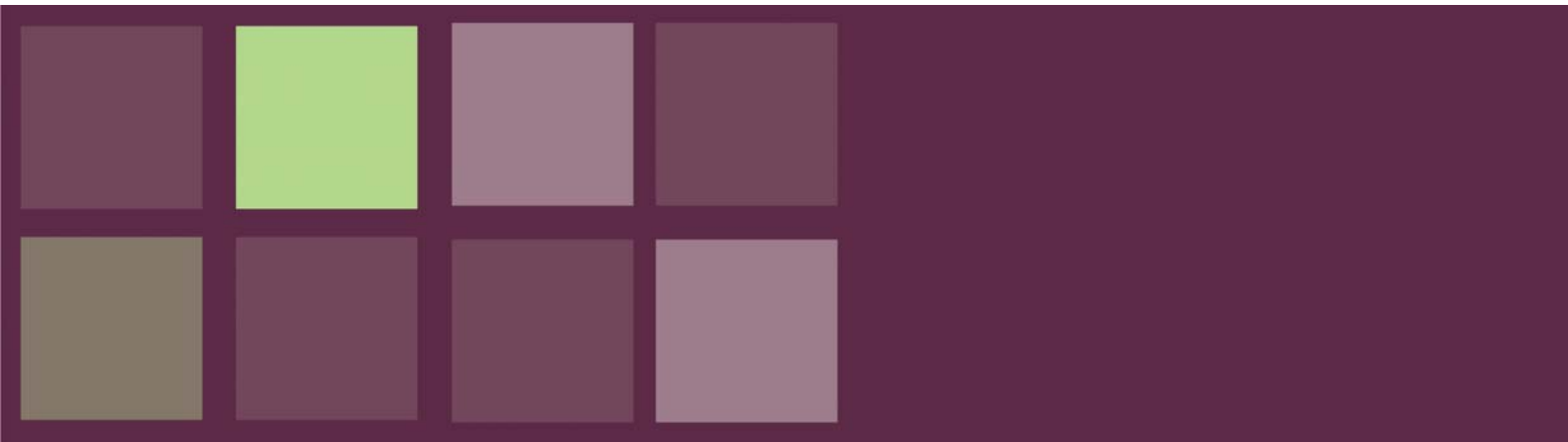


# Social Metrics, Outcomes Evaluation and Social Return on Investment

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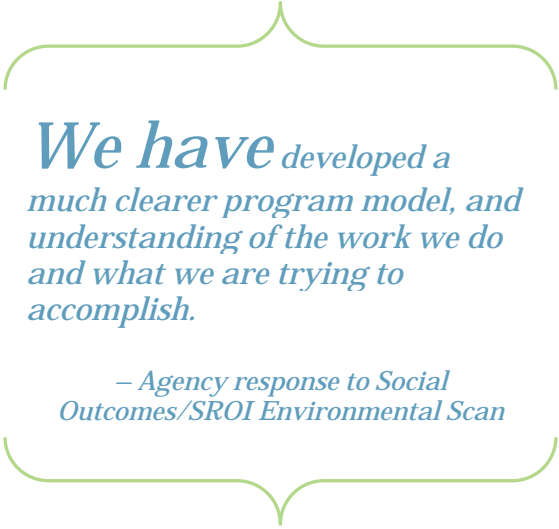
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## Executive Summary

Previous research projects have cited barriers to using social metrics including time, cost, lack of available resources and a lack of access to expertise. Use of social metrics is considered to be costly and resource intensive. And yet, organizations across all sectors increasingly cite the need for social metric information in order to plan, manage and communicate effectively.

The purpose of this knowledge development project was to gather information that is specific to understanding the demand for social metrics, social return on investment (SROI) metrics in particular, in order to clearly understand why social metrics are an important source of information sought by growing number and profile of organizations.

In surveys conducted with non-profit, charity, social enterprise, and social purpose businesses, as well as municipal and provincial representatives, several key messages are consistently communicated.



***We have** developed a much clearer program model, and understanding of the work we do and what we are trying to accomplish.*

*– Agency response to Social Outcomes/SROI Environmental Scan*

First, for those who have made the transition from activity-based to outcomes-based evaluation, the benefits of adopting an outcomes-based approach include enhanced communication with key audiences and new information to inform performance improvement.

Second, for those incorporating information about social outcomes into the heart of a SROI analysis, the benefits of adopting outcomes-based evaluation are taken one step further, as the value of outcomes achieved can be communicated to key audiences through the use of an SROI.


Third, while those surveyed did acknowledge that both outcomes-based evaluation and SROI are new approaches that require effort for an organization to undertake, both are viewed to be worth the effort by the vast majority of those who have made the transition.

Finally, as an increasing number of non-profits, charities, social enterprises and social purpose businesses evolve their planning and evaluation systems toward outcome-based evaluation and SROI, there is an important role for government. This role includes but is not limited to:

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- 1) support for capacity-building in outcomes evaluation and SROI
  - 2) investment in SROI Canada as a methodology hub
  - 3) championing consistency and evidence-based practice
  - 4) investment in financial proxy research and dissemination, and
  - 5) setting an example by allocating a percentage of all project investment funding to outcomes-based evaluation, and implementation of an SROI, when appropriate.

In times of austerity, outcomes-based evaluation and SROI are highly effective tools that increase the ability of a service provider to understand the value of their work from the perspective of their investors alongside the perspective of their clients and the key stakeholders of their clients.

This understanding has an important role to play in a focus on maximizing value. By understanding the most important outcomes, and the value of those outcomes from the client's perspective, the service provider is likely to be more successful delivering on that value proposition. In turn, the client will be more likely to seek to maintain their experience of value, over time. This increases the potential to create value through social investment, social innovation, using social finance tools, and through investments in the social partnerships agenda.



*(As a result of collecting social outcomes data, we have experienced ...) changes to service to children/youth and families; changes to training of volunteers; changes to activities offered (and therefore higher participation); changes to how follow-up is completed, etc.*

*– Agency response to Social Outcomes/SROI Environmental Scan*



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## Report Background

The objective of this report is to develop further knowledge on the demand and current use of social metrics tools, including the social return on investment (SROI) methodology. The report aims to inform policy options that will support the development of the social partnerships agenda in Canada.

This report illustrates findings that have resulted from more than a decade of work. The approach taken incorporates current experience, data analysis and research. The report author, Stephanie Robertson, President of SiMPACT Strategy Group, is a leading practitioner in the field of social metrics in Canada, and internationally.


Since 1999, Stephanie has been working in the field of social metrics with corporations, public agencies, municipal, provincial and federal governments, academia and community agencies. The experience informing this paper includes:

- the design and framing of social metrics that illustrate the social impact of corporations across their whole operations
- the design and framing of social performance planning, management and evaluation frameworks that use social metrics to illustrate the value of corporate community investment activities
- the design of frameworks to clarify program objectives and identify useful and meaningful metrics for community agencies<sup>1</sup>
- the design of tools to capture information on social performance, and then the integration of performance results into planning, management and evaluation frameworks, and



*We would not select just one purpose to collect outcomes. The organizational perspective is that any outcomes that are collected are to be used for both program improvements as well as accountability/building a case for funders.*

*– Response by provincial representative to Social Outcomes/SROI Environmental Scan*



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<sup>1</sup> Non-profits, charities, social enterprises and social purpose organizations

- the design and use of SROI analysis to illustrate the value of results achieved via investment in a particular project, organization or policy.

With every project, SiMPACT's approach emphasises the role of social metrics in planning, day-to-management and evaluation. When this approach is taken, the relevance of each metric chosen is understood from the outset. This significantly enhances the evaluation process and improves evaluation results. It also increases the ability of each project and policy team to communicate to key audiences the value of the work being done. More information on the report author is provided as Appendix 1.

***SROI** is a tool to speak about value, not just the cost. It enables us to illustrate the cost of not doing something, which is often too easily ignored.*

*– Response by provincial representative to Social Outcomes/SROI Environmental Scan*

As identified in Budget 2011, HRSDC is moving forward with the social partnerships agenda in Canada. The vision underpinning this agenda emphasizes that the most enduring and creative solutions for complex social problems may well be found in the local communities that are impacted by the reality of the problem itself.

The social partnerships agenda seeks to equip citizens, businesses, charities and other local stakeholders with tools to successfully address these challenges in an enduring, sustainable and measurable fashion. Successful social partnerships require metrics to illustrate that objectives have been achieved. Tools to ensure the effective use of social metrics will be critical to HRSDC's ability to demonstrate value and progress achieved as the social partnerships agenda unfolds.

Social return on investment is frequently cited as an emerging social metrics tool. In response to the questions listed within the HRSDC Statement of Work, a focus of this paper is to present the experience of organizations that have used SROI as a planning, management and valuation tool. Key questions to be addressed are:

- 1) What benefits are gained by the organization from measuring and reporting on social outcomes?
- 2) What purposes do social outcome measures such as social return on investment serve for not-for profit, social enterprise and private sector organizations? What are the differences in use and benefits experienced in these two sectors?

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- 3) Who are the key audiences for SROI reports? What benefits do the audiences perceive they gain from getting SROI reports?
  - 4) Previous research in this area suggests that generating social outcomes reports is a resource intensive task. Is there evidence that suggests that it is worth the effort? Are the reports being used for a beneficial and productive purpose? Who is asking for the reports? How are they benefitting?
  - 5) What actions, if any, do those using SROI tools want government to take? Is there an appropriate and effective role for government in support of the use of social outcomes measures? Who suggests government action? What would be the expected outcomes of government action?

There is an important role for government in ensuring that social metrics are effectively and widely used. The potential value of effective and consistent use of social metrics extends across every sector, as well as to organizations of varying sizes. Throughout, SiMPACT will be drawing upon its considerable experience as a consultant, SROI trainer and cross-sector resource in the areas of performance measurement frameworks for community and social investments, including SROI in particular.

## **The Need for Clarity in Canada**

### **Social Metrics Reporting, Management, Evaluation & Valuation Frameworks, Metrics, Tools and Financial Proxies**

In the Phase One and Two Reports, social metrics are defined as *“measurement tools that can be used to define and articulate social value, social outcomes and the results generated by investment and activities in the social sector.”* This definition has underpinned the 2011 environmental scan of social metrics and the development of a framework to conduct key informant interviews on the use of social metrics in business, social enterprise and in not-for-profit organizations, and interviews with social metrics practitioners.

However the examples used to illustrate social metrics in the Phase One and Phase Two reports are not consistently comparable. In fact, many of the examples used to illustrate social metrics are actually frameworks that offer different forms of utility to the user.

