

Have you measured your SiMPACT today?



Introducing SROI

Moving the Conversation from Cost to Value

Stephanie Robertson
SiMPACT Strategy Group
www.simpactstrategies.com



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Introductions



**The Highest Standard in
Community Investment.**



Network of
Professionals

Portfolio &
Project
Performance
Measurement

Leadership in
Reporting &
Communications

**Social Value Creation,
Measurement & Evaluation**

- Social Return on Investment (SROI)
- Community investment measurement & evaluation
- CI/CSR management systems
- Education & skill development across social-purpose organizations

SiMPACT Strategy Group is a proud Network Partner of:



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What is an SROI?

“A framework that identifies and appreciates social, economic and environmental **value** created....[Essentially] SROI is an adjusted cost–benefit analysis (CBA) that takes into account the various types of impact, including social and environmental benefits.”

Arvidson, Malin et al. "Briefing Paper 49: The Ambitions and Challenges of SROI". *Third Sector Research Centre*. (December 2010): 2.

“SROI measures change in ways that are relevant to the people or organisations that experience or contribute to it. It tells the story of how change is being created by **measuring social, environmental and economic outcomes** and uses monetary values to represent them. This enables a ratio of benefits to costs to be calculated.”

Nicholls et al. *A Guide to Social Return on Investment*. (April 2009: Office of the Third Sector): 8

The Canadian CED Network



What is the value of CED?

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What is CED?

Creating vibrant, resilient and sustainable local economies.

Community Economic Development (CED) is action by people locally to create economic opportunities and better social conditions, particularly for those who are most disadvantaged.

CED is an approach that recognizes that economic, environmental and social challenges are interdependent, complex and ever-changing.



Purpose of SROI?

- To assign value to social change
- To give a voice to value that is otherwise without a voice
- To forecast potential value
- To make a business case for investment
- To evaluate the value of an investment
- To understand how greater value might be achieved
- To improve processes and practices
- To enhance communications

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An SROI is

- A **framework** to gather investment information, evaluation results and describe what occurred as a result
- A **method** to ensure that the story of social value creation is presented in terms that a cross-section of interests can understand
- Constructed upon the framework of an **outcomes** model
- Necessary if social value is to be presented in relation to environmental and financial

An SROI is not

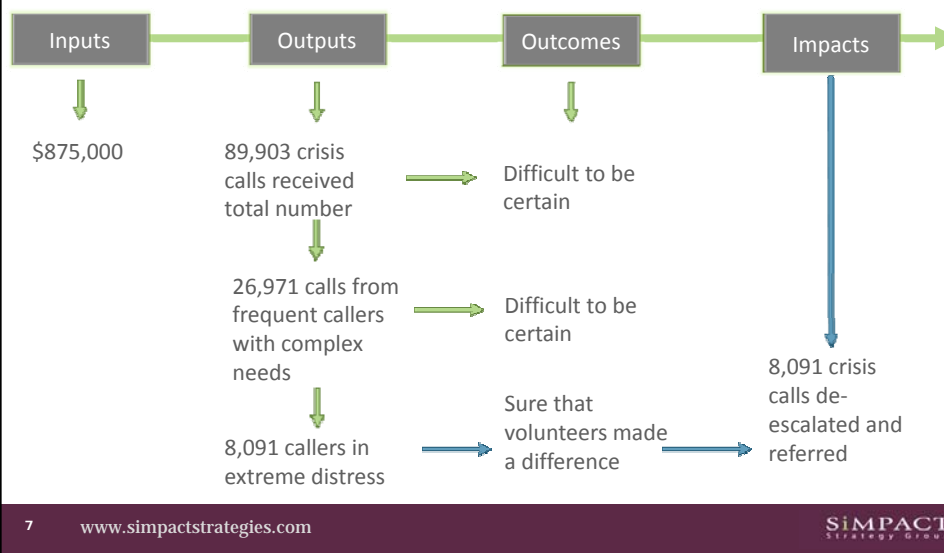
- A calculator
- A tool for comparison of programs based on return ratios
- A replacement for evaluation tools (it is an information framework)
- Useful for every investment or situation
- Difficult, as long as the guiding logic model and outcomes framework are clear, and an evaluation system is either in place or envisaged

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Example: Calgary Distress Centre



Distress Centre's SROI Calculation


Impact 8,091 clients	Yr 1 only	Notes
Police call-outs avoided	\$ 2,766,620	\$342 per police call avoided
EMS call-outs avoided	\$ 276,678	\$342 per call, accompany police 10% of time, 809 avoided
Emergency room visits avoided	\$943,510	\$231 per visit, 50% of all calls result in ER admittance
Hospital admissions avoided	\$46,710	\$1038/day, 45-day average
207 call-outs to emergency services (police, EMS, etc)	\$ (-411, 480)	207 calls not de-escalated

Distress Centre's SROI Calculation

Social Value Created / Annual Investment = SROI : 1

SROI Calculation	Yr 1 Only
Social value created	\$4,501,732
Annual investment	\$875,000
SROI Ratio	5.14 : 1

SROI is ... a Story Not a Number



Social Return On Investment (SROI)
Case Study: Crisis Lines
Investing to strengthen society

Fast Facts

About the Distress Centre: Since 1970, Distress Centre Calgary has offered a supportive place to call for anyone in crisis or needing information about available community services. All Distress Centre services are free to the public.

Web site: www.distresscentre.com

Subject of SROI: Crisis Lines i.e.: Main Crisis Line, Teen Line, Drug Line, Men's Line, Senior's Line and Out is OK Line

SROI Overview: The Distress Centre creates social value through the success of its telephone volunteers as they assist callers in crises to manage their personal situations by de-escalating the situation.

Major Funders: City of Calgary FCSS, United Way of Calgary and Area.

"The unique nature of a 24 hour service is such a gift to our clients. There are few options outside of office hours or in the middle of the night—the police or the emergency room is not usually appropriate for an emotional crisis. Having the Distress Centre to call provides peace of mind, for both clients and service providers, by knowing that there is someone there to listen and care for them when needed."
—Jennifer Finley, Program Manager, Street Outreach and Stabilization, Canadian Mental Health Assoc.

Background on the Crisis Lines

Highly trained volunteers, with professional backup, supervision and support, manage the 24 hour crisis lines offered through the Distress Centre. Anonymous and confidential — except in certain high risk situations — the call lines are open to anyone in crisis who is seeking a kind, listening ear, an outlet to vent about stressful circumstances, or is looking for other community-based

in hospital, or psychiatric care.

Distress Centre volunteers engage with callers directly. Once the situation is de-escalated, the Distress Centre links callers to local organizations that can meet their specific needs. This ensures that those who are seeking help know where to find it and can access it as soon as possible.

Theory of Change

If persons in crisis have access to a supportive, immediate, 24 hour call-in centre that will explore, assess and validate their concerns and connect callers to other specialized services, callers are less likely to require intervention by emergency services and will live more successfully in their own communities.

Crisis Line Clientele

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Understanding the SROI Process



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SROI: A Principles-based Approach

- Involve stakeholders
- Understand what changes
- Value the things that matter
- Only include what is material
- Do not over-claim
- Be transparent
- Verify the result



www.thesroinetwork.org

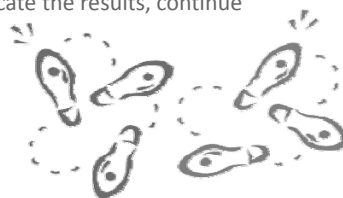
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SROI Steps

