



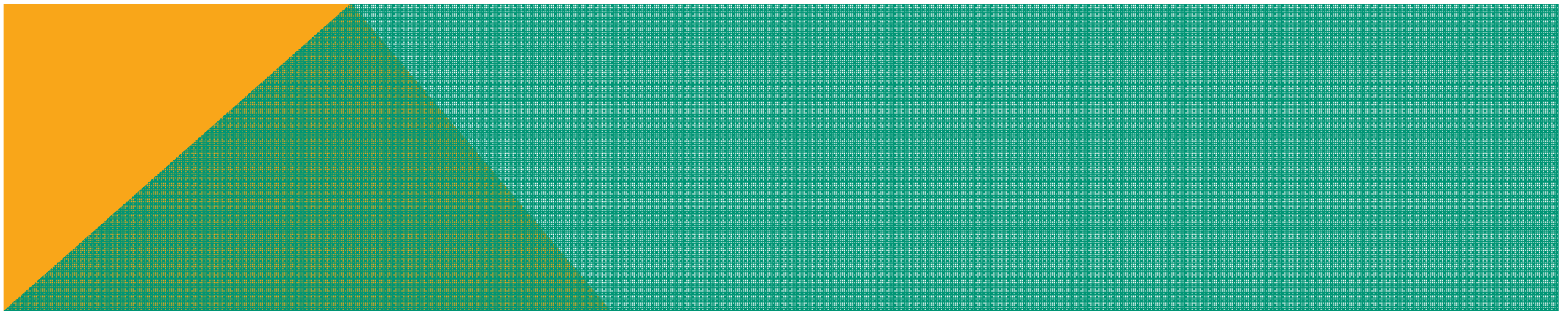
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How to apply SROI in a qualitative manner?

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**Hong Kong Institute of
Social Impact Analysts**



**Promoting Social Impact
Assessment in HK and
around the Region**

**Social Value International
(based in UK)**



**Promoting SIA and
Social Value Accounting
around the Globe**

Introduction: What Is SROI?

1. A Financial Ratio (**Output Value/Input Value**) (e.g. 7:1)
2. A Social Impact Measurement Tool (**the SROI Value Map**)
3. A Principles-based Framework (**Social Value Principles**)
4. A Global Governance System (Generally Accepted Social Accounting Principles, or SGAAP) governing social value measurement and reporting for all kinds of organizations and activities (**Yet to realize, but it's the ultimate goal!**)

What Is SROI?

- SROI is a **principles-based framework** for identifying and managing value for stakeholders affected by projects, activities or services
- There are currently seven generally accepted principles recognized by SROI, known as the **Social Value Principles**
- Like generally accepted accounting principles (GAAPs), the Social Value Principles are subject to review and regular updates and revisions

Social Value Principles on **Conducting** and **Reporting** SIA

- 1. Involve stakeholders**
- 2. Understand what changes**
- 3. Value the things that matter**
- 4. Only include what is material**
- 5. Do not over claim**
- 6. Be transparent**
- 7. Verify the result**

What Is SROI: Quantitative vs. Qualitative

- SROI examines both the *qualitative* and *quantitative* relationship between inputs (activities performed) and impact (change in wellbeing)
- As a set of principles applied in a standard framework, SROI is both *quantitative* and *qualitative*
- In a standard SROI, the analyst produces an **SROI Value Map**, which offers a framework to monetize the social impact of a project (both positive and negative) in financial terms and compare it with the cost incurred

What Is SROI: Quantitative vs. Qualitative

- If applied quantitatively...
 - The **SROI Value Map** is in essence a financial modeling (impact modeling) of change of wellbeing as experienced by stakeholders because of the program intervention
 - It could be regarded as a kind of **Cost-Benefit Analysis** (CBA) but it is governed by a set of SROI principles that borrow insights from **financial accounting** and **sustainability reporting**

Applying SROI Quantitatively

- The analyst constructs an **SROI Value Map** which is a discounted cash flow analysis that compares **total value creation** to **total input costs**, to derive **net value creation** and an **SROI ratio**
- The **Impact Modeling** of a standard SROI analysis tells the story of how certain policy or program interventions managed to produce both financial and extra-financial outcomes

The SROI Value Map (影响力图)