Some referred to as ‘social metrics’ actually guide reporting, while others guide management decision-making, evaluation or valuation. When examined more closely, it becomes clear that

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they play a different role along a spectrum of management tools supporting and informing the social impact/CSR/sustainability agenda.

**Table 1** below lists terms that have been associated with social metrics in the previous Phase One and Two reports and provides definitions that illustrate the key difference between terms. As demonstrated, there are important differences between a social reporting framework, a management framework, an evaluation framework, a valuation framework, metrics, tools and financial proxies when referring to social metrics.

**Table 1: Key Report Terms**

<b>Term</b>	<b>Definition</b>	<b>Example</b>
<b>Reporting Framework</b>	A recognized series of indicators designed to enable standardized reporting on environmental and social reporting	GRI, IRIS, Dow Jones Sustainability Index, AA1000
<b>Management Framework</b>	A system to plan, monitor and measure performance so that project resources can be allocated effectively in relation to project plans and tracked results	SROI, Demonstrating Value Initiative, LBG Canada
<b>Evaluation Framework</b>	An evaluation methodology that is applied to a particular project for the purposes of determining relevance, value for money and performance Answers the question of to what extent the program succeeded on achieving objectives described in the logic model, but does not measure the impact or place valuation on the impact	Outcome based evaluation Developmental evaluation Activity-based evaluation, etc.
<b>Valuation Framework</b>	A system to value performance results tracked within a management system	SROI, Extended Value Added Statement (EVAS), tools designed by Robin Hood Foundation, cost benefit analysis
<b>Metrics</b>	An measure of performance – can be an input, outputs, outcomes and impact	Debt reduction, improved literacy, increased confidence, investment amount Metrics are decided in relation to the objectives of a program, organization or policy



Table 1: Key Report Terms cont'd ....

Term	Definition	Example
Tools	How the information that illustrates performance results is gathered	Surveys, data collected from third parties, reports from observations
Financial Proxy	A representation of value assigned to change, where there is no otherwise commonly agreed value	Value of increased income (minimum wage) Value of decreased domestic violence to municipal government (decreased consumption of police time) etc... many others could be offered as examples here....

The key point above is that the phrase 'social metrics' is currently being used in a very general sense. Being clear on the difference between terms listed in Table 1 will assist HRSDC to understand the use of social performance metrics across sectors, focus on those that are the most applicable to the social partnerships agenda and to contribute to a discussion about the most effective role for government to support and enhance current use of social metrics across Canada.

In the experience of the author, social metrics are measures of activity, outputs, outcome and impact. They can be used in relation to anything that is 'social' in nature. They can be applied to activities well beyond the scope of the non-profit sector (i.e. public, private, and coproduction activities). Every organization in every sector might use social metrics to plan, measure and evaluate organizational performance as well as to plan, measure and evaluate the impact of operations and corporate decision-making upon third parties.

Once an organization is using social metrics to measure outcomes, the organization can choose to take the next step and **value** the outcomes that have been achieved. While there are other methods to value results, i.e. cost-benefit analysis, the social return on investment (SROI) methodology will provide the most complete picture of value created because it includes an expression of value from the stakeholder perspective.

An SROI can be used to value actual results (i.e. as an evaluation tool) or to forecast future value expected (i.e. as a planning tool) if projected outcomes are achieved. Ideally, use of SROI as a forecasting tool will inform the development of a project's evaluation system. When evaluation results are available, the forecast can be populated with actual results, and then used to inform the forecast expected for future results for the next program timeframe.

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## Social Metrics Terminology

After reviewing previous reports in this series, there is a clear need to clarify and agree social metrics terminology in Canada. While there are variants in the type, form and use of social metrics across sectors, it is essential that the definition of key terms is agreed upon, in order to ensure that organizations using the same metrics use them consistently. This will also ensure that the importance of the information conveyed by each metric is clearly understood.

As stated earlier, social metrics are measures of activity, outputs, outcomes and impact in relation to anything that is 'social' in nature. In theory, every organization in every sector might use social metrics to plan, measure and evaluate performance. In Canada, the reality is that the private sector is mainly being asked to provide social performance information, not community agencies nor government.

Using social metrics applicable to a community agency as an example, a social metric of **activity** would include the number of activities that comprise a program providing skill development opportunities and support to people with developmental challenges, to successfully engage in work. Examples of activities might include information sessions, informational interviews, readiness assessments, skill-development, job-search support and onsite visits.

A social metric of **outputs** would include the number of people who participated in the activities listed above, i.e. the number of people attended information sessions, skill development sessions etc. It is possible that social output metrics could be assigned to every activity within a program.

A social metric of **outcome** would indicate how the lives of the people who found work changed as a result of the opportunity to engage in the program. What is important to remember is that outcomes can be short, medium and long-term. The metrics chosen must be appropriate in relation to the timeframe associated with each outcomes. They must also reflect the goals of the project, the expectations of the investor or funder and the expectations of the client and/or other stakeholders who have participated and changed as a result of the program.

A social metric of **impact** would indicate which portion of the outcomes achieved were a direct result of the activities stated above, less deadweight, attribution, displacement and drop-off.

**\*\* Note\*\*** This distinction is a key element of the SROI methodology and is discussed later in the paper. In brief, an outcome is the whole change that has taken place, while an impact is the change that is directly linked to the successful implementation of the program or policy at hand. Impact acknowledges external factors that have also contributed to the outcome, such as a supportive government policy or a third-party contributing agency. To summarize, the

influence of that policy or agency is acknowledged and accounted for in the stated difference between outcomes and impact.

It is important to emphasise that the social metrics conversation is applicable to all sectors. While public reporting of social performance<sup>2</sup> metrics is currently more common among corporations in Canada (i.e. alongside environmental and financial information presented as CSR/sustainability reporting)<sup>3</sup>, social performance metrics are applicable to all organizations prepared to manage and measure their social impact.

**Table 2** provides examples of social performance metrics by sector for illustration. They are a subset of the long list of indicators suggested by the reporting frameworks listed in **Table 1**, i.e. GRI, IRIS, Dow Jones Sustainability Index, AA1000.

**Table 2: Examples of Social Performance Metrics across Sectors**

Social Metrics Applicable to all Organizations, across all Sectors	Social Metrics Tracked by For-Profit Business (not universally reported, more common among UK, European, International Businesses)	Social Metrics of Non-profits, Charities, Social Enterprise, Social Business <sup>4</sup> etc.,
Work-life balance Diversity in management Workforce training and skill development Workplace safety, fair pay, etc.	Product impact on customers Customer complaint mechanisms The impact of advertising Impact of operations upon communities around the business Voluntary investment in community priorities	Measure that indicate progress toward fulfilling the project or organizational mandate Varied by area of work, client demographics, geographic location etc.

Referring to the definition of social metrics from the Phase One and Phase Two reports, i.e. *“measurement tools that can be used to define and articulate social value, social outcomes and the results generated by investment and activities in the social sector”*, this definition specifically refers to the metrics represented within column three in Table 2 above, which is also the main focus of this paper.

<sup>2</sup> Examples of social performance include management of human rights, the degree of worklife balance among employees, representation re: gender, cultural diversity and regional representation in management, etc.

<sup>3</sup> Review of CSR and Sustainability Reporting in Canada [http://www.stratossts.com/documents/2003\\_Building\\_Confidence.pdf](http://www.stratossts.com/documents/2003_Building_Confidence.pdf)

<sup>4</sup> From this point, these four profiles will collectively be referred to as community partners.

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With the information presented in Tables 1 and 2 in mind, the social performance metrics of specific interest to HRSDC can be named and defined more clearly. They are *‘measures that illustrate that a desired social outcome resulting from an investment in the work of a non-profit, charity, social enterprise or other social purpose organization has been achieved’*. For further clarity, social metrics will be referred to as social outcomes metrics for the remainder of this paper, in order to differentiate them from other metrics that would measure social performance linked to operations (i.e. workplace safety) or customers (i.e. impact of product use on customers) or human resources management (i.e. diversity in management). These examples are intended to further clarify the information provided in **Table 2**.

At several points in both Phase One and Phase Two reports it is mentioned that social outcome metrics are used to **value** outcomes. This also requires clarification. If an outcome is to be valued, the social outcome metric that illustrates an outcome has been achieved, but it does not represent value itself.

For example, a government-funded program is designed to assist high school drop outs to complete high school, find and maintain work. Research by the Canada Learning Council values high school completion at \$19, 104 per year<sup>5</sup>. A social outcome metric would be the number of high school graduates who go on to find and maintain work as a result of the assistance they have received.

When a social outcome does not have a commonly agreed value (for example the value of community cohesion) it can be assigned a financial proxy, i.e. a financial amount used to represent the value of that outcome. For the graduates referred to above the value of the outcomes they have experienced can be represented by the \$19,104 figure, as it includes the value of income, taxes paid, cost of crime and healthcare costs avoided<sup>6</sup>. This is the essence of the SROI methodology.

Finally, there has been significant and important progress in the advancement of operational indicators and tools that inform how well a community partner organization is on track in terms of governance, resource allocation, product delivery and service provision, among other operational indicators. Evidence of this progress would include the Demonstrating Value Project<sup>7</sup> and IRIS<sup>8</sup> operational performance indicators. Examples of operational performance

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<sup>5</sup> Based on a study for the Canadian Council on Learning, this figure represents public (e.g. EI, lost taxes, crime) and private (e.g. lost income, healthcare costs, but not intangibles).

<sup>6</sup> Technically, the example provided illustrates value to the public sector. A complete SROI would also include an expression of value from the perspective of the person who has graduated, found and maintained work. For more information, review the SROI

<http://www.thesroinetwork.org/publications>.

<sup>7</sup> <http://www.demonstratingvalue.org/>

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indicators would include staff turnover, revenues, and heating costs. They are used for a different purpose, i.e. to assess whether an organization is operating effectively, has adequate governance procedures in place and is managing cash flow effectively, etc.

What is less developed, but much-needed, is a comprehensive set of performance metrics that indicate the value of achieving social outcomes. Once these outcomes are in place, they can be used to inform a social return on investment analysis. As discussed later in this paper, there is an important role for government in this regard. Success in developing this set of performance metrics will also be important to reporting on the social partnerships agenda.

## **Report Methodology**

In the preparation of this report, SiMPACT was asked to draw upon its considerable experience as a community investment consultant, facilitator of LBG Canada, SROI consultant and capacity-builder, and cross-sector resource in the areas of social impact metrics and performance measurement frameworks.

