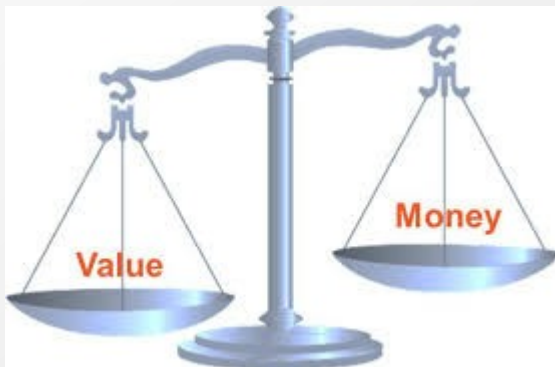




MASARYK UNIVERSITY

## PUBLIC PROJECT DESIGN AND EVALUATION

# 02\_SROI analysis



Gabriela Vaceková  
gabriela.vacekova@econ.muni.cz

# Headlines from your country: What happened around the world last week?



## Lecture content

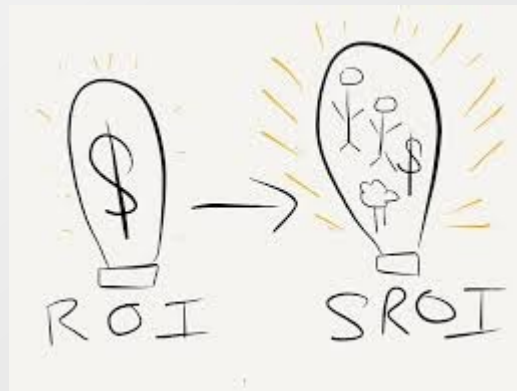
- Social return on investment (SROI) is a systematic way of incorporating social, environmental, economic and other values into decision-making processes.
- Like traditional cost-benefit analysis (CBA), SROI includes a ratio; in this case a Social Return on Investment ratio.
- The aspect of stakeholder perspectives is essential in the SROI approach.
- **This lecture covers the theory and practice of performing SROI analysis.**



## PLEASE NOTE!

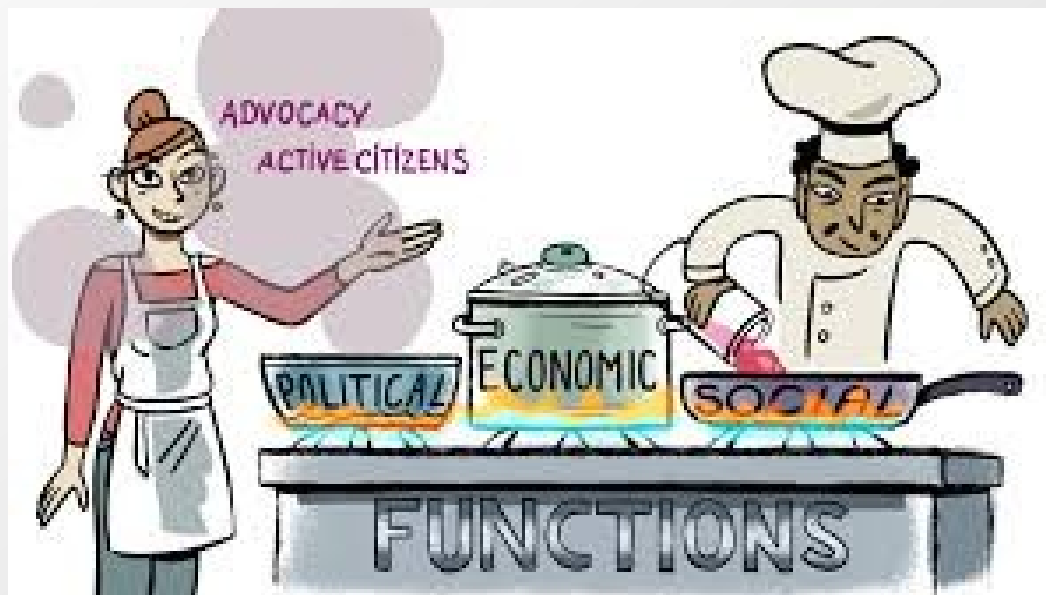
### **Social return on investment (SROI)**

is a principles-based method for measuring extra-financial value (i.e., environmental and social value not currently reflected in conventional financial accounts) relative to resources invested.