投资的社会回报——“流动餐车”项目影响力图 (示例)																								
组织	“流动餐车”项目														姓名									
目标	为30位年长的本地居民提供午餐, 通过本活动能带来居民健康的提升等社会效益。														日期									
范围	活动	为入选的长者和/或有残障的本地居民提供30个空位, 每周6天, 每年50周				活动目标					时间周期	1年 (2010)												
	合同类项目/资助类项目/机构自身项目	地方政府资助				分析范围					分析类型	预测型												
阶段 1		阶段 2				阶段 3				阶段 4				阶段 5										
利益相关者	预期/非预期变化	投入		产出	成果	成果 (发生了什么改变)							影响力				计算社会回报							
		描述	价值 £			描述	指标	来源	数量	持续期	等价物	定价 £	信息来源	高潜力因子 %	归田因子 %	表减因子 %	影响力	贴现率 3.5%	第一年 (行动后)	第二年	第三年	第四年	第五年	
干预活动影响谁? 谁影响十项活动?	他们认为会带来哪些变化?	他们投资了什么?	活动以数量概要	如何描述变化	如何测量指标	信息来源	变化数量	影响持续时间	选择等价物为结果定价	改变等价物	等价物的信息来源	没有干预会发生的变化	贡献于结果的其它因素	结果持续时间的衰减率	排除掉各类干扰因子的真实结果									
年长居民/ 残障居民	居民使用医疗健康服务的次数减少	时间	EO	午餐俱乐部; 群体活动	适度/保健性集体锻炼课程让老年居民和残障居民更加健康, 跌倒次数降低, 住院时间减少	跌倒次数 与之相关的住院次数和时间	“oneoff” 研究	7	1年	事故科急诊成本	£94.00	NHS成本手册 07/08	0%	5%	50%	£625.10	£625.10	£0.00	£0.00	£0.00	£0.00	£0.00		
																		£33,010.00	£33,010.00	£0.00	£0.00	£0.00	£0.00	
																			£48,013.00	£48,013.00	£0.00	£0.00	£0.00	£0.00
																				£48,013.00	£48,013.00	£0.00	£0.00	£0.00
				全科医生护理小组帮助居民管理自身健康和病症, 使他们更健康	每年看全科医生的次数 居民报告的健康改善	问卷和访谈	90	5年	全科医生咨询	£19.00	NHS成本手册 2006	0%	10%	10%	£1,539.00	£1,539.00	£1,385.10	£1,246.59	£1,121.93	£1,009.74				
				集体活动 (棋牌游戏、手工活动、适度保健锻炼、信息和感悟课程)	居民结交新朋友, 参与集体活动的时间增多 集体活动的次数, 居民报告幸福感增加/ 孤独感减少	问卷和访谈	16	1年	年度平均会员数量或成本	£48.25	当前公交线路、Bingo俱乐部、手工俱乐部的平均成本	10%	35%	0%	£451.62	£451.62	£0.00	£0.00	£0.00	£0.00				
				每5天中有3天居民有营养食物吃, 更健康了	社区看护帮助的次数, 居民自己报告体能运动增加到一周至少3小时	问卷	14	2年	社区看护访问	£34.00	NHS成本手册 07/08	100%	0%	0%	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00			
地方政府	居民获得了营养食物	根据合同提供的食物 (每年)	£24,375		仅考虑对居民重要的结果 (没有考虑地方政府部门) 该菜肴相当地面有营养都已在此上内容中考虑。											£0.00	£0.00	£0.00	£0.00	£0.00	£0.00			
志愿者 (退休老人)	保持积极主动	时间 (最低工资标准) 4名志愿者*3小时*5天*50周* £8/小时 (预计)	£10,000	30人的文地	更健康的志愿者 (退休老人)	志愿者报告体能运动增至至少3小时/周 从开始志愿工作算起		1年	每年老人游泳卡	£102.50	地方政府	70%	10%	95%	£175.50	£175.50	£0.00	£0.00	£0.00	£0.00	£0.00			
年长居民/ 残障居民 厨等店	留意邻居	时间	EO	每年7500份热餐	邻里看护/购物帮助次数减少, 非正式社区网络瓦解	每年邻居帮忙购物的次数		3年	超市在线购物的运费	-£5.00	www.tesco.co.uk	5%	0%	5%	-£1,306.25	-£1,306.25	-£1,240.94	-£1,178.89	£0.00	£0.00				
总计			£42,375													£82,508.57	£82,508.57	£144.16	£67.70	£1,121.93	£1,009.74			