The methods taken to inform this paper include:

- A social metrics literature review (sources reviewed are in Appendix 2)
- Desk research that included a review of existing studies assessing the performance measurement capacity-building needs expressed by nonprofits, charities and social enterprises as well as a detailed review of the Phase One and Two social metrics papers previously commissioned by HRSDC
- Six years of direct experience facilitating enhanced management and measurement of corporate community investment through LBG Canada<sup>9</sup>, including corporate surveying and feedback
- Three years of direct experience building the capacity of 88 crime prevention and crime reduction projects required to incorporate the SROI methodology as a forecasting and valuation tool into their evaluation systems. This is a seven-year project undertaken by the Safe Community and Strategic Policy Secretariat, within the Alberta Department of Justice, currently in its third year

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<sup>8</sup> [http://cms.standardsmap.org/publish/itc\\_standards/impact\\_reporting\\_and\\_investment/resources/files/1210/Final\\_IRIS\\_EN.pdf](http://cms.standardsmap.org/publish/itc_standards/impact_reporting_and_investment/resources/files/1210/Final_IRIS_EN.pdf)

<sup>9</sup> LBG Canada is a growing community of 41 companies, actively seeking to increase the impact of community investment activities in Canada. In 2011, approximately \$250 million of investment was benchmarked among participants in order to support management and evaluation improvements, including social metrics.

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- More than 20 SROI consulting projects with various agencies in Calgary, Edmonton, Canmore, Toronto, Ottawa, Waterloo and London, England
  - A survey (5 respondents) and interviews (3) with municipal, provincial and federal government investors in and/or facilitators of the work of social service agencies
  - A survey (63 respondents) with community partners using the SROI methodology
  - A survey (8 respondents) with evaluators using the SROI methodology as a part of the services they are providing


In addition, SiMPACT analysed evaluation data collected at the end of two-day SROI capacity-building courses, drew upon the experience of evaluators, trainers and other professionals involved in the development of SROI Canada<sup>10</sup>, and the experience of various parties that have shown interest in social impact metrics and SROI across Canada<sup>4</sup>. The environmental scan framework has been included as Appendix 3.

This report has been written to inform the development of policy options. It proposes actions for government, which would support, enable and expand the use of social metric tools, SROI in particular, by community agencies that are striving to demonstrate the value of achieving their objectives.



*An SROI starts a realistic conversation about cost, inputs, outcomes and impact. Although these existed before, it was not done so nicely in a clean package.*

*– Response by provincial representative to Social Outcomes/SROI Environmental Scan*



## **Background on SROI Methodology**

HRSDC (CDPD) has conducted two social metrics studies since 2010. These studies have provided current and relevant information about the demand side of social metrics tools. The results have contributed to greater knowledge of the types of tools in use, and their availability.

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<sup>10</sup> SiMPACT is a key partner in the development of SROI Canada, the national affiliate to The SROI Network, which is the international convening body.

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Both the Phase One and Phase Two reports reference SROI as an emerging tool to measure social impact<sup>11</sup>. This reference was repeated in numerous papers identified in the course of the social metric and social return on investment literature reviewed, commission by SiMPACT Strategy Group in 2011. The literature review incorporated references from Canada, Britain, the United States, across Europe and Australia. Sources reviewed are found in Appendix 2.

*If community agencies become skilled at outcomes-based evaluation and then SROI, they become clearer about the value of their work, and are able to report back on that value more effectively.*

*– Response by municipal representative to Social Outcomes/SROI Environmental Scan*

SROI has been in use since the mid 1990s, when it was conceived and developed by Jed Emerson and Melinda Quawn while both were employed at the Roberts Enterprise Development Fund (REDF). REDF is a San Francisco-based venture philanthropy organization. Jed Emerson is now internationally renowned for his work in SROI, and for his ongoing work on techniques to value social performance using mainstream financial instruments<sup>12</sup>.

Between 2000 and 2009, various government and other actors built upon the REDF experience as SROI developed as a decision-making, evaluation framework and valuation tool in Britain. This occurred as part of policy and government initiatives that recognized and stimulated the economic engine of the Third Sector. As local authorities and national departments began to use SROI to value the potential contribution of social enterprises as suppliers, it became increasingly important to document the methodology in a more accessible and user-friendly format in order to ensure more consistent application.

In addition, national departments such as Justice, Health, Employment and the Office of the Third Sector began to explore SROI as a tool to inform policy decision-making, project investment and investment in third party, outcomes-based service delivery. Yet the

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<sup>11</sup> The earlier reports also contributed to a better understanding of ESG tools in use including Impact Reporting and Investment Standard (IRIS) and the Global Reporting Initiative (GRI). Previous research results indicated that IRIS and GRI are well-known but neither framework requires social outcomes metrics. Social metrics that measure social outcomes are distinct from Environmental, Safety, Governance (ESG) metrics, which focus on environmental impact, safety issues that impact the workplace and overall corporate governance.

<sup>12</sup> For more information on Jed Emerson, see [www.blendedvalue.com](http://www.blendedvalue.com)

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methodology still had not yet been documented in a way that would encourage consistency in its application.

Together in 2008, the English and Scottish governments invested in the launch of the SROI Network<sup>13</sup> and the development of the SROI Guide<sup>14</sup>, which provides a detailed overview of SROI as a methodological framework. Not only has the existence of both the Network and the Guide provided the focal point required for a more consistent application of the methodology in the UK, it has become the focal point for a rapidly developing international conversation about how to more completely and effectively represent value of achieving social outcomes.

Most essential in the development of SROI is the recognition that it is a principles-based management tool, underpinned by seven principles. At the core is the notion of including the perspective of stakeholders in the valuation of outcomes achieved, in order to more fully understand the value of achieving those objectives. The SROI methodology follows in the footsteps of other principles-based management tools, for example financial accounting, which is of course based upon effective application of GAAP principles.

While a large body of users are migrating to SROI as a decision-making tool in times of austerity, its strongest proponents will state that the real value derived from using SROI is more effective service delivery. By understanding the value achieved by target stakeholders when they experience change, the service provider has a much greater chance of successfully delivering on the associated outcomes that they have been contracted to deliver. When a target stakeholder has experienced value, they will be much more likely to want to maintain that value over time.

For example, in 2011, Minwaashin Lodge (Ottawa, ON) did an SROI forecast to illustrate the value that would be created from an investment in the creation of an addictions treatment



***SROI helps** to represent the value created in the process of "walking with" a person - for participants, landlords, direct support workers, the community and publicly funded services in a way that traditional evaluation methods alone cannot.*

*– Response by municipal representative to Social Outcomes/SROI Environmental Scan*



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<sup>13</sup> Information on the SROI Network can be found at [www.thesroinetwork.org](http://www.thesroinetwork.org).

<sup>14</sup> The Guide can be downloaded at <http://www.thesroinetwork.org/publications>.



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center for pregnant and parenting Aboriginal women. The forecast proposed that a culturally-relevant, trauma-informed center is necessary because non-Aboriginal addictions treatment does not currently have high success rates as a result of a lack of understanding of the underlying cultural circumstances and residual trauma that has resulted from the reality of the residential school system in Canada. In addition, non-Aboriginal treatment requires a parent to place their child/children into care in order to access treatment. This is a barrier that prevents many parents from accessing treatment.

As a result of the trauma experienced, the prospective clients (pregnant and parenting Aboriginal women) have either never experienced hope, or have forgotten how to hope. Without hope, they have a limited vision of a positive future for themselves and their families. Without hope, the women are less likely to care for themselves, to parent effectively, nor to succeed in managing their addictions. If their addictions are not managed, the women are at increased risk of self-harm, being harmed by others, causing harm to their unborn child during pregnancy and having their children taken into the foster care system.

The Minwaashin Lodge proposal brings attention to the need for addictions treatment that will acknowledge the specific and unique cultural and traumatic circumstances that have led to the addiction. While many outcomes will be achieved for the women, their children, their families and other stakeholders, the one the women frequently value the most highly is their new or rekindled experience of hope. With hope they will be more confident and equipped to maintain the changes experienced as a result of addictions treatment, because they have a clearer vision of the potential of the future for themselves and their family. For the investor, the investment has a higher likelihood of success and creating value because the service provider has a clear vision of the key outcomes that are necessary for success, which will lead to value creation and value maintenance over time.

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Significant recent developments cited by The SROI Network include the publication of “A Guide to Commissioning for Maximum Value<sup>15</sup>” by the SROI Network and the Local Government Authority, which offers guidance on how to include value of social outcomes in purchasing decisions. This guidance is being offered across government, at all levels, due to a growing recognition that purchasing practice can have a positive effective on the local economy and the local social fabric.

*With respect to our current SROI project, it entails much more than achieving housing stability. It is our hope that SROI will help us to map out the complexities of this story in a way that is understandable and speaks about the true value of the programs to the broadest range of stakeholders.*

*– Response by municipal representative to Social Outcomes/SROI Environmental Scan*

At the same time, there is a growing interest in the development of financial tools that will pool operating capital for social service provision from the more mainstream financial market. The social impact bond (SiB) currently being piloted at the prisons in Peterborough, Britain<sup>16</sup> is one example being followed internationally, including in Canada.

In addition, the recent report by The Social Investment Business<sup>17</sup> and The City<sup>18</sup>, “*Making Good in Social Investment: Opportunities in an*

*Emerging Asset Class*”, highlights both the emergence of social investment as an opportunity for mainstream investors, while warning that the value experienced by stakeholders must be a core part of the project valuation. This is the most mainstream acknowledgement in Britain of the need to measure social value to date. As Britain is the hub providing international leadership in social finance, it is expected that this perspective will be discussed and debated in other parts of the world soon, including in Canada.

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<sup>15</sup> <http://www.thesroinetwork.org/component/content/article/174-all-regions/270-the-social-return-on-investment-network-and-local-government-association-launch-new-guide-to-commissioning-for-maximum-value>

<sup>16</sup> <http://www.justice.gov.uk/publications/research-and-analysis/moj/social-impact-hmp-peterborough.htm>

<sup>17</sup> The Social Investment Business is the largest social investor. The Social Investment Business offers finance, knowledge and expertise to help civil society improve their infrastructure, increase their capacity, help them bid for, and win, public service contracts. The Social Investment Business is the trading name for Futurebuilders England Fund Management Limited and was set up in 2009. [www.thesocialinvestmentbusiness.org](http://www.thesocialinvestmentbusiness.org)


<sup>18</sup> TheCityUK’s purpose is to promote the competitiveness of UK financial services – to make the UK the best place in the world to establish and grow a financial services business and, in turn, to maximise the sector’s contribution to the UK. [www.thecityuk.com](http://www.thecityuk.com)

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The Canadian SROI Network will be formally launched by this report author and peers in 2012, as the non-profit methodology hub for practitioners, facilitators and policy representatives to convene around the subject of SROI in Canada. Currently convened through an open linkedin group named SROI CANADA, the group receives 3-5 requests to join every week. As the Canadian link to SROI International, SROI Canada currently has 191 members, from a launch date in March 2011.

