

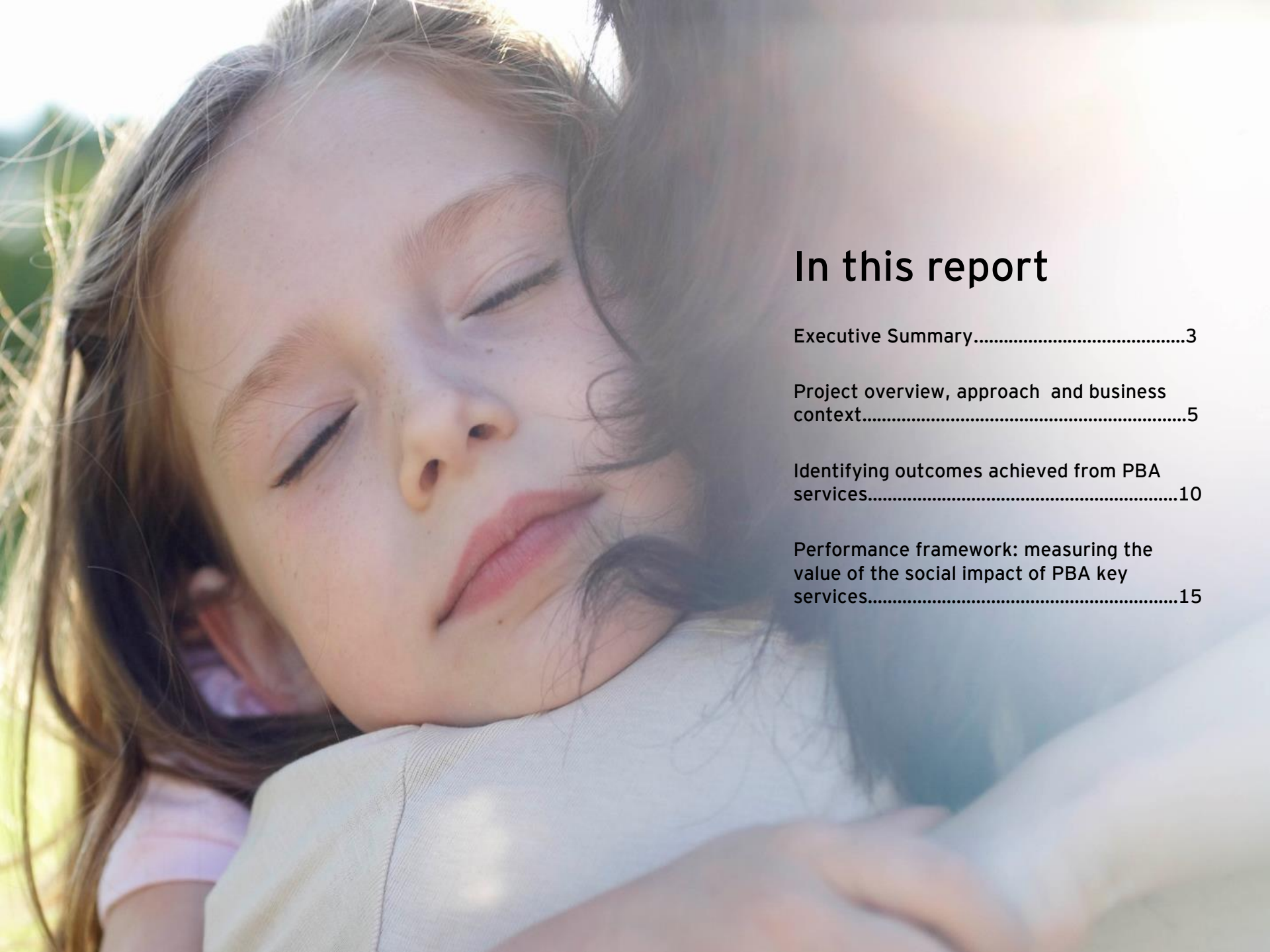


Pro Bono Australia: A Performance Framework for Measuring the Broader Value Created

January 2016 | Final Report

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow diagonal line is positioned above the 'Y', extending from the right edge of the logo towards the top right corner of the page.

Building a better
working world



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Executive summary

Project overview

To demonstrate to consumers, funders and broader society the impact and value of Pro Bono Australia's (PBA) services in creating social change, EY has been commissioned to develop a performance measurement framework and an excel based tool which will enable PBA to track and measure the performance of the business in achieving its social purpose.

The framework comprises output and outcome metrics for measuring the social impact of PBA's key services. It also includes value metrics which measure the value of the social impact created from PBA's four key services: News; Webinars; Surveys and; Volunteer Match.

Method

The method for measuring the social value created by PBA services is based on workshops and meetings with PBA management. The data used has been provided by PBA. The modelling is based on client data, external research and assumptions where data was not available.