现值	£73,718.43	£134.98	£0.00	£977.70	£806.17
总现值 (PV)					£81,741.93
净现值					£39,306.93
社会回报 £/£					£1.93: £1

SROI as Qualitative Analysis

- **Application #1**
 - Social Value Self-Assessment Tool
 - Social Value Certification
(may become part of B Corp Certification)
- **Application #2**
 - Social Risk Management (forecasting impact)
 - The risk that the anticipated social impact may not be realized (applicable to operators and social investors)

SROI as Qualitative Analysis

SROI focuses on answering 5 key questions

Who changes?	Taking account of all the people, organizations and environments affected significantly
How do they change?	Focusing on all the important positive and negative changes that take place, not just what was intended
How do you know?	Gathering evidence to go beyond individual opinion
How much is you?	Taking account of all the other influences that might have changed things for the better (or worse)
How important are the changes?	Understanding the relative value of the outcomes to all the people, organizations & environments affected

Application #1

Social Value Self-Assessment Tool

	page	score
Involving stakeholders		53
Understand what changes		53
Value the things that matter		53
Only include what is material		13
Do not overclaim		33
Be transparent		60
Verify the result		27



[Start-out Guide & Self-Assessment Tool](#)

[Apply for Social Value Rating & Certification](#)

Application #2

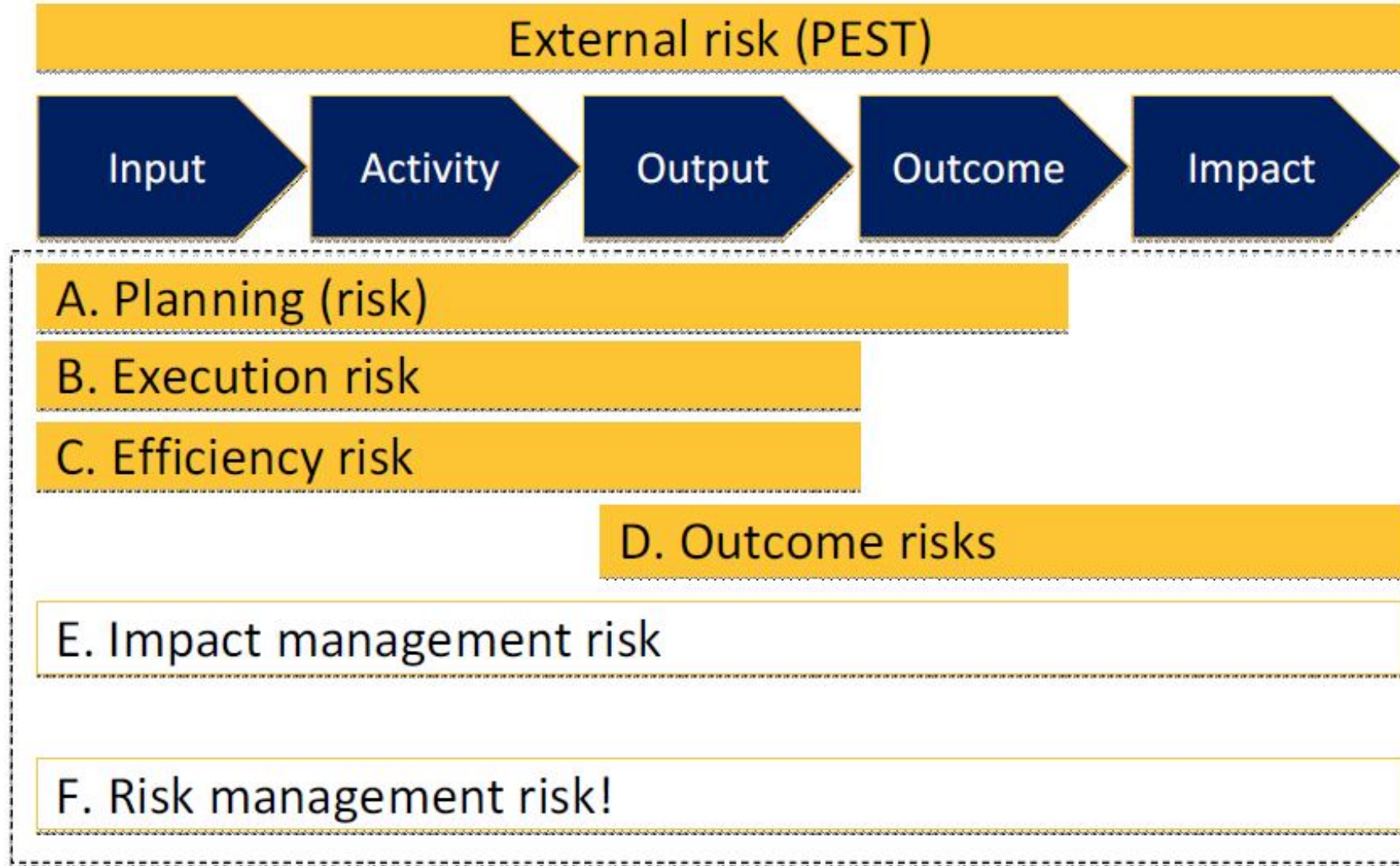
Social Risk Management

- Impact Risk: “the probability that performance will be different than expected”