As in the UK, a core, essential focus of SROI Canada is consistency of practice. This will be achieved by way of training of professionals for accreditation status. As of February 2012, 31 professionals have participated in SROI practitioner training in Canada, organized by SROI Canada. At present, there are two fully accredited SROI practitioners in Canada, five practitioners in progress of having their case reviewed and 17 more practitioners intending to submit work for peer review by the end of 2012. By the end of 2012, at least three more accreditation courses will have been offered in Canada, accommodating up to 40 practitioners.

SROI Canada currently provides free access for members, to a financial proxy data base. The database has been developed with investment by the City of Calgary, SiMPACT Strategy Group, the Safe Communities and Strategic Policy Secretariat of the Alberta Department of Justice, and with agreement by various community agencies to share proxies developed in the course of their training or case study development.



*The process of completing an SROI can be a very informative learning experience for staff and managers*

*– Response by agency to Social Outcomes/SROI Environmental Scan*



There is significant demand for access to the database, which will require ongoing investment in research in order to keep pace with the increasing demand for financial proxies that represent the value of achieving social outcomes. As discussed later in this paper, there is an opportunity for the federal government to support SROI Canada's ongoing financial proxy research and sharing of results, across Canada.

## **Brief Overview of the SROI Process**

One common misunderstanding is that SROI is a separate or parallel process that occurs outside of an outcomes-based evaluation or planning framework. In fact, an SROI is an extension or

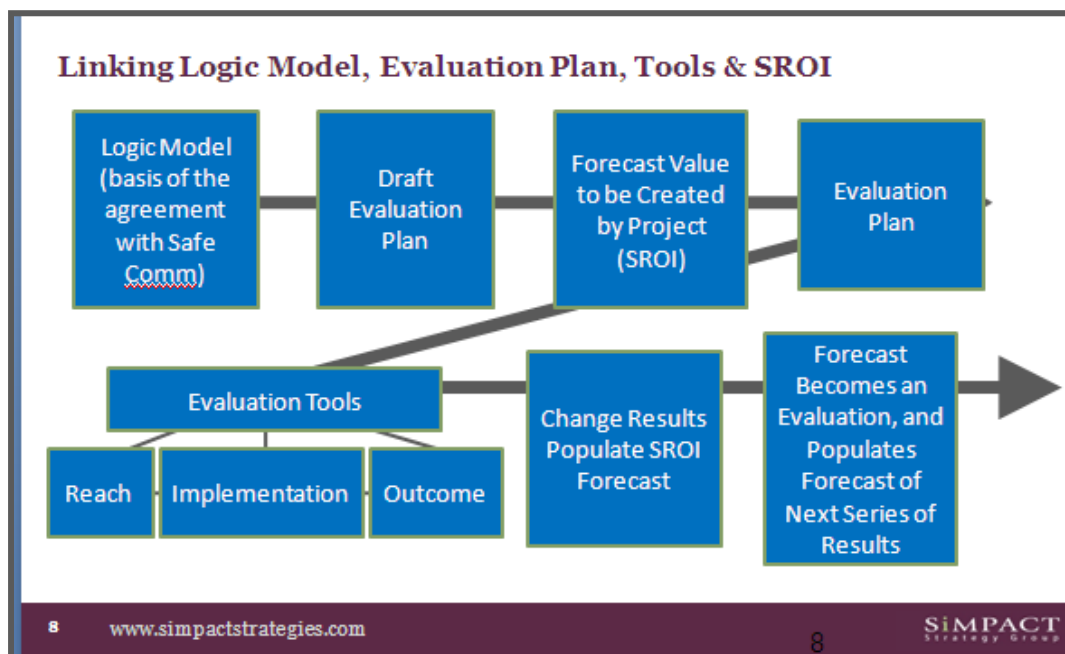
next step to any outcomes-based planning or evaluation framework. An SROI can be used to forecast or evaluate the achievement of desired outcomes.

Ideally, the project, organization or policy objective that is the subject of an SROI would be underpinned by a logic model that maps out progressive steps towards desired outcomes. This is a critical point. If there is no logic model, and no outcomes-based planning and evaluation framework, this work should be done first before moving into the development stage of an SROI.

With the logic model and outcomes framework as a reference, an evaluation framework is developed, including the social metric indicators that will illustrate that the outcome has been achieved. After one cycle of evaluation, the data collected can be used to evolve a forecast of value created to an evaluation of results, and then to inform the next forecast.

**Image 1**, on the next page, is used in the training materials developed for the 88 projects funded by the Safe Communities Innovation Fund, Safe Communities and Strategic Policy, Alberta Department of Justice. Developed over three years of working with agencies that have a wide variety of evaluation techniques, it illustrates the importance of being explicit about the role of outcomes evaluation/outcomes forecasting at the core of every SROI.

**Image 1: Steps in the Development of SROI**



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As illustrated, the emphasis is not upon a separate process that places an additional administrative or skills burden on the organization. Rather, emphasis is placed upon the organization's ability to demonstrate that objectives are being achieved, that the change envisaged is delivering desired results, and that actual results are informing future decisions on program design and implementation.

Moreover, this approach to using SROI (forecast, confirm evaluation plan, evaluate, use actual results to populate the next forecast) has the effect of increasing the effectiveness of overall project management, project evaluation and contributing to performance improvement.

While there are skills associated with assigning financial proxies to outcomes, and assessing impact from initial outcomes, these are an extension of the need for internal skill in outcomes-based planning and implementation. The public availability of the SROI Canada financial proxy data base is designed to reduce barriers associated with access to financial proxies. Support to build internal knowledge of how to separate impact from outcomes is an important opportunity for government to advance the social partnerships agenda.

The above supports and builds upon effective management practice. It also highlights that the burden upon community organizations is less about conducting an SROI and more about ensuring that organizations have the financial means, skill and encouragement to conduct outcomes-base evaluation on a routine basis. Once there is evidence of change, organizations can choose whether to value change based upon internal priorities and available resources. When an organization does decide to value outcomes, the SROI methodology becomes the appropriate tool.

Catholic Family Services (CFS) in Calgary, Alberta provides an example. CFS was one of the first agencies invited by the City of Calgary to participate in SROI training, in 2007. Since that time, CFS has done six more SROIs, three of which are still in progress<sup>19</sup>. The benefits linked to doing an SROI that have been reported by the agency include:

- Increased ability to map scope and complexity of projects
- Theory of change summary statement is highly valuable in communication, evaluation and project planning<sup>20</sup>

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<sup>19</sup> Louise Dean Centre (two programs), Families & Schools Together, Baby Families & Schools Together, Never Too Late, Family Counselling Services. [www.cfs-ab.org](http://www.cfs-ab.org)

<sup>20</sup> This is a technique encouraged by SiMPACT Strategy Group in client work. A Theory of Change Summary Statement is a one-sentence statement with three parts describing the situation, proposed intervention and expected results. Its purpose is to attract a

- Clearer more focused relationships with partners
- Development of enhanced internal quality controls
- More informed investigation of whether desired impact is being achieved
- More in-depth internal discussion of best practice
- Staff realize in more concrete terms the social value they are involved in creating, feel more valued and speak to that value with confidence

Today, CFS encourages all project teams to create a theory of change summary statement, which clearly states the circumstances, suggested intervention and anticipated outcomes. This process alone informs their internal approach to evaluation, shifting focus from activities to change. As illustrated by the six SROIs conducted, when an outcomes-based evaluation is in place, an agency has the option to take the next step and to value those outcomes.

## **Benefits Gained by Organizations Measuring and Reporting on Social Outcomes, and Using SROI**

The Phase One and Two reports cite barriers to using social metrics including time, cost, lack of available resources and of access to expertise. Use of social metrics is considered to be costly and resource intensive. And yet, organizations across all sectors increasingly cite the need to move away from activity-based planning and evaluation, and towards outcomes based planning and evaluation.

*We would not select just one purpose to collect outcomes. The organizational perspective is that any outcomes that are collected are to be used for both program improvements as well as accountability/building a case for funders.*

*– Response by agency to Social Outcomes/SROI Environmental Scan*

reader's attention by offering a compelling summary, thereby enticing the reader to know more. An example from the Minwaashin Lodge SROI forecast:

*"If Aboriginal women with addictions have access to a culturally safe, trauma-informed treatment facility that allows them to stay with their children, they will be more likely to seek treatment, be more successful in recovering from their addictions, more successful keeping their family together and more likely to avoid repetition of similar behaviour in future generations."*

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In conversations about an outcomes based approach, SROI is increasingly mentioned as a tool to demonstrate the value of outcomes achieved.

While in the past, community partners were expected to report on activities and resulting outputs, today, investors and funders want information on outcomes, i.e. changes that have occurred as a result of an investment.

In the survey done to inform this report, 75% of community organizations reported that they were collecting outcomes data. Of those, the reported purpose of the collection of outcomes data included:

- Accountability to funders (35.1%)
- Program improvement (28.1%)
- Building a case for funding (10.5%)
- Knowledge development (3.5%)
- Planning and forecasting outcomes to be achieved by clients (3.5%)

Each respondent was then asked whether they had experienced any benefits as a result of collecting social outcomes data. Benefits reported back via the survey are outlined in Table 3 on the following page.

**Table 3: Benefits Reported by Organizations Collecting Social Outcomes**

<b>Community Agencies, Social Enterprises, etc.<sup>21</sup></b>	<b>Corporate Community Investors<sup>22</sup></b>	<b>Government<sup>23</sup></b>
<ul style="list-style-type: none"> <li>• Identifying opportunities for program delivery improvement (50.9%)</li> <li>• Increased ability to describe the change that clients experience and to report on results to key audiences (64.9%)</li> <li>• Improved communication with key audiences (57, 9%)</li> <li>• Increased knowledge of the relative importance of changes experienced by target stakeholders (35.1%)</li> <li>• Improved program delivery (47.4%)</li> </ul>	<ul style="list-style-type: none"> <li>• Increased evidence that corporate investment in community is making a difference</li> <li>• Evidence-based conversations in support of continuing funding</li> <li>• Opportunities to engage employees through activities that are linked to outcomes perceived as meaningful to the employee</li> <li>• Differentiation from peers and competitors</li> <li>• Evidence to engage government in conversation about meaningful role in communities or issue</li> <li>• Potential to identify 'shared value' opportunities with key communities</li> </ul>	<ul style="list-style-type: none"> <li>• Increased evidence that investments are making a difference to inform conversations re: ongoing funding</li> <li>• Identification of opportunities to increase impact on a policy or issue area</li> <li>• Exploration of the horizontal nature of successful programming</li> <li>• Information to inform/engage colleagues re: how to more effectively intervene invest in priority issues</li> </ul>

**\*\*Note\*\*** While the perspectives listed above are from the three sectors, corporate investors do not typically do the outcomes based evaluation themselves. They seek this information from the community partner. Ideally, the corporate, government or other investor will include funding for an outcomes-based evaluation otherwise there is no resource available for the community agency to do this work.