## Third sector impact

- ❏ The Third Sector Kitchen:  
preparing a dish for the common good



# Everybody is talking about „impact“... a fuzzy term!

(Social)  
Impact

Outcome

(Social)  
Effects

(Social)  
Return

Output

(Social)  
Value

Success

## Its all about success! What is success?

- ...the positive result of an effort
- ...the occurrence of an intended, desired outcome
- ...the result of economic activity, recorded or expressed in monetary terms
- ...completing an objective or reaching a goal

**What does success mean in the case of public projects?**

## What are Outputs?

- Outputs are those products and services that directly result from the activities of an organization, project or program (and the related efforts).
- Outputs can be controlled by the management in terms of their type and scale.
- Outputs can often be measured more directly compared to impacts. They are often measured with indicators (KPI) – especially when a whole organisation is being assessed.





## Output = Success?

- Are activities and their outputs the purpose of an organization?
- If activities are only the means to an end: Is it enough to focus only on outputs in order to assess their success?
- Is increase in output always essential? Does efficiency increase mean success?
- To what extent do support processes contribute to the success? Preconditions for a successful performance? Own KPIs?
- Does performance measurement really measure the dimensions which are central for the success of the organization?

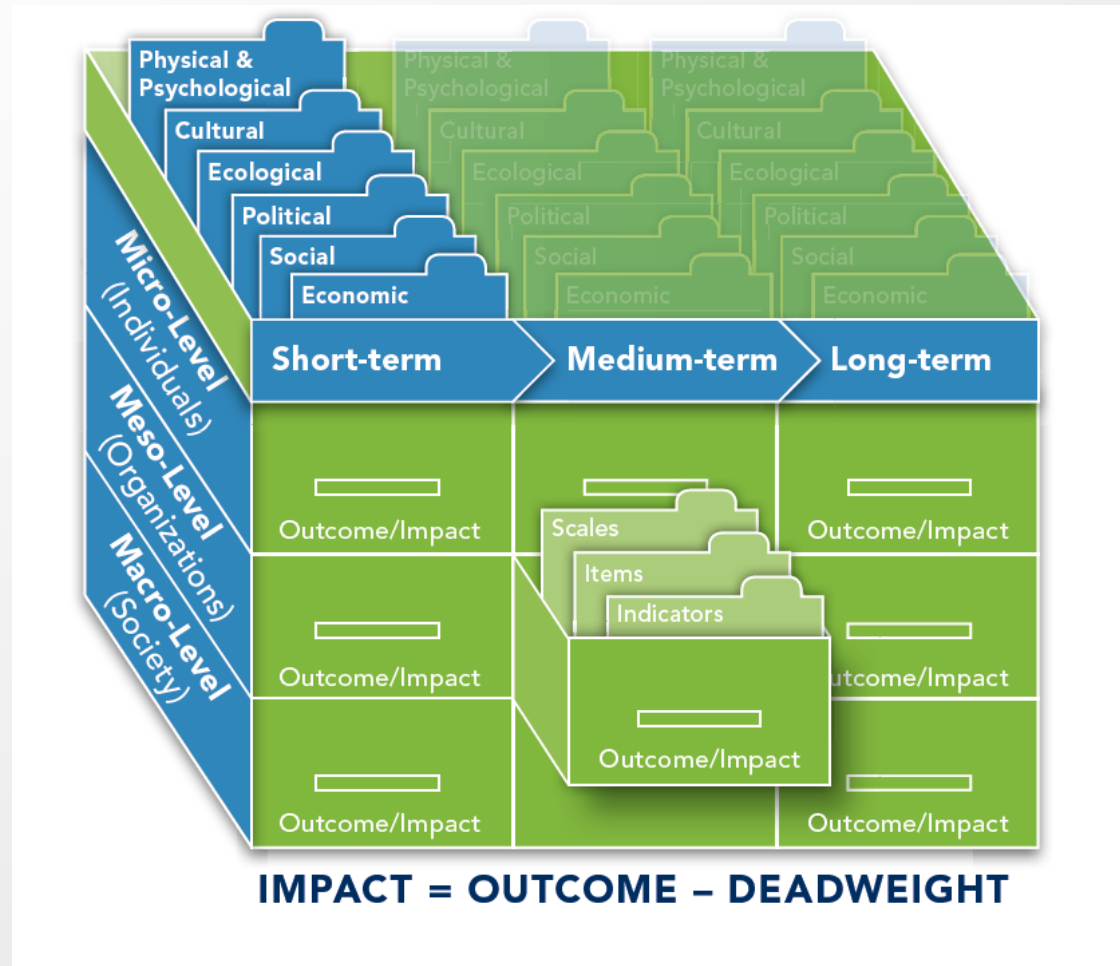


## What is Outcome?

- **Outcomes** refer to those changes (positive and/or negative) that are noted to the beneficiaries (people, groups, society) of an intervention, after an intervention has taken place.
- **Outcomes** may occur short-term, medium-term and long-term
- **Outcomes** may occur at micro-, meso- and macro-level
- **Outcomes** may generally occur on six topical dimensions:
  - economic, ecological, social, cultural, political, psychical and physiological
- **Outcomes** have to be measured, analysed and valued differently for each stakeholder



# Impact box



Quelle: Schober, C./Rauscher O. (2014): „Was ist Impact? Gesellschaftliche Wirkungen von (Nonprofit) Organisationen. Von der Identifikation über die Bewertung bis zu unterschiedlichen Analyseformen.“, Working Paper, NPO&SE Kompetenzzentrum WU Wien. Download unter:

[https://www.wu.ac.at/fileadmin/wu/d/cc/npocompetence/downloads/impact\\_gesellschaftliche\\_wirkungen\\_von\\_nonprofit\\_organisationen.pdf](https://www.wu.ac.at/fileadmin/wu/d/cc/npocompetence/downloads/impact_gesellschaftliche_wirkungen_von_nonprofit_organisationen.pdf)

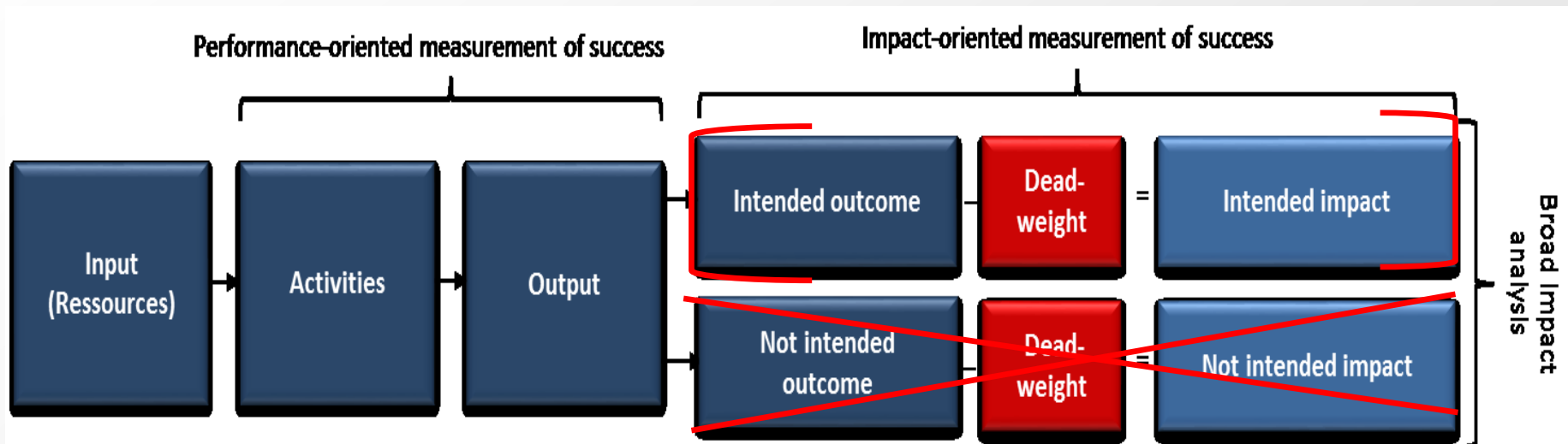
English version coming soon.