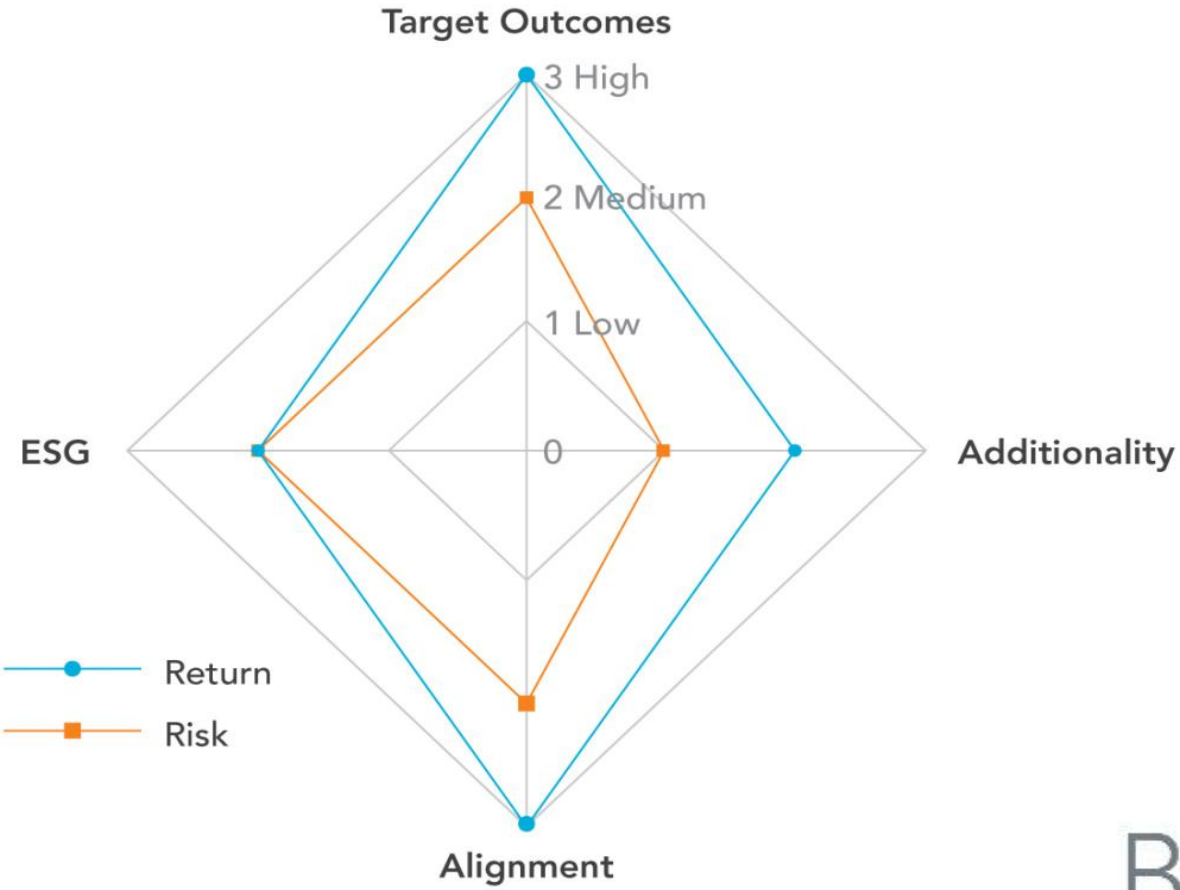
Risk management =

- Increase the likelihood that performance will be as you expect
- Know the unknowns

Social Risk Management Framework



Bridges IMPACT Radar by Bridges Ventures



Bridges IMPACT Radar (by Bridges Ventures)

Target Outcomes?

	Key questions	Score	Scoring guide
Return analysis	Does the investment create depth of impact or scale of impact, or both? A.	3 High	Scale and/or depth, plus: a focus on an underserved beneficiary group and/or potential for systemic change
	Does the investment benefit an underserved beneficiary group or society-at-large? B.	2 Medium	Scale and/or depth for society-at-large
	What systemic/wider impact will occur from the investment? C.	1 Low	Neither scale nor depth
Risk analysis	How well tested are the causal links in the logic model?	3 High	Credible secondary research evidences causality (in a different but comparable context)
		2 Medium	Credible secondary research evidences causality (in a different but comparable context), plus primary research supports causality (i.e. the organization's own quantitative and qualitative assessment)
		1 Low	A scientific study (e.g. control trial or longitudinal study) evidences causality, demonstrating that the investment is generating impact

Bridges IMPACT Radar (by Bridges Ventures)

ESG Outcomes?

	Key questions	Score	Scoring guide
Return analysis	Are there "win-win" Environmental, Social or Governance (ESG) opportunities?	3 High	Significant ESG opportunities
		2 Medium	Some ESG opportunities
		1 Low	No/Minimal ESG opportunities
Risk analysis	Can any ESG risks be mitigated?	3 High	ESG risks cannot be mitigated
		2 Medium	ESG risks can be mitigated
		1 Low	Minimal ESG risks

Bridges IMPACT Radar (by Bridges Ventures)

Alignment?

	Key questions	Score	Scoring guide
Return analysis	How aligned is the investment's generation of impact with its ability to deliver competitive risk-adjusted financial returns?	3 High	"Lockstep" between generation of impact and competitive risk-adjusted financial returns