Of those collecting social outcomes information, some are choosing to use the information to populate an SROI. Most respondents were either in progress towards completing an SROI or had recently completed an SROI.

<sup>21</sup> From environmental scan.

<sup>22</sup> From ongoing work with LBG Canada companies.

<sup>23</sup> From interviews done with municipal and provincial sources involved in SROI.



**Table 4** summarizes the main purposes reported for using the SROI methodology, from the perspective of community partners, corporate investors in community and public sector investors/funders.

**Table 4: Reported Purpose in Use of SROI**

Community Agencies, Social Enterprises, etc. <sup>24</sup>	Corporate Community Investors <sup>25</sup>	Government <sup>26</sup>
<ul style="list-style-type: none"> <li>• To enhance planning processes by forecasting expected outcomes</li> <li>• To enhance the design of evaluation systems</li> <li>• To communicate the value of achieving outcomes effectively and emphatically</li> <li>• To understand the horizontal nature of the outcomes achieved (<i>for example, to explore how success in reducing crime is associated with improved health care, reduced poverty, education and changed behaviour by the target stakeholder</i>)</li> <li>• To understand the value of the horizontal nature of the outcomes achieved (<i>i.e. a youth at-risk no longer gets involved in crime, graduates high school, lives above the poverty line, a healthier lifestyle and encourages his/her children to graduate</i>)</li> </ul>	<ul style="list-style-type: none"> <li>• To understand the value achieved by corporate investment in voluntary community investment</li> <li>• To support current community partners to attract new and additional funding to current programming</li> <li>• To assess and value the impact of supply chain and operational issues on communities surrounding the business (<i>for example, Cadbury's assessment of its impact on Ghana through sourcing cocoa</i>)</li> </ul> <p><i>**Early stage** to illustrate the value associated with various CSR and sustainability practices. Discussion and review of this early and new trend goes beyond the scope of this paper.</i></p>	<ul style="list-style-type: none"> <li>• To inform a purchasing agenda that is structured to stimulate local economic and social value (primarily UK, European Commission)</li> <li>• To inform outcomes-based commission of services (UK)</li> <li>• To inform the payment for performance structure associated with social impact bonds (UK, Australia). <b>**Note**</b> other countries are interested in SiBs but have not yet developed products to the point that the outcome/performance element has been discussed, or agreed. This includes Canada.</li> <li>• To inform policy development and implementation in an environment of scarce resources (UK, European Commission)</li> </ul>

Of those who are not currently using the social return on investment (SROI) methodology, the main reasons provided were linked to perceived cost of training or hiring consulting services.

<sup>24</sup> From environmental scan.

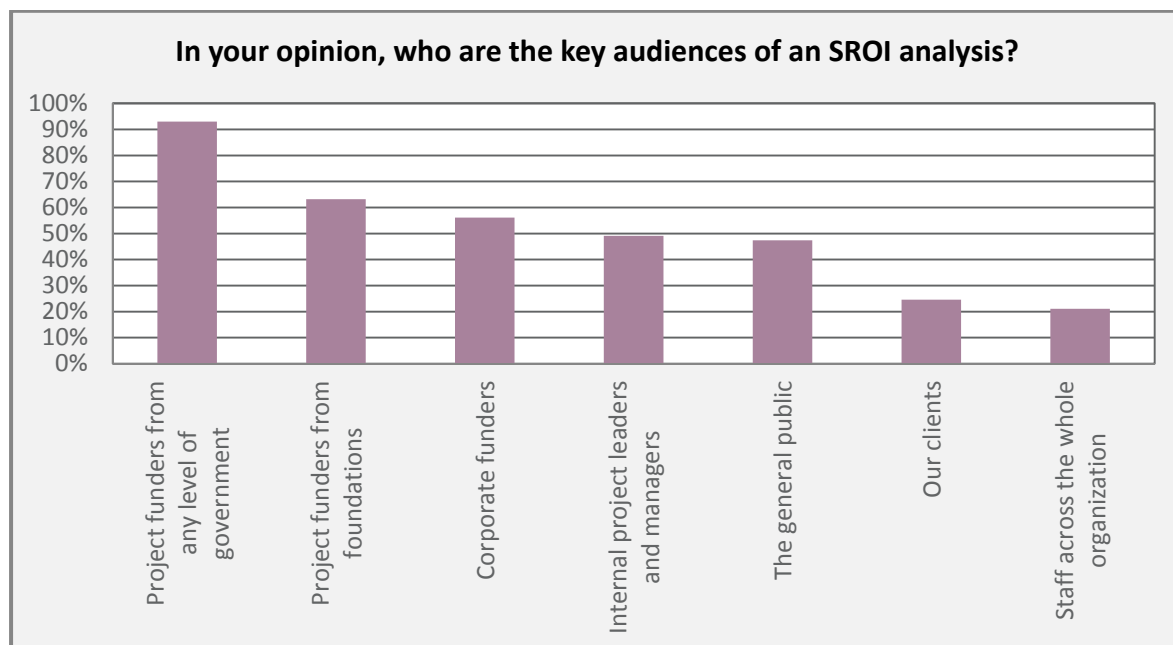
<sup>25</sup> From surveys done with LBG Canada companies.

<sup>26</sup> From interviews done with municipal and provincial sources involved in SROI.

When asked to identify the main audiences of an SROI report, respondents cited:

- Internal project leaders and managers (49.1%)
- Staff across the whole organization (21.1%)
- Project funders from any level of government (93.0%)
- Project leaders from foundations / investors/funders (63.2%)
- Corporate funders (56.1%)
- Clients (24.6%)
- The general public (47.5)

**Image 2: Key Audiences of an SROI Analysis**



As noted above, internal project leaders, project funders from any level of government and corporate funders were the most frequently cited as main audiences of SROI reporting.

Some respondents to the environmental scan raised valid concerns that an audience that is unfamiliar with SROI may use the ratio out of context, and compare project results based upon the ratio alone without consideration of the whole story. This is an important concern that will be addressed as use and familiarity with SROI increases, and through emphasis upon standards of practice. This speaks to the important role for government to support expanded use of outcomes-based evaluation and accessibility of the SROI methodology.

In Canada, perceived benefits to audiences that receive SROI reports are more readily assigned to audiences of community partner agencies and social enterprises, as the service providers held to account for the achievement of their promised outcomes. Table 5 below outlines those perceived benefits by audiences of community agencies, social enterprises and government.

**Table 5: What Benefits do Audiences receiving an SROI Report receive?**

<b>Sector Using SROI</b>	<b>Audiences Presented with SROI Information</b>	<b>Benefits Reported</b>
Community agencies	Internal – project managers and project teams	<ul style="list-style-type: none"> <li>• Increased ability to plan scope and complexity of projects</li> <li>• Enhanced internal quality controls</li> <li>• Informed investigation of whether having desired impact</li> <li>• Stimulates internal discussion of best practice</li> <li>• Teams able to speak to value of their work with confidence, otherwise often feel undervalued</li> </ul>
Community agencies	External – partners in service delivery	<ul style="list-style-type: none"> <li>• Clearer more focused relationships with partners</li> </ul>
Community agencies	External audiences – investors, policy makers, future investors, general public	<ul style="list-style-type: none"> <li>• More emphatic communication of value created through project or organization</li> <li>• Opportunity for differentiation</li> <li>• Increased awareness of the value of the work being done</li> </ul>

**Table 5: Continued...**

<b>Sector Using SROI</b>	<b>Audiences Presented with SROI Information</b>	<b>Benefits Reported</b>
Municipal Government	Internal decision-makers Internal planners (asset management, family & community support services, social policy, sustainability) Council	<ul style="list-style-type: none"> <li>• Improved internal communication on the value of investment in local service providers</li> <li>• New information to inform future investment into assets used as community hubs</li> <li>• Increased awareness of the value of agency investment by council</li> <li>• Increased council knowledge about social elements of the Triple Bottom Line</li> <li>• Enhanced communications with provincial funders</li> </ul>
Provincial Government	Cabinet Ministers ADM, policy planners, internal evaluators, large-scale project leadership	<ul style="list-style-type: none"> <li>• Increased information about the value of projects with potential for cross-departmental impact</li> <li>• Tools to enhance evaluation results incorporated into agency contracting</li> </ul>
National Government	Internal audiences - not currently reporting externally on SROI	<ul style="list-style-type: none"> <li>• Increased internal information &amp; reporting on options regarding investments in issues and policies</li> <li>• Value from stakeholder perspective informing service delivery and/or choice of supplier in outcomes-based commission (UK, European Commissioning)</li> <li>• Concrete opportunities to create social and economic value locally through purchasing/commission of goods and services (UK, European Union)</li> </ul>
Corporations	External audiences	<ul style="list-style-type: none"> <li>• Tool to report on value of community investment</li> </ul>