Social value includes capability building such as knowledge and skills of people and organisations as well as advocacy to influence changes in policies which impact (positively or negatively) on the NFP sector.

Summary of Findings

Modelling indicates that PBA creates substantial value for the NFP sector, including:

- ▶ The value of the social impact created by the four services is estimated to be approximately \$6.5m.
- ▶ The social return on investment is estimated to be 11:1 meaning that for every dollar invested by PBA in the four key services it creates \$11 of social value for the sector and economy.

News services creates the most value for the sector estimated at \$2.8m followed by Surveys at \$2.5m.

Basis of our work and limitations

We have performed research and analysis using information supplied by Pro Bono Australia in order to deliver this report. We have not independently verified, or accept any responsibility or liability for independently verifying, any such information, nor do we make any representation as to the accuracy or completeness of the information. We accept no liability for any loss or damage, which may result from reliance on any research, analyses or information so supplied.

The report has focused on measuring the value created by PBA services and has not made any attempt to benchmark the social value created.



Project overview, approach
and business context

Project overview and approach

EY was commissioned by PBA to develop a performance measurement framework which will assist in demonstrating how PBA creates social value and its contribution to broader outcomes for the for-purpose sector.

Phases of work

The engagement included three key phases of work:

1. Identify how value is created for four (4) key services News, Surveys, Webinars and Volunteer Match
2. Qualitatively describe the value creation process
3. Develop a performance measurement framework which includes lead and lag key performance indicators to track service performance of initiatives.

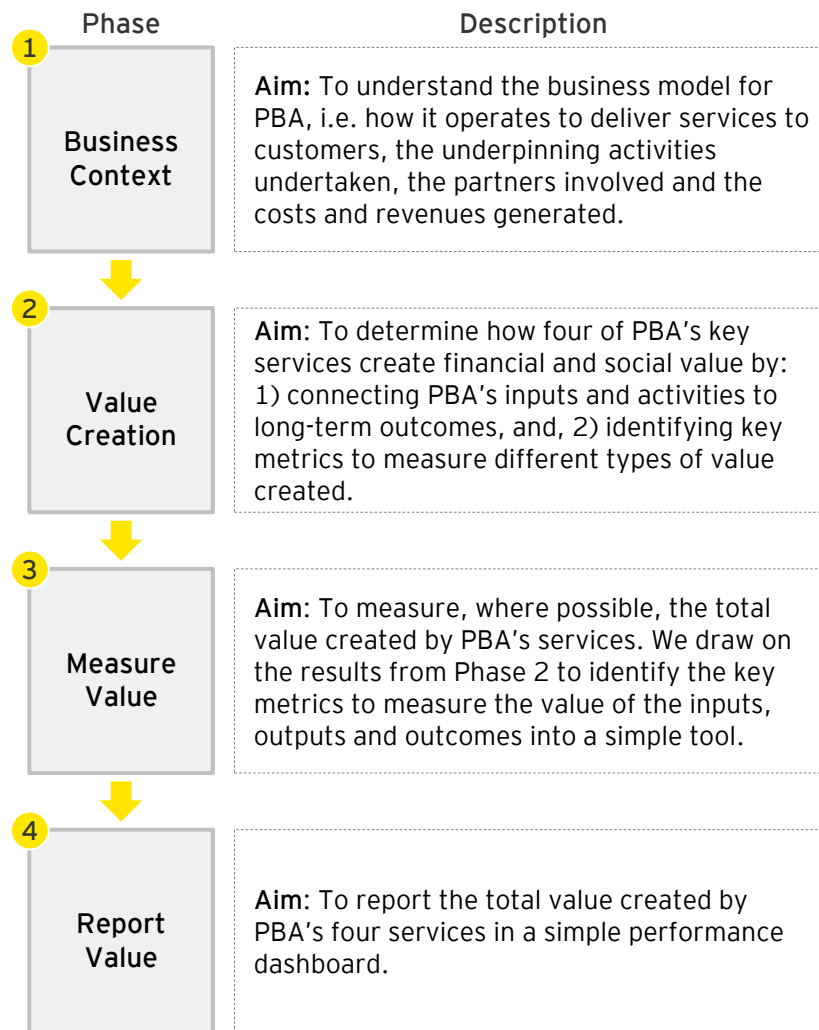
Approach

The development of the performance framework and measurement of the social value created by PBA's services is based on data provided by PBA, modelling based on what is considered to be best practices and assumptions where data was not available.

Social value includes capability building such as knowledge and skills of people and organisations as well as advocacy to influence changes in policies which impact (positively or negatively) on the NFP sector.

Outcome

The performance measurement framework will assist PBA to demonstrate the total value created and support their status as a B-Corp as well as leading the sector.