## Outcome = Success?

- Outcomes have to be understood in broader terms than typical success dimensions
- A comprehensive consideration of outcomes allows an overall assessment of organisations or programs/projects beyond the organisational success => Organisations can be successful in terms of efficiency/effectiveness but still have an overall negative outcome (Externalities)
- Comprehensive impact analyses consider unintended outcomes



# Impact value chain/Logic Model



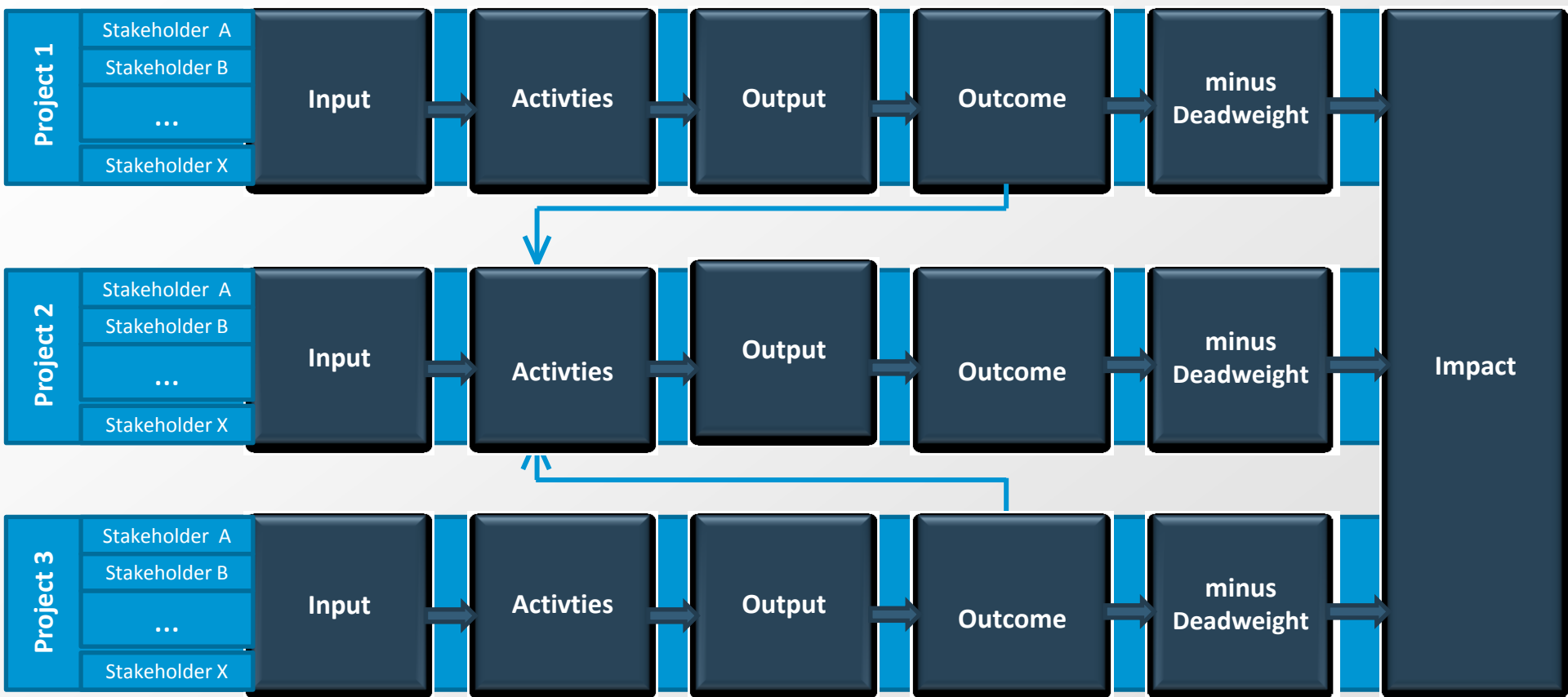
Quelle: Schober, C./Rauscher O. (2014): „Was ist Impact? Gesellschaftliche Wirkungen von (Nonprofit) Organisationen. Von der Identifikation über die Bewertung bis zu unterschiedlichen Analyseformen.“, Working Paper, NPO&SE Kompetenzzentrum WU Wien. Download unter:

[https://www.wu.ac.at/fileadmin/wu/d/cc/npocompetence/downloads/impact\\_gesellschaftliche\\_wirkungen\\_von\\_nonprofit\\_organisationen.pdf](https://www.wu.ac.at/fileadmin/wu/d/cc/npocompetence/downloads/impact_gesellschaftliche_wirkungen_von_nonprofit_organisationen.pdf)

English version coming soon.