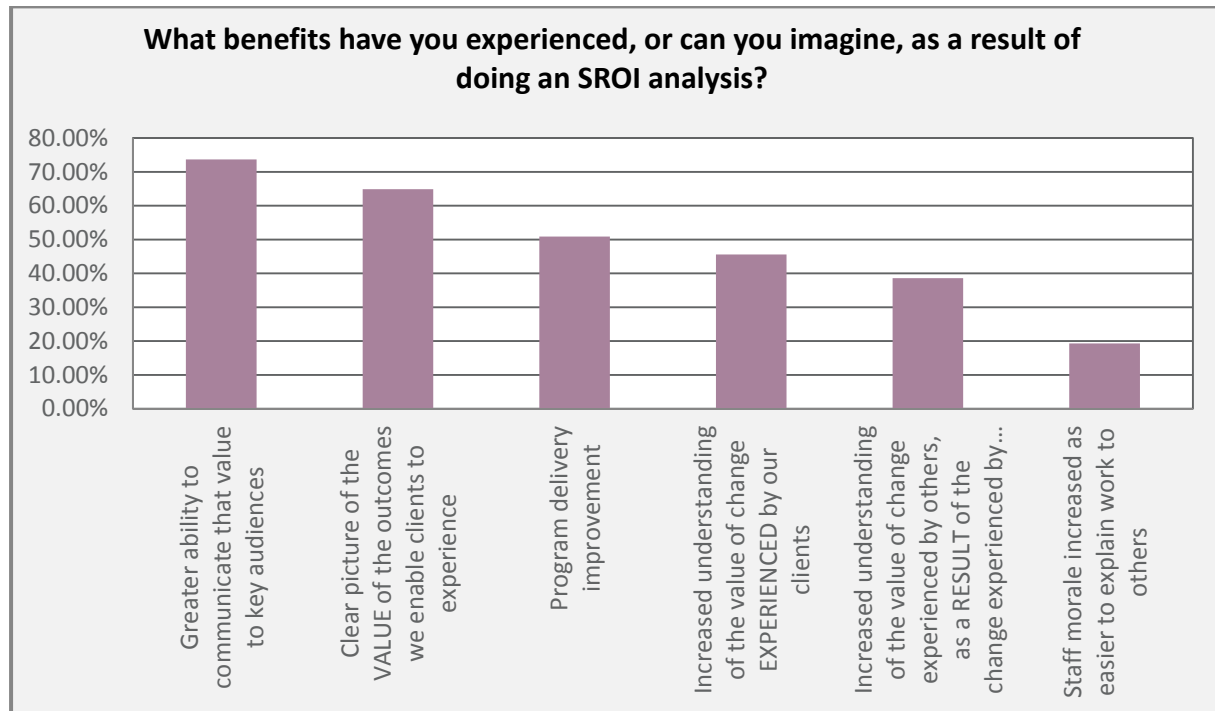
**Image 3** on the following page illustrates the responses received from non-profits, charities, social enterprises and other community agencies when asked about the benefits of doing an SROI analysis.

Of the 57 surveyed, the benefits reported included:

- Clearer picture of the value of the outcomes enabled (64.9%)
- Greater ability to communicate that value to key audiences (73.7%)
- Staff morale increased as easier to explain work to others (19.3%)
- Program delivery improvement (50.3%)

- Increased understanding of the value of change experienced by clients (45.5%)
- Increased understanding of the value of change experienced by others, as a RESULT of the change experienced by clients (38.6%)

**Image 3: Reported Benefits of Doing an SROI Analysis**



Family and Community Support Services (FCSS) of the City of Calgary has been encouraging use of SROI among municipally-funded agencies since 2007. Appendix 5 provides a snapshot of several pages from an FCSS 2011 report (released February 2012) on the impact of FCSS across Calgary. The snapshot provided includes an estimate of the social return on invested generate through FCSS programming.

The aim of FCSS in the use of SROI in reporting is to report back to Council, and by extension to Calgarians, on the value of investing in services to support vulnerable citizens. While FCSS would argue strongly that consistent practice in the application of SROI is critical, it also recognizes that consistent practice will be achieved by increasing knowledge about outcomes based evaluation, increasing the number of accredited practitioners across Canada, and by increasing access to financial proxies that represent the value of change to all stakeholders.

## Is Social Outcomes Evaluation and SROI Analysis Worth the Effort?

In reviewing the responses to questions on outcomes-based evaluation and use of SROI, it is clear that most respondents believe that both are worth the effort. Some agencies commented on the need for consistency in both social outcomes and SROI, across program areas.

However respondents first acknowledged current barriers that prevent community agencies and social enterprises from developing an outcomes-based framework or conducting an SROI analysis. Barriers considered significant by respondents include:

- Lack of internal resources to develop internal outcomes-base evaluation capacity (78.2%)
- Lack of finances to hire skilled outcomes-based evaluation consultants (73.2%)
- Lack of funding for research into financial proxies to represent the value of outcomes achieved (63.0%)
- Lack of funding to take SROI training (62.3%)
- Lack of outcomes evaluation knowledge (48.1%)

*As a person who has walked in both worlds - funder and service provider SROI completes the story.*

*It goes where the evaluation left off. Not just a great program that has impact, but that impact can be valued.*

*That was a clear piece missing when I worked in the agency world. I also see it as a strong management tool that can be used by agencies/Ministries to guide/inform their work.*

*–Provincial representative response to Social Outcomes/SROI*

Image 4: Barriers to Collecting Outcomes Data & SROI



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Interestingly, when asked whether they would pursue using social outcomes and continuing on to conduct an SROI, should the barriers facing them be removed, 70.2% of respondents replied ‘yes’. This response is an indication that social outcomes and SROI reporting is perceived as worth the effort. It is also a reflection of the importance of the potential role for government.


## Possible Actions for Government

Response to the question ‘is there a role for government?’ was consistent across respondents. Emphasis was placed upon how federal investment should focus upon supporting the methodology’s development in Canada, capacity-building among non-profits, charities, social enterprises and social purposes businesses in outcomes-based evaluation, and then SROI, and financial proxy research.

With current federal interest in the social partnerships agenda, the development of social finance tools, and in social return on investment, possible actions for government have important context.

First, there is a need for a strong organization to act as the backbone for social metrics, social outcomes evaluation and social return on investment. This organization is SROI Canada. As evidenced by government investment in the launch of The SROI Network in Britain, launching the network with a clear purpose to develop a self-sustaining organization provided the SROI methodology with a basis to develop standard practice, to create a framework for quality assurance, and to develop a network of experienced practitioners. The initial investment made in The SROI Network was three years, after which the network was expected to become self-sustaining.

While research among community and social purpose agencies points to the value of outcomes evaluation, most organizations are challenged to evolve their current approach from activities-based evaluation. In order to meet the growing requirement for outcomes-based reporting, organizations will either need to build in-house capacity, or the funds to hire an external evaluator. Without one or the other, many community and social purpose agencies will be challenged to demonstrate the changes that result from their work, let alone to represent the value that results from their work.



*It would be so much more productive if every funding agency used a common approach to determining outcomes. SROI would work well as that platform.*

*– Response by agency to Social Outcomes/SROI Environmental*



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Generally-speaking, the skill-development required includes capacity building in outcomes based planning, evaluation and reporting, in addition to integrating results into the core of an SROI.

Finally, there is a need to support research and dissemination of financial proxies. Of all the stumbling blocks to more wide-spread use of SROI, this is the most significant. Financial proxy research is often time-intensive and requires specialized skills. At present, much of the growth in use of the SROI methodology by community agencies in Canada has resulted from widespread and free access to financial proxy information within the SROI Canada database.

For the most part, the database has been populated as a result of training provided by the City of Calgary, and by the result of consulting projects undertaken by SiMPACT Strategy Group. Some proxies have been shared by other consultants in return for access to the SROI Canada database. This is the ideal – that the database is widely accessed, and used to stimulate the work and thoughts of others, who then share new ideas for proxies with SROI Canada.

In summary, there is an important and essential role for government:

- 1) Supporting the development of SROI Canada as the methodological hub, including research
- 2) Investing in the skills of non-profits, charities, social enterprises and social purposes businesses in outcomes-based evaluation
- 3) Investing in the skills of non-profits, charities, social enterprises and social purposes businesses to integrate the results of an outcomes based evaluation into an SROI
- 4) Financial proxy research, and
- 5) Setting an example by allocating a percentage of all project investment funding to outcomes-based evaluation, and implementation of an SROI, when appropriate.

Investment in the above areas will support the federal commitment to the social partnerships agenda. It will support federal commitment to the development of social finance tools that appeal to a new profile of investor. It will enable government to stimulate increased interest in new vehicles to support the achievement of important social outcomes because the value of achieving those outcomes will be more effectively and consistently measured, therefore the value of achieving those outcomes will be more effectively communicated.



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## Appendix 1

### About the Author

Stephanie Robertson, President, SiMPACT Strategy Group has been building skill and capacity in the use of social metrics since 1998 and has been building capacity in the social return on investment (SROI) methodology since 2002. As an alumni and adjunct member of faculty at London Business School, Stephanie developed the social enterprise initiative and taught social entrepreneurship to MBA and Executive MBA students, including SROI. The author of several business school cases on social entrepreneurship and business in society, Stephanie has won two European awards for cases available within the European Case Clearing House. She is the co-author of the SROI Primer, <https://sroi.london.edu>, an on-line educational tool housed on the London Business School website, funded by the Department of Trade and Industry. Since 2004, Stephanie has been based in Calgary, Alberta, where her company SiMPACT Strategy Group Inc. (SiMPACT) is headquartered.

SiMPACT has three lines of business, all of which are linked to the social impact agenda. The first, LBG Canada, is a flagship project of 40+ companies that have adopted a common management framework to value and report on their corporate community investment programs. The second refers to strategic consulting geared to ensuring that corporate investments in community and broader society meet expectations. The third area involves SROI consulting and capacity-building.

Highlights of Stephanie's career include leadership in the design and delivery of a social entrepreneurship course for MBA and executive MBA students at London Business School, which included the research and writing of 4 case studies and teaching notes, 1 of which won a ECCH business management case award in 2006; leadership in the design and delivery of the Business in Society Initiative, London Business School, which included working with faculty to incorporate awareness of social impact info case studies about their management discipline. This also included the research and writing of a case study and teaching note that won the ECCH business management case award in 2007.

Stephanie is an active participant in discussions on the evolution of the international network and a participant on the international methodology committee. Her work internationally is influencing SROI's development in Canada<sup>27</sup>.