Overview of Pro Bono Australia

Introduction

PBA is an on-line media and communications business which acts as a hub for people who want to engage with Australia's Not for Profit organisations and community.

PBA aims to facilitate improved social and economic outcomes for Australian communities by providing easily accessible, quality and timely information about issues impacting the welfare of people. It achieves this by providing on-line news, survey, webinars, jobs and volunteer advertising. The primary audience is the not-for-profit sector, however PBA also targets for-profits, government and academia which each have a role in working with NFPs to achieve improved social outcomes. PBA customers are predominately from the NFP sector and approximately 85% identify as senior executives.

PBA's vision is to enable, serve, innovate and lead in the Australian community sector to create meaningful change. PBA also aims to be financially sustainable.

To demonstrate to customers, funders and broader society the impact and value of PBA's services in creating social change, EY has been commissioned to develop a performance measurement framework which will enable PBA to track and measure the social impact and value of its services.

The following pages provide an overview of PBA including:

- ▶ Vision and strategy
- ▶ Business model

Strategy

The purpose of PBA is helping people to connect and create more social impact in their day-to-day lives. PBA aims to achieve this purpose through providing a range of services including news, jobs, volunteer match, webinars, surveys, and events.

Each of these services helps to build the capability of people and organisations through improving skills and knowledge. They also help influence policy through advocacy.

Business Model

PBA provides both free and fee based services for the sector. Free service includes news, volunteer match and selected surveys. Fee based services includes webinars, Board Reports and the Salary Survey. Revenue is also generated through sponsorship and advertisements.

Performance

The existing performance metrics reported by PBA provide a basic view of PBA's business performance such as revenue and customer growth and website traffic. These metrics demonstrate PBA has achieved significant improvement in a short period of time in reducing operating costs, and improving market share and revenue per customer.

However, these metrics do not provide insight as to the social impact and value created by PBA's services and hence how it is achieving its purpose. By developing a performance framework of social impact and value, the right metrics and data will provide more in-depth insight into the performance of PBA and how it is achieving its vision and purpose.



Identifying the outcomes
achieved by PBA services

Overview: Determining outcomes

To identify how PBA creates long term value for the business, customers and broader society, we need to map the link between the inputs and activities which PBA undertakes to create outputs and outcomes.

To do this we use program logic (see figure 'Overview of the steps in theory of change').

The next two pages present the theory of change for each of the four PBA services:

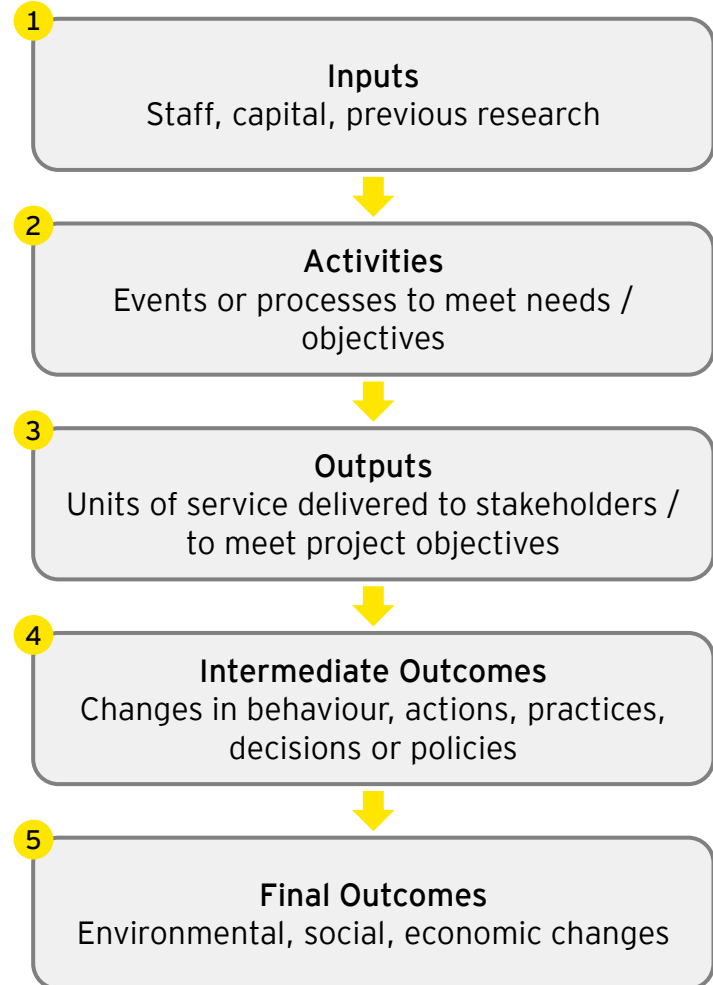
- ▶ News
- ▶ Surveys
- ▶ Webinars
- ▶ Volunteer match.