# Impact Model



# Presentation of the results

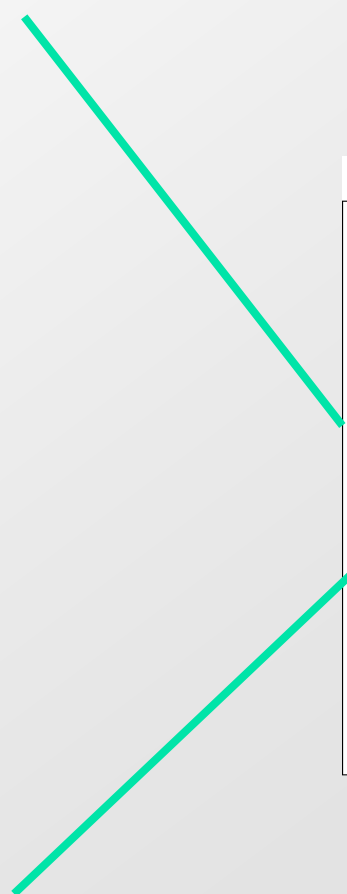
- The main results of the data-analysis are presented in a dashboard focusing on the four relevant sections.
- Dashboards contain indicators that can be aggregated from project

**comparable results and recognizability** throughout the whole project period

ERSTE SOCIAL BANKING DASHBOARD														
GROUP LEVEL	<p><b>TARGET GROUP GOALS</b></p> <p>XY% → </p> <p>XY% → </p> <p>XY persons → </p> <p>XY poor → </p>	<p><b>OUTPUT GOALS</b></p> <p>XY% → </p> <p>XY% → </p> <p>XY → </p> <p>XY → </p>												
	<p><b>IMPACT GOALS</b></p> <table border="1"> <tr> <td>Economic - TARGET -</td> <td>Social - TARGET -</td> </tr> <tr> <td>- PERFORMANCE</td> <td>- PERFORMANCE</td> </tr> <tr> <td>Political - TARGET -</td> <td>Ecological - TARGET -</td> </tr> <tr> <td>- PERFORMANCE</td> <td>- PERFORMANCE</td> </tr> <tr> <td>Cultural - TARGET -</td> <td>Mental and physical - TARGET -</td> </tr> <tr> <td>- PERFORMANCE</td> <td>- PERFORMANCE</td> </tr> </table>	Economic - TARGET -	Social - TARGET -	- PERFORMANCE	- PERFORMANCE	Political - TARGET -	Ecological - TARGET -	- PERFORMANCE	- PERFORMANCE	Cultural - TARGET -	Mental and physical - TARGET -	- PERFORMANCE	- PERFORMANCE	<p><b>COMMENTS</b></p> <p>XYZ</p>
	Economic - TARGET -	Social - TARGET -												
	- PERFORMANCE	- PERFORMANCE												
	Political - TARGET -	Ecological - TARGET -												
	- PERFORMANCE	- PERFORMANCE												
Cultural - TARGET -	Mental and physical - TARGET -													
- PERFORMANCE	- PERFORMANCE													
<p><b>OVERALL PERFORMANCE</b></p> <p>→ </p>														

# "impact goals" a strategic target-performance scheme\*

Economic - TARGET -	Social - TARGET -
- PERFORMANCE -	- PERFORMANCE -
Political - TARGET -	Ecological - TARGET -
- PERFORMANCE -	- PERFORMANCE -
Cultural - TARGET -	Mental and physical - TARGET -
- PERFORMANCE -	- PERFORMANCE -