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<sup>27</sup> Stephanie Robertson, President, SiMPACT Strategy Group, Anne Miller, Team Lead, SROI Initiative, SiMPACT Strategy Group

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  23. Wright, S. *et al.* (2009). An Evaluation of the Transport to Employment (T2E) Scheme in Highland Scotland using Social Return on Investment (SROI). *Journal of Transport Geography*. Vol. 17
  24. <http://www.socialventures.com.au/sector-collaboration/investing-in-impact-sroi-partnership/>
  25. <http://www.visionaustralia.org.au/info.aspx?page=2388>
  26. City of Calgary's SROI Work: <http://www.calgary.ca/CSPS/CNS/Pages/FCSS/Social-Return-on-Investment-%28SROI%29.aspx>;

## Appendix 3 – Environmental Scan – Community Agencies

**\*1. What area(s) of service does your organization or agency primarily provide? (Please check all that apply)**

<input type="checkbox"/> Aboriginal services	<input type="checkbox"/> Immigrant/newcomer services
<input type="checkbox"/> Basic needs support	<input type="checkbox"/> Justice services
<input type="checkbox"/> Children's services	<input type="checkbox"/> Mental health services
<input type="checkbox"/> Community development services	<input type="checkbox"/> Physical health services
<input type="checkbox"/> Coordination of services	<input type="checkbox"/> Planning/strategic services
<input type="checkbox"/> Counseling and social support services	<input type="checkbox"/> Prenatal/parenting services
<input type="checkbox"/> Education Services	<input type="checkbox"/> Recreational services
<input type="checkbox"/> Employment services	<input type="checkbox"/> Seniors services
<input type="checkbox"/> Evaluation services	<input type="checkbox"/> Women's services
<input type="checkbox"/> Financial Services	<input type="checkbox"/> Youth services
<input type="checkbox"/> Homelessness services	

Other (please specify):

**\*2. Please indicate which metrics are part of your performance measurement approach**

☐ Input data (cash, in-kind investment into your organization)

☐ volunteer time donated

☐ activity data (i.e. staff time, # of clients served, # of activities offered, other)

☐ output data (# of clients completing activities, change in number of clients served, client satisfaction, other)

☐ Other (please specify):

**\*3. Does your organization report on outcomes?**

☐ Yes

☐ No

If no, please explain why not:

**\*4. What methods do you use to collect outcomes?**

☐ Survey completed by participants

☐ Standardized tests completed by participants

☐ Case notes completed by staff

☐ Data obtained from external organizations (e.g. school records, police data)

Other (please specify):

**\*5. How do you compile/record your outcome data once collected?**

☐ Recorded directly into a database

☐ Recorded directly into a spreadsheet

☐ Recorded on paper and then entered into a database or spreadsheet

☐ Recorded on paper and compiled manually without using a database or spreadsheet

☐ Recorded on paper but not compiled (e.g. remains in client files)

☐ Other (please specify):

**\*6. What is the primary purpose of your collection of outcomes data?**

☐ Accountability to funders

☐ Building a case for funding

☐ Knowledge development

☐ Planning and forecasting

☐ Program improvement

☐ Other, please comment:

**\*7. Has your organization experienced any benefit as a result of collecting social outcomes data?**

- ☐ We identified the need for program delivery improvement
- ☐ We are more able to describe the change our clients experience
- ☐ We can compare client pre and post data
- ☐ We have seen improvements resulting from changes to our program delivery
- ☐ We communicate more effectively with key audiences
- ☐ We have not experienced improvements
- ☐ Please describe any other benefit that you have experienced.

**\*8. Does your organization use the Social Return on Investment (SROI) methodology?**

- ☐ Yes, we are currently doing an SROI
- ☐ Not, at the moment, but we have done an SROI in the past
- ☐ No, but we are considering using SROI in the future
- ☐ No, but we have heard of SROI
- ☐ No, we have never heard of an SROI
- ☐ Please feel free to add a comment:

**\*9. If you are not using the SROI methodology, please explain why:**

- ☐ we don't know how to do an SROI
- ☐ we don't know where to go to learn about SROI
- ☐ SROI is not relevant to my project or organization
- ☐ we currently have no outcomes framework in place
- ☐ SROI is too difficult
- ☐ SROI training is too expensive
- ☐ Hiring an SROI consultant is too expensive
- ☐ Please feel free to comment:

**\*10. For what purpose has SROI analysis been used in your organization or agency?**

- ☐ Accountability to funders
- ☐ Building a case for funding
- ☐ Knowledge development
- ☐ Planning and forecasting
- ☐ Program improvement

Comments:

**\*11. Did you find SROI analysis a useful and worthwhile process? If you are currently in the process of completing an SROI, please comment on your experience thus far....**

- ☐ Yes
- ☐ Somewhat
- ☐ No
- ☐ Unsure

Please explain your answer:

**\*12. In your opinion, who are the key audiences of an SROI analysis?**

- ☐ Internal project leaders and managers
- ☐ Staff across the whole organization
- ☐ Project funders from any level of government
- ☐ Project funders from foundations
- ☐ Corporate funders
- ☐ Our clients
- ☐ The general public

Please feel free to comment:

**\*13. What benefits have you experienced, or can you imagine, as a result of doing an SROI analysis?**

- ☐ Clear picture of the VALUE of the outcomes we enable clients to experience
- ☐ Greater ability to communicate that value to key audiences
- ☐ Staff morale increased as easier to explain work to others
- ☐ Program delivery improvement
- ☐ Increased understanding of the value of change EXPERIENCED by our clients
- ☐ Increased understanding of the value of change experienced by others, as a RESULT of the change experienced by our clients

Other (please specify)

**\*14. If your opinion, are there barriers preventing organizations similar to yours from collecting social outcomes data and then using the outcomes data in an SROI?**

	Significant barrier	Minor barrier	N/A
lack of outcomes-based evaluation knowledge	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
lack of financial resources to develop internal evaluation capacity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
lack of finances to hire skilled outcomes-based evaluation consultants	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
lack of funding to take SROI training	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
lack of funding for research into financial proxies to represent the value of outcomes achieved	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Other (please specify)

**\*15. Do any of the above barriers apply to your organization?**

- ☐ Yes
- ☐ No
- ☐ Unclear

Please feel free to comment

**\*16. If the barriers that apply to you were removed, would your organization choose to use SROI as a tool?**

- ☐ Yes
- ☐ No

Please feel free to comment

**\*17. From your experience, or in your own opinion, who could benefit from using SROI analysis? Please explain.**

- ☐ non-profits and charities
- ☐ social enterprises & entrepreneurs
- ☐ social businesses
- ☐ foundations
- ☐ community foundation
- ☐ municipal governments
- ☐ provincial government departments
- ☐ federal government departments
- ☐ corporations investing in communities
- ☐ Other (please specify)

**18. Thank you for your feedback. Please feel free to add any additional thoughts or comments below.**

Additional thoughts or comments

Name (optional)

Email Address (optional)

No further comments at this time

## Appendix 4 – Recent HRSDC Call for Evaluation of Youth Homelessness, Including SROI

2/28/12

Step 2: Check Funding Priorities



Human Resources and  
Skills Development Canada

Ressources humaines et  
Développement des compétences Canada

Canada

### Human Resources and Skills Development Canada

#### Step 2: Check Funding Priorities Youth Homelessness: Promising Practices for Prevention and Reduction

Homelessness is often considered to be a problem affecting single, middle-aged men, and the majority of studies have focused on this group. Yet, a significant proportion of the homeless population consists of youth. It is extremely important to address homelessness at a young age. Youth who become homeless before the age of 16 often require far more intensive interventions to help them transition off the street.

Social or relational causes of youth homelessness are amongst the most common. A significant proportion of street-involved youth have experienced some form of maltreatment. Mental health and addiction issues are also common for this group, and often exacerbate difficulties faced because of poverty. Youth with multiple risk factors may require intensive interventions that include counselling, treatment for addictions, or other social services.

Other causes of youth homelessness are economic. Because of their age, youth may not have a history of employment or tenancy to show potential employers or landlords. The recent recession and ongoing uncertainty in the global economy may put youth at an even greater risk of unemployment and homelessness. **Labour market integration** represents a key strategy to address economic aspects of youth homelessness. Labour market programs aim to improve the employability of individuals by providing them with work experience or training opportunities that increase access to the labour market and support economic independence. Ultimately, labour market activities can help individuals achieve longer-term stability and self-sufficiency.

As much as possible, interventions should be targeted to individual needs. Homeless youth are a diverse group. Some are absolutely homeless, and may be living on the street, squatting, or using shelters. Many others experience hidden homelessness. These youth are often couch-surfing or staying temporarily with friends or partners. These groups may experience different risk factors and require different interventions.

#### Objectives

The Homelessness Partnering Strategy (HPS) is a community-based program. As such, community needs inform its research priorities. Communities have consistently requested **evidence-based promising practices** to provide them with tools to prevent and reduce homelessness. In order to provide such practices, the department seeks to fund research projects that will evaluate the effectiveness of prevention and reduction strategies.

Effective prevention strategies allow youth who are at risk of homelessness to avoid the disruption caused by housing loss, while reduction strategies help the existing homeless population rise out of homelessness. There is a need for studies examining the relative effectiveness of these strategies. Such strategies need to take into account the diversity of the homeless youth population, including any mental health or addiction issues, and current living arrangements. In short, **what works best and for whom?** This information can help communities tailor programs to the needs of homeless and at-risk youth in their own area.

Other intervention-related issues that will be considered for the current CFP include, but are not limited to the following:

- What is the social return on investment (SROI) of a particular prevention or reduction

[www.hrsdc.gc.ca/eng/homelessness/funding/cfp/step2.shtml](http://www.hrsdc.gc.ca/eng/homelessness/funding/cfp/step2.shtml)

1/

program?

- How do social networks of family or friends contribute to intervention effectiveness?
- How do individual needs influence intervention effectiveness? How can interventions be best matched to the individual?
- How do youth who have benefited from interventions fare over the longer term? This may involve follow-up with clients who have benefited from a promising practice.
- What are effective strategies for maintaining contact with homeless youth clients who migrate between cities?

All projects should include a focus **on community involvement and dissemination**. Research should be **applicable to other communities in Canada**. Successful applicants will receive funding to enable them to deepen their understanding of youth homelessness and to contribute to charting the development of effective solutions to address the issue.

← [Step 1: Check Eligibility](#)

[Step 3: Check Application Review Process](#) →

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Date Modified: 2011-12-22



## Appendix 5 – Recent Press Release by Alberta Department of Justice

2/29/12

Government of Alberta News frame

Solicitor General and Public Security, Alberta Justice, Alberta Health and Wellness and Alberta Health Services will also collaboratively evaluate the effectiveness of the project.

-30-

### Media inquiries may be directed to:

Alison Keppler  
Justice Communications  
780-427-8530

Jason Maloney  
Solicitor General and Public Security Communications  
780-644-8527

To call toll free within Alberta dial 310-0000.

February 24, 2012

### Safe Communities Innovation Fund bridge funding

#### What is the Safe Communities Innovation Fund?

The \$60-million Safe Communities Innovation Fund provided three-year funding to 88 pilot projects to support safe and strong communities by reducing and preventing crime through community and police partnerships.

A complete listing of approved projects is available by visiting: [http://justice.alberta.ca/programs\\_services/safe/what-doing/Pages/scif.aspx](http://justice.alberta.ca/programs_services/safe/what-doing/Pages/scif.aspx)

#### Why is bridge funding for the first round of projects being offered?

Bridge funding will support continuation of first round pilots while they complete their evaluations, including business cases and a Social Return on Investment, which is a tool that measures the impact of the project and the value it creates for the community. This funding also provides projects an opportunity to showcase themselves to potential funders before their grants expire.