They demonstrate that there are common inputs, activities, outputs and outcomes which are generated by each of the four services and which align to the business model.

The key long-term outcomes generated are:

1. PBA is more financial sustainable
2. Individuals are more fulfilled and have improved knowledge, skills and capability to create social impact
3. The NFP sector is more informed, knowledgeable and skilled to create social impact
4. Broader society is more informed of the social impact the NFP creates.

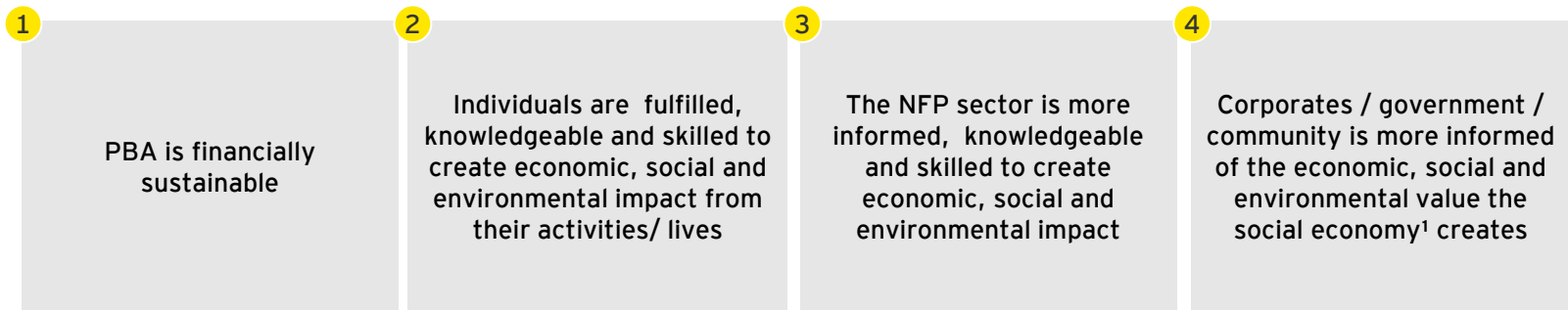
Overview of the steps in a theory of change



Together these four services create four key long-term outcomes



Together these four services create four key long-term outcomes for PBA, customers, the NFP sector and broader society



SOURCE: ¹ The social economy refers to the third sector, a group of actors who are motivated by a social objective. These actors typically include organisations such as cooperatives, non profit organizations, social enterprises and charities



Performance framework:
measuring the value of the
social impact of PBA key
services

Overview of value created

In this section, EY presents the performance framework for measuring the social impact and value created from each of PBA's key services.

The performance framework enables PBA to measure impact at three levels:

1. Outputs
2. Outcomes
3. Value metrics

Output metrics measure the activities undertaken during the reporting period and the outputs which resulted. Output metrics are easier to measure as they involve keeping records of activities undertaken such as number of webinars and number of attendees and outputs such as number of attendees, number of Facebook likes or number of page views. They are important for demonstrating what PBA has achieved.

Outcome metrics measure the outcomes which results from undertaking the activities and measure progress towards achieving PBA's mission or purpose. These metrics can be more difficult to determine and take more time to collect reliable data. Outcome metrics for PBA relate to two key areas:

1. Improving the capability of the NFP sector
2. Achieving better outcomes for the NFP sector through advocacy using PBA news and research

Outcome metrics are important for demonstrating the benefit or value of PBA's services and by measuring them over time, demonstrate the size of the change which has occurred as consequence of PBA.

The output and outcome metrics can be a mix of lead indicators (predictor of success) and lag indicators (measure the outcome after the fact). Together they provide an holistic view of PBA's performance. The output and outcome metrics are best used for reporting the performance of PBA to external stakeholders such as sponsors as well as informing how to improve the operation of the business.

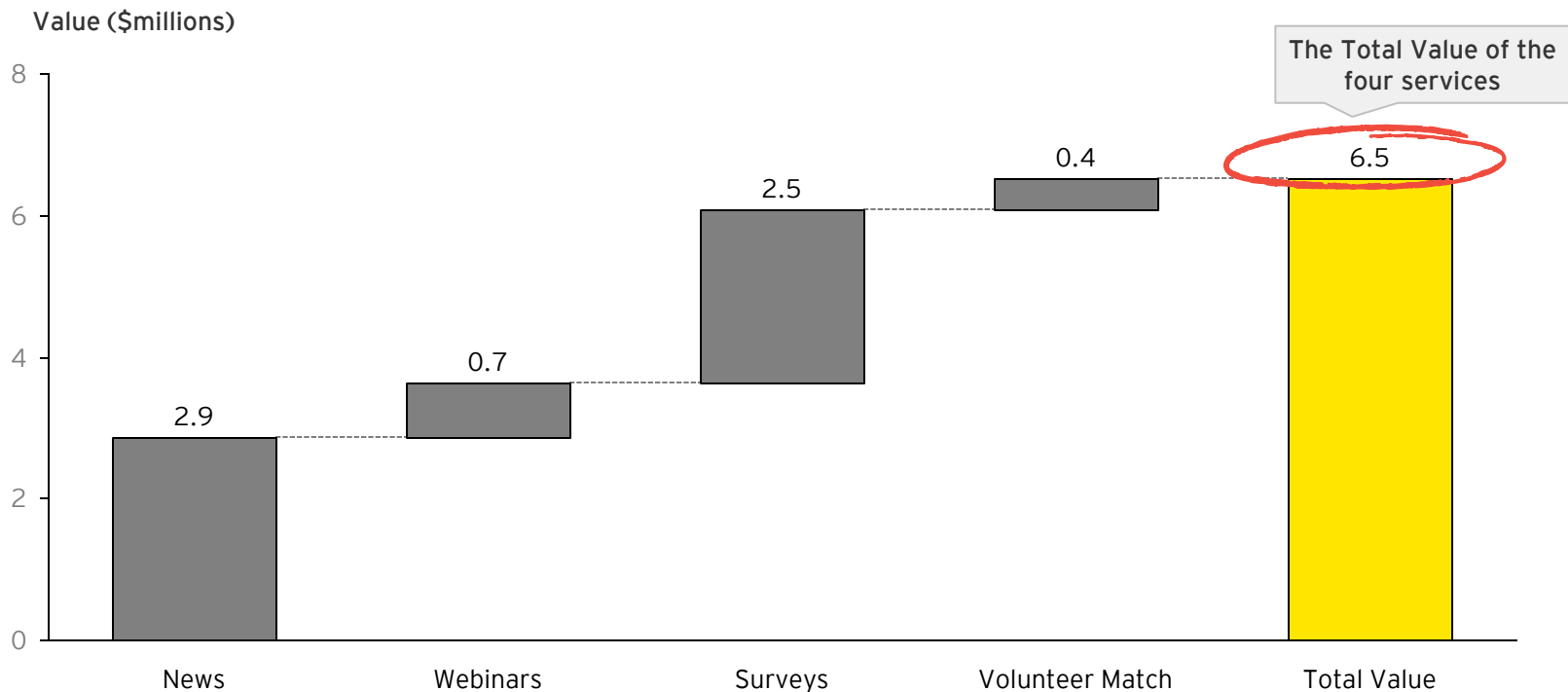
Value metrics help to measure the value of the social outcomes created by PBA's services. The method and calculations for measuring the social value created is based on data provided by PBA, modelling based on what is considered to be best practices and assumptions where data was not available.

A return on investment calculation is provided, however, because few organisations measure the social value created from their services and therefore it is difficult to compare or benchmark with PBA. Hence, the value created by each of the services is best used to inform internal business decision making rather than external comparisons.

The following pages present:

- ▶ A waterfall diagram of the total value created
- ▶ High level overview of method
- ▶ A summary of the performance framework
- ▶ Detailed information on the metrics for each of PBA's services

The value of the social impact created by the four services is estimated to be approximately \$6.5m



The value generated is a return of 11x on PBAs total cost of doing business

Summary of social impact and value metrics

| | Social Impact Performance Metrics | | Value metrics | Value created |
|-----------------|---|--|--|---------------|
| | OUTPUT | OUTCOME | | \$6.5m |
| News | <ul style="list-style-type: none"> ▶ Number of visitors ▶ Length of time on news website ▶ # and % of visitors who identify as senior level executives ▶ Number of click throughs to other pages ▶ # of 'likes' and 'shares' on social media | <ul style="list-style-type: none"> ▶ Increased capability (knowledge and skills) of visitors ▶ # citations in HANSARD ▶ # of citations, syndications or references in other news outlets ▶ Input-output multiplier | <ul style="list-style-type: none"> ▶ Value of change in capability ▶ Value of professional development provided ▶ Cost of commissioning an agency to undertake the work | \$2.8m |
| Webinars | <ul style="list-style-type: none"> ▶ # of attendees ▶ # and % of attendees who identify as senior level executives | <ul style="list-style-type: none"> ▶ Increased capability (knowledge and skills) of attendees ▶ Input-output multiplier | <ul style="list-style-type: none"> ▶ Value of change in capability ▶ Value of professional development provided | \$0.7m |
| Surveys | <ul style="list-style-type: none"> ▶ # of downloads ▶ # and % of visitors who identify as senior level executives ▶ # of 'likes' and 'shares' on social media | <ul style="list-style-type: none"> ▶ Volume of surveys completed ▶ # of respondents to showpiece research (State of the Sector survey) ▶ \$ value of time spent on website | <ul style="list-style-type: none"> ▶ Value of change in capability ▶ Value of professional development provided ▶ Cost of commissioning an agency to undertake the work | \$2.5m |
| Volunteer Match | <ul style="list-style-type: none"> ▶ # of advertisements ▶ # of candidates placed | <ul style="list-style-type: none"> ▶ Employer satisfaction with candidates ▶ Volunteer satisfaction ▶ Quality candidates placed | <ul style="list-style-type: none"> ▶ Replacement cost ▶ Value of positions filled | \$0.4m |