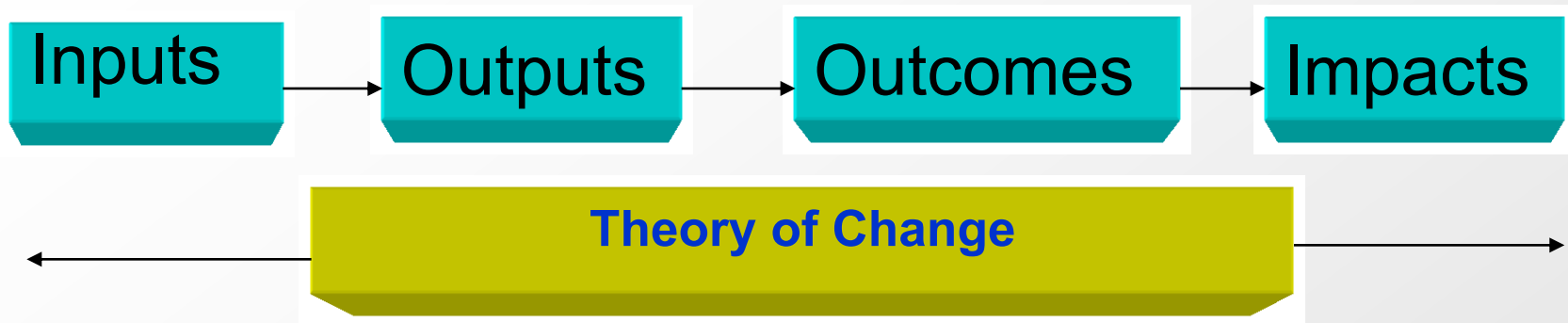


ERSTE SOCIAL BANKING DASHBOARD															
GROUP LEVEL	TARGET GROUP GOALS		OUTPUT GOALS												
	XY%	→	XY%	→											
	XY%	→	XY%	→											
	XY persons	→	XY	→											
	XY poor	→	XY	→											
	IMPACT GOALS		COMMENTS												
	<table border="1"> <tr> <td>Economic - TARGET -</td> <td>Social - TARGET -</td> </tr> <tr> <td>- PERFORMANCE -</td> <td>- PERFORMANCE -</td> </tr> <tr> <td>Political - TARGET -</td> <td>Ecological - TARGET -</td> </tr> <tr> <td>- PERFORMANCE -</td> <td>- PERFORMANCE -</td> </tr> <tr> <td>Cultural - TARGET -</td> <td>Mental and physical - TARGET -</td> </tr> <tr> <td>- PERFORMANCE -</td> <td>- PERFORMANCE -</td> </tr> </table>	Economic - TARGET -	Social - TARGET -	- PERFORMANCE -	- PERFORMANCE -	Political - TARGET -	Ecological - TARGET -	- PERFORMANCE -	- PERFORMANCE -	Cultural - TARGET -	Mental and physical - TARGET -	- PERFORMANCE -	- PERFORMANCE -	XYZ	
Economic - TARGET -	Social - TARGET -														
- PERFORMANCE -	- PERFORMANCE -														
Political - TARGET -	Ecological - TARGET -														
- PERFORMANCE -	- PERFORMANCE -														
Cultural - TARGET -	Mental and physical - TARGET -														
- PERFORMANCE -	- PERFORMANCE -														
			OVERALL PERFORMANCE												

\* Developed by **Rauscher, O./Schober, C.** (2015): "Wirkungsanalyse". In: Eschenbach et al.: Management der Nonprofit-Organisationen. Bewährte Instrumente im praktischen Einsatz. Schäffer-Pöschel Verlag, Stuttgart



- ❏ SROI describes the VALUES of changes to stakeholders by using financial proxies to represent values not usually captured in a market economy – social, community and environmental benefits
- ❏ SROI gives a voice to stakeholders that have been excluded in the past, e.g. disabled workers in social firms and their families
- ❏ SROI is based on standard accounting and commercial investment principles
- ❏ SROI makes sense to funders as a way of representing the value created by an activity and helps communicate of the value of the work to 'the people that matter'
- ❏ SROI involves measuring change – what funders are really looking to invest in



**For each stakeholder (e.g. disabled workers, their families, their community, their state support agencies, local employers and businesses etc.) we look at:**

**Inputs** - resources invested in the activity

**Outputs** – the description of the activity e.g. 20 disabled people employed

**Outcomes** - changes to people resulting from the activity, i.e., a new job, increased income, improved stability in life, improved quality of life

**Indicators of change** – how do we know change has happened

**Quantities of change** – how many of the stakeholder group experience change

**Financial proxies** – how we value the change

**Impact** = Quantities times proxies, less reductions to reflect that some change happens anyway and some change is created by other factors

