the people, but the people will be the ones impacting your life. I hope to learn a lot from their culture and learn to be more grateful for what I have. I can’t say it enough how blessed I am that Baylor has opened these doors for me in Rwanda.”

For Smith, her journey to Africa will come full circle when she returns with this new group of professors and students. “It has been inspiring to see young people training to enter the business world and not only be concerned about what their future salary will be. It has been inspiring to see them care about the world and how they can help using their business knowledge.”
While students, faculty and staff travel to Africa, more Baylor representatives are looking to positively impact other countries as well. And one group of professors is working to bring “green” environmentally sustainable pico hydroelectric power plants to Honduras.

Greg Leman, Entrepreneurship professor, is partnering with Engineering professors Brian Thomas, Bill Jordan, and Kwang Lee to build pico hydropower plants in Honduras with a $50,000 grant from the National Collegiate Inventors and Innovators Alliance (NCIIA). The end goal for the project is to create Village Energy, a micro franchise that is self-sustainable. Leman, director of University Entrepreneurial Initiatives and the Curtis Hankamer Chair in Entrepreneurship, was brought on to the team due to his business and entrepreneurial experience to help in the creation of the future micro franchises.

The main goal in the creation of the power plants is to improve the quality of life for the communities where the plants are built. The plants provide over 25 times as much light per dollar as kerosene burning lanterns—lanterns which burn soot that is unhealthy to breathe.

The plants will provide an environmentally friendly alternative, and are being built on the north central coast of Honduras, an area with mountain ranges and a wet climate. The region’s waterways are what enable the building of the hydropower plants. Small systems are built right into the rivers without using damming. The energy of the water flow is captured by a small propeller, called a turbine. The turbine spins in the stream of water, turning an electric generator, which in turn generates electricity. This totally eliminates the need for use of fossil fuels.

“Hydropower is almost pure green,” Leman said.

From an economic perspective, these plants also provide jobs and opportunities for local citizens to start their own businesses now that they have access to cheaper and cleaner power.

“Village Energy will create and refine replicable, low-tech means of creating power generator options for remote villages, and will maintain the needed infrastructure for selling, installing and maintaining them,” Leman said.

Each individual village will have its own local “owner,” or franchisee. The owner will profit the remaining income after costs and payments back to the Village Energy corporation. The owner or franchisee will also in the future have the opportunity to fully own the franchise by purchasing it from Village Energy using collected profits. Leman said Baylor alumnus Ryan McGhee will be running the Village Energy operation out of Honduras. McGhee recently completed the joint MBA/ME (engineering) program.

“Village Energy will, in effect, loan the franchise fee to the villager, and then work with them through the transition to ownership,” Leman explained, making this micro franchise not only sustainable, but a clear example of the positive effects of social entrepreneurship.

“Our involvement in this work has been evolving from simple humanitarian aid to entrepreneurial development work over the last few years,” Thomas said. “But we have always desired to use the engineering and entrepreneurial gifts God has given us into service for the poor.”

Village Energy is a true collaboration of business and technology—a collaboration that enables Baylor students and professors to use their skills and gifts to help those less fortunate than themselves. Currently two plants have been built in Honduras, and the goal is to build ten more in the near future.