News: Social impact and value metrics

News
 PBA provides high quality news for the NFP sector about issues which affect the NFP sector. The aim is to provide the sector with relevant information to inform decision making and improve social outcomes.

\$2.8m
 of value created for the NFP sector

Social Impact Performance Metrics

Value metrics

Value Method

OUTPUT

OUTCOME

- ▶ Number of visitors
- ▶ Length of time on news website
- ▶ # and % of visitors who identify as senior level executives
- ▶ Number of click throughs to other pages
- ▶ # of 'likes' and 'shares' on social media

- ▶ Increased capability (knowledge and skills) of visitors

- ▶ # citations in HANSARD
- ▶ # of citations, syndications or references in other news outlets

- ▶ Value of change in capability
- ▶ Value of professional development provided

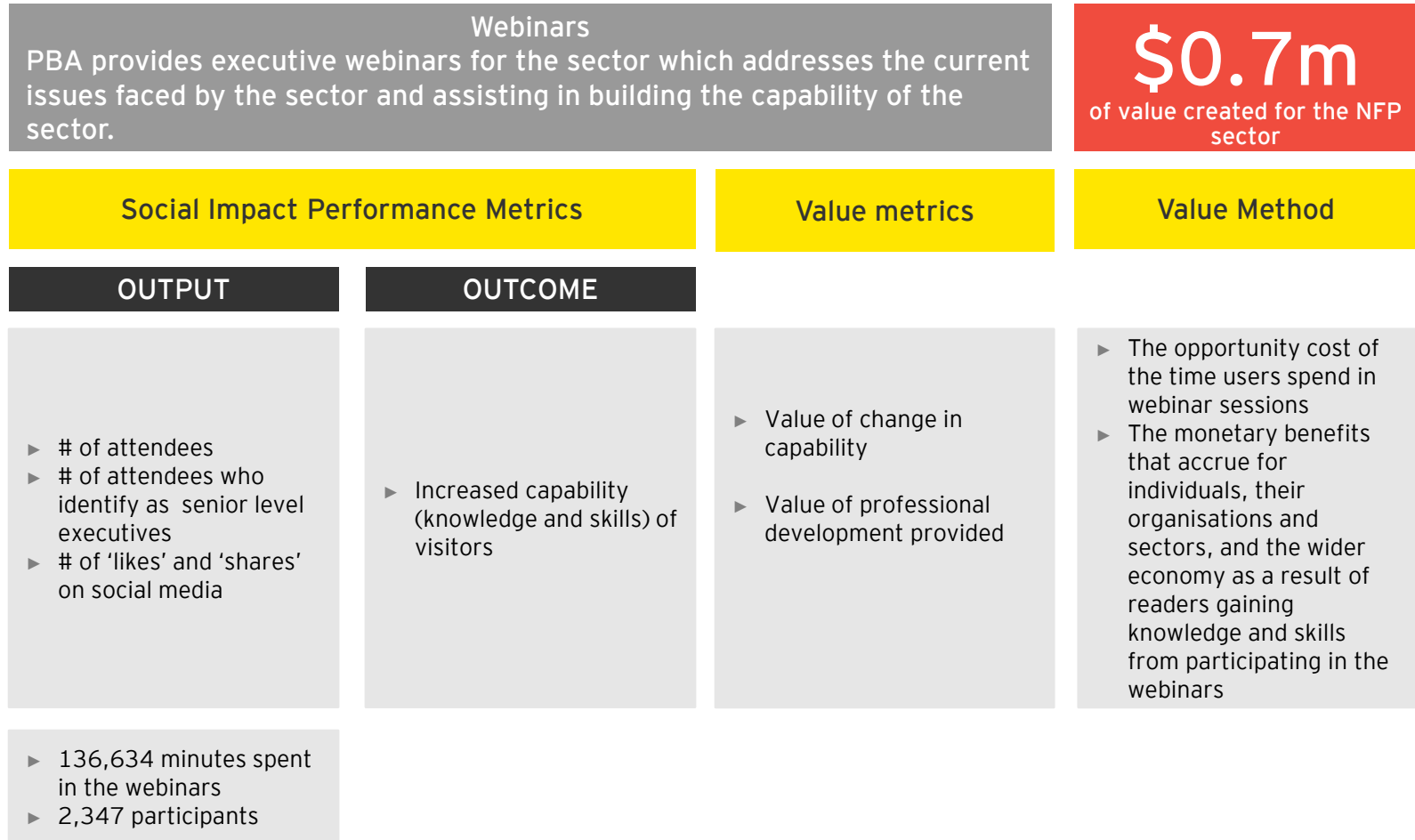
- ▶ Cost of commissioning an agency to undertake the advocacy

- ▶ The opportunity cost of the time users spend reading PBA News
- ▶ The monetary benefits that accrue for individuals, their organisations and sectors, and the wider economy as a result of readers gaining knowledge and skills through the News service

- ▶ 1.1m unique views
- ▶ 700k unique readers
- ▶ 2.1minutes spent on the page

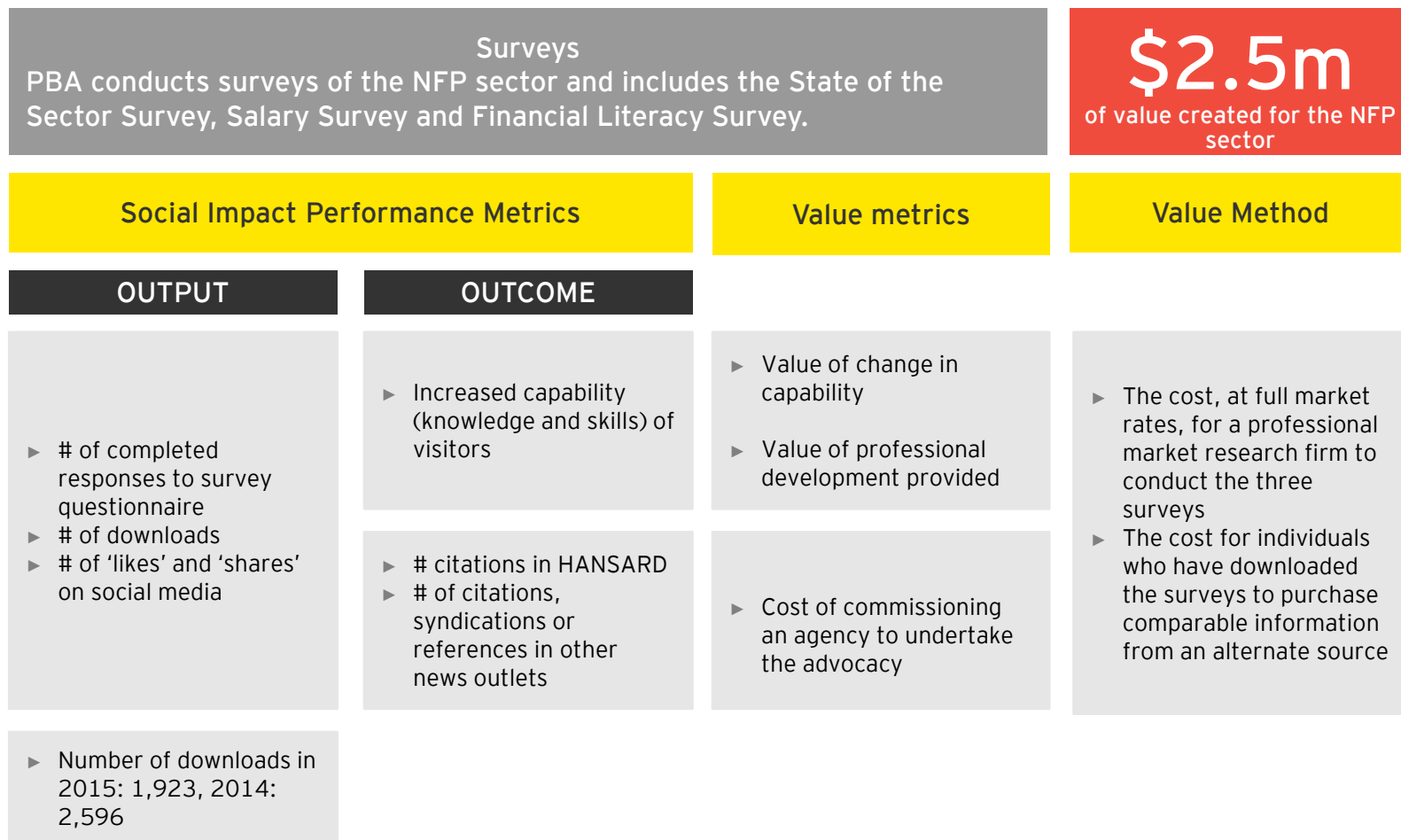
SOURCE: PBA internal data. Google Analytics. PBA, 2014, NFP Salary Survey, <<http://www.probonoaustralia.com.au/salary-survey>>. Centre for Social Impact, 2015, Learning for Purpose: Researching the Social Return on Education and Training in the Australian Not-for-Profit Sector. EY Input-Output Type 1 multiplier. EY analysis