#### Will all projects receive bridge funding?

All 28 three-year pilot projects from the first round of funding will have the opportunity to apply for bridge funding. Projects must meet the bridge funding grant criteria. Questions about bridge funding can be directed to the Safe Communities Division of Alberta Justice at 780-644-5719. For toll-free access across Alberta dial 310-0000 first.

#### What evaluation tools are in place to ensure Safe Communities Innovation Fund pilots are a success?

All Safe Communities Innovation Fund pilot projects are required to provide a final evaluation, a Social Return on Investment and a business case, all of which are tools to secure funding from other sources.

#### Will bridge funding be extended to pilots from rounds two and three?

Safe Communities Innovation Fund bridge funding is one-time for round one pilot projects. Second and third round pilots will be contacted to discuss the timing of their project evaluation, Social Return on Investment and business cases.

-30-

### Media inquiries may be directed to:

Alison Keppler  
Justice Communications  
780-427-8530

To call toll free within Alberta dial 310-0000.

## Appendix 6 – City Calgary Report – Family & Child Support Services 2011



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## Impact

### Social Return on Investment

The purpose of investment is to generate a return. While return on investment (ROI) can be measured within the financial markets, the value created by investment in society is not currently expressed in terms that are universally understood nor easily measured. As a result, the ROI of investing in society is often undervalued, poorly understood, and is frequently at risk of being overlooked altogether.

As public, private and corporate funders seek to invest in organizations that can demonstrate how their programs and services positively affect people, it becomes increasingly important to evaluate and report outcomes and impact. FCSS Calgary, working with its agency partners, has been piloting the use of social return on investment (SROI) analysis as an informative forecasting, planning and communications tool since 2008.

Additionally, a cross-Corporation pilot project involving Capital Asset Management, Recreation, the Office of Sustainability and FCSS was completed in 2011. This project examined the use of SROI analysis as a potential tool to develop a standardized method for considering social value in our triple-bottom line decision-making within the City. Other areas within the City where SROI analysis is occurring or being considered include the Calgary Police Service, Calgary Fire Department and the Calgary Housing Company.

The SROI methodology values change for people and the environment that would otherwise not be valued. An SROI analysis assigns financial proxies to social and environmental change wherever possible. The value presented is then combined with non-monetizable indicators of change to communicate a complete expression of value.

To ensure the integrity of the methodology as it develops across the country, FCSS Calgary has been working with other interested stakeholders, municipalities and levels of government to establish standards of practice, citable financial proxies and a process for third-party assurance of SROI cases through the establishment of the SROI Canada Network.

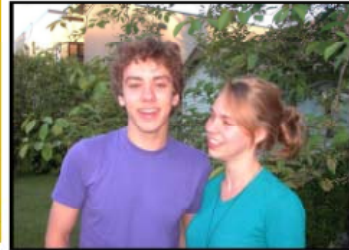
FCSS Calgary does not recommend SROI analysis become a mandatory element for annual reporting. However, FCSS does support the use of SROI by high-capacity organizations because of the insight it offers into an organization's ability to create value far beyond the investment made into its programs and services.

The case studies generated from the SROI work to date are posted on the FCSS Calgary website:  
[www.calgary.ca/CPSP/CHS/Pages/FCSS/Social-Return-on-Investment-SROI.aspx](http://www.calgary.ca/CPSP/CHS/Pages/FCSS/Social-Return-on-Investment-SROI.aspx)

My husband and I joined your support group which held meetings for those of us who have lost a loved one from suicide. Tonight marks the 14th anniversary of his death. I cannot tell you what a great strength we were provided to help us deal with this tragedy. The telling of our story, the listening to the stories of others, the way we were taught to say goodbye has given us the strength to carry on. We will always carry what we learned from your staff. We were gently guided to a point that let us know we were not alone and that though we lost our son, we did not lose ourselves.

I wanted you all to remember, even on your worst days, you are doing an invaluable service and the kindness you have shown goes on and on for years. We were touched to the core of our soul and on this night, I honour you and my son and I thank you all from where no words could ever say what needs to be said.

- Canadian Mental Health Association  
Suicide Services Client

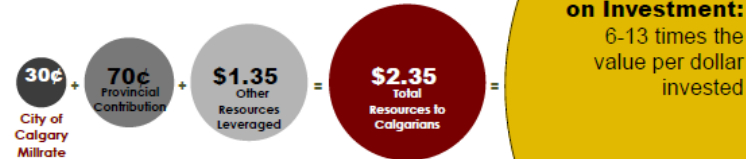


## FCSS Calgary Results: 2011

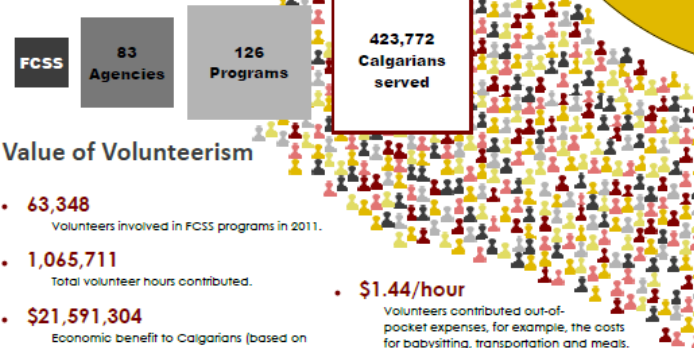
### The difference we're making...

#### Economic Leverage

- Each FCSS Calgary dollar (70 cents from the province and 30 cents from the millrate) leveraged \$1.35 in other resources.



- In 2011, FCSS Calgary supported 83 agencies to deliver 126 programs.



#### Value of Volunteerism

- 63,348**  
Volunteers involved in FCSS programs in 2011.
- 1,065,711**  
Total volunteer hours contributed.
- \$21,591,304**  
Economic benefit to Calgarians (based on Secretary of State hourly rate of \$20.26).
- \$10,017,683**  
Benefit if volunteer contribution was valued at minimum wage.
- \$1.44/hour**  
Volunteers contributed out-of-pocket expenses, for example, the costs for babysitting, transportation and meals.
- \$1,534,623**  
The estimated value of volunteer out-of-pocket contributions in 2011.

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## Appendix 7 –Recent Article on Commissioning for Social Value in Public Services

Commissioning for social value in public services

By Jenni Inglis - Director of the SROI Network and runs VIE, a public services evaluation company.

*Published Friday, February 24, 2012 - 09:53*



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### Story tools

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**At The SROI Network’s international conference in Potsdam, Germany, last week (16/17th Feb) we made the assertion it’s “a time for social value”.**

One of the excellent keynotes was delivered by Richard Spencer of the ICAEW who reminded us both why this really needed to be a time for social value - increasing inequality, lack of trust, markets that do not recognise interconnectedness - and that a time for social value means a shift in the way we all think and act. He ended with a point that accounts are always a representation, they leave things out and put things in, so those of us involved in accounting for things have a responsibility to reshape what is accounted for. The SROI Network’s strapline is “Accounting for Value” reflecting our commitment to shifting the balance of what is taken into account in decision making from the easy-to-measure-and-value to the important-to-measure-and-value.

A time for social value in this context means a time when decision making looks for and takes into account the effects of actions on those people and environmental resources that are affected, not just those with a financial or power stake.

Participants from more than twenty countries agreed, but then they are, so to speak, the converted! So what relevance to the UK Public sector?

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If like me you are enough of a geek to have a google alert going on the term “social value” you will see that there’s a lot of material on the subject. At a rough estimate 80% of the mentions of “social value” on the web relate to the UK and over half of those relate to specific concept of social value, rather than having just happened to use the two words together.

One likely reason is that in the UK we have a Bill on Social Value making its way through Parliament. The Public Services (Social Value) Bill was brought as a private member’s bill by Chris White MP and looks likely to become law later this year. It concerns what is taken into account pre-procurement in the commissioning of services. The Bill makes reference to considering consultation with service users. In combination with last years’ update of Best Value Statutory Guidance, and also as Local Authorities prepare for the Localism Act two powerful messages are developing- taking account of the effects that your service decisions have on people is not optional and trying to take account of effects on people without interacting with these people is insufficient and risky. It also means you will need to anticipate these effects and cannot afford to wait until after a service is in place before assessing these effects.

Law is one thing but in my experience the majority of public sector employees want to do a do a good job, one that makes the most difference to the people they are serving, with the least unintended consequence. It is helpful to these professionals to have some clarity in the form of Acts of Parliament and Statutory guidance as to what they’re supposed to do. The issue for them is being pulled around by conflicting policy directions and layers of bureaucracy that sit under those laws. An industry is already gearing up around the Public Services (Social Value) Bill. You can expect a proliferation of tools and techniques, guides and approaches, aimed either at suppliers to help them to demonstrate their social value to commissioners or at commissioners themselves. Many will be trying to make this agenda simple.

Making this agenda simple is often code for creating a transactional, tick-box approach to decision making; reducing the level of professional judgement required, so public sector employees are administrators rather than part of a system of allocating resources to improve society. There are many tricky issues to be dealt with in making substantial progress towards commissioning for more social value and we cannot afford to reduce professionals to the role of administrators. The shift towards localism means less central prescription of what is valuable but which systems will guide local public bodies judgements about value? A top-down, prescriptive, toolkit approach does not work in the era of localism.

How do other professions guide their work? Principles. For example the accounting profession deals with the issue of professional judgement by having a set of principles. These are generally accepted and used as a guide to inevitable judgements about what to account for and how. There is subjectivity involved and accountants do not always agree but they generally agree; they are a long way down the path of convergence.

Hence the new “Guide to Commissioning for Maximum Value”, written by the SROI Network for the Local Government Association, which highlights what can be done at each stage of the



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commissioning cycle by those who wish and need to transform their commissioning practice towards achieving greater value. It is based on a set of principles borrowed and extended from those already in use worldwide by our members to “Account for Value”. It draws on existing practice to understanding value for money and to service development and delivery including asset based approaches and co-production. It explores how some of the more difficult decisions about allocation of resources could be better guided but is also a flexible model because it is based on principles.

Its use will help you to prepare for the new laws but most importantly its use will help you to be part of a solution, part of the time for social value.

The SROI Network is also pleased to announce new one-day training based in this guide. This training will be both practical and thought provoking. It is aimed at helping commissioning teams to improve their systems, improve their interactions with stakeholders and deal with some of the complexities of being a public service professional by applying principles to their judgements.

Please visit <http://www.thesroinetwork.org/training/other-training> for more details.