		2 Medium	Ability to generate sustainable risk-adjusted financial returns
		1 Low	Inability to repay capital
Risk analysis	How fundamentally aligned is the business model with its generation of impact?	3 High	Many business success factors are not aligned with impact success factors
		2 Medium	Some business success factors are not aligned with impact success factors
		1 Low	All/most business success factors are impact success factors

Bridges IMPACT Radar (by Bridges Ventures)

Additionality?

	Key questions	Score	Scoring guide
Return analysis	Is Bridges integral to the development/performance of the investment?	3 High	Bridges is incubating the business
		2 Medium	Bridges is the sole or lead investor in an opportunity overlooked by mainstream investors*
		1 Low	The business is already well-established with other (competing) investors but Bridges' non-monetary support can drive increased impact
Risk analysis	Does the investment lead to outcomes which would not otherwise occur?*	3 High	Likely displacement of comparable societal benefits (e.g. simply stealing market share with no impact value-add)
		2 Medium	Unlikely displacement of other comparable societal benefits due to increased quantity or quality addressing current market failure
		1 Low	Very unlikely displacement of comparable societal benefits due to increased quantity or quality addressing current market failure

Conclusion: What Is SROI?

1. A Financial Ratio (**Output Value/Input Value**) (?)
2. A Social Impact Measurement Tool (**the SROI Value Map**)
3. A Principles-based Framework (**the Seven Principles; could be employed quantitatively and/or qualitatively**)
4. A Global Governance System (Generally Accepted Social Accounting Principles) governing social value measurement and reporting for all kinds of organizations and activities
(Yet to realize, but it's the ultimate goal!)