Webinars: Social impact and value metrics



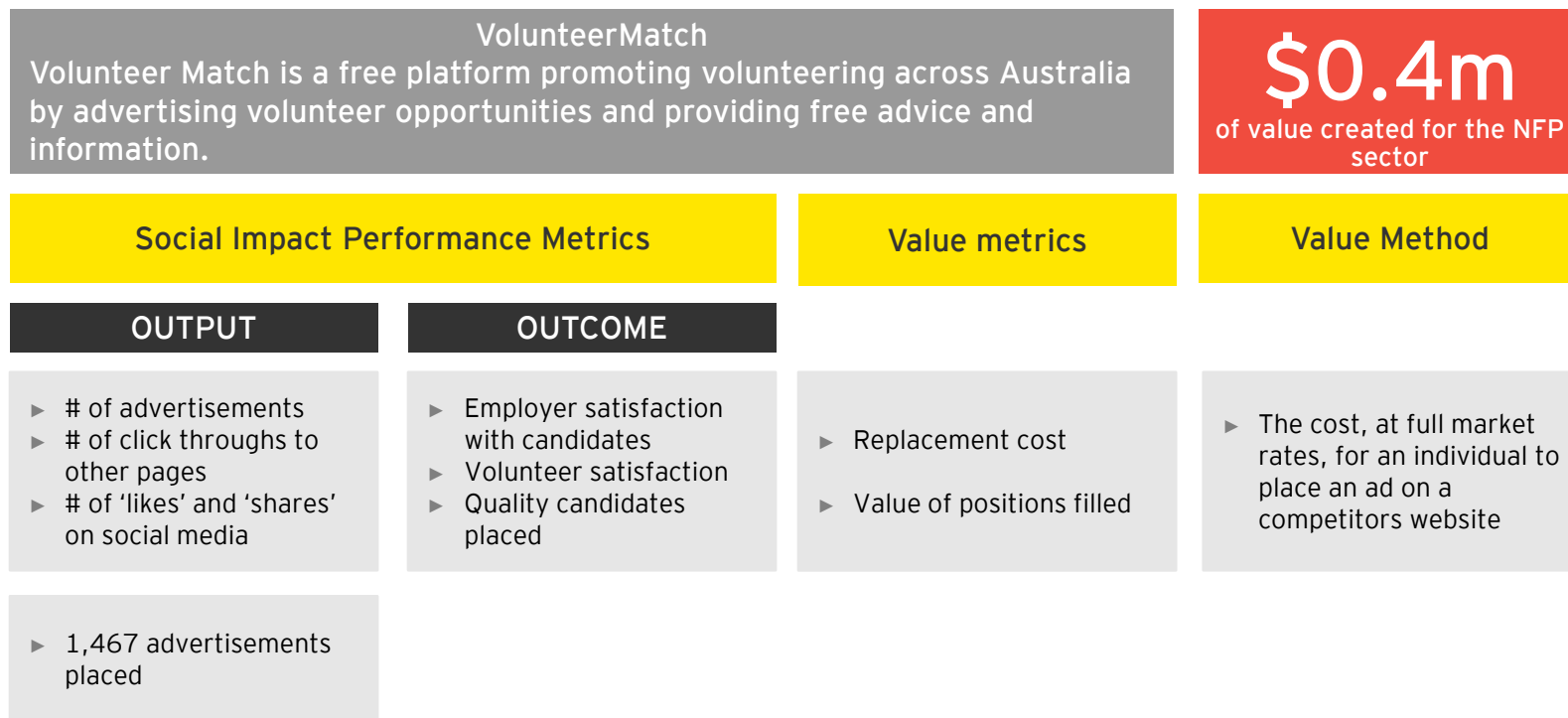
SOURCE: PBA internal data. PBA, 2014, NFP Salary Survey, <<http://www.probonoaustralia.com.au/salary-survey>>. Centre for Social Impact, 2015, Learning for Purpose: Researching the Social Return on Education and Training in the Australian Not-for-Profit Sector. EY Input-Output Type 1 multiplier. EY analysis

Surveys: Social impact and value metrics



SOURCE: PBA internal data. Google Analytics. Centre for Social Impact, 2015, Learning for Purpose: Researching the Social Return on Education and Training in the Australian Not-for-Profit Sector. IBISWorld. EY analysis

Volunteer Match: Social impact and value metrics



SOURCE: PBA internal data. Google Analytics. Seek.com. EY analysis

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