## SROI project: Ethiopia – educational activities



## SROI projects: Ethiopia – start-ups



## SROI project: Ethiopia – new school



## SROI project: Ethiopia – impact assessment



## SROI project: Ethiopia – production of ovens



## SROI project: Ethiopia – backyard gardening





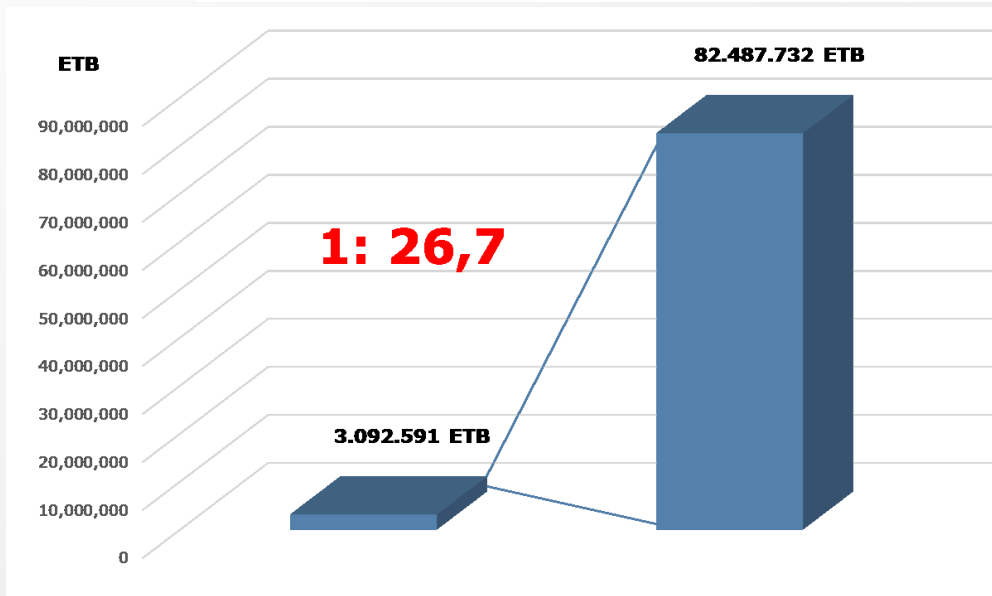
# Der „Social Return On Investment“



© Menschen für Menschen

Ein Spenden-Euro an *Menschen für Menschen* bringt einen gesamtgesellschaftlichen Wert von 26,60 Euro.

		DASHBOARD													
GROUP LEVEL	TARGET GROUP GOALS	OUTPUT GOALS													
	XY%	→	XY% →												
	XY%	→	XY% →												
	XY persons	→	XY →												
	XY poor	→	XY →												
	IMPACT GOALS	COMMENTS													
	<table border="1"> <tr> <td>Economic • TARGET</td> <td>Social • TARGET</td> </tr> <tr> <td>• PERFORMANCE</td> <td>• PERFORMANCE</td> </tr> <tr> <td>Political • TARGET</td> <td>Ecological • TARGET</td> </tr> <tr> <td>• PERFORMANCE</td> <td>• PERFORMANCE</td> </tr> <tr> <td>Cultural • TARGET</td> <td>Mental and physical • TARGET</td> </tr> <tr> <td>• PERFORMANCE</td> <td>• PERFORMANCE</td> </tr> </table>	Economic • TARGET	Social • TARGET	• PERFORMANCE	• PERFORMANCE	Political • TARGET	Ecological • TARGET	• PERFORMANCE	• PERFORMANCE	Cultural • TARGET	Mental and physical • TARGET	• PERFORMANCE	• PERFORMANCE	XYZ	
Economic • TARGET	Social • TARGET														
• PERFORMANCE	• PERFORMANCE														
Political • TARGET	Ecological • TARGET														
• PERFORMANCE	• PERFORMANCE														
Cultural • TARGET	Mental and physical • TARGET														
• PERFORMANCE	• PERFORMANCE														
		<b>OVERALL PERFORMANCE</b> 													



# SROI calculations – group activity (excel)



## Discussion – limits and merits of SROI analysis



## Useful links:

Global Value Exchange Database:

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



NPC:

<http://www.thinknpc.org/publications/mapping-outcomes-for-social-investment/>

SIAA:

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



Thank you for your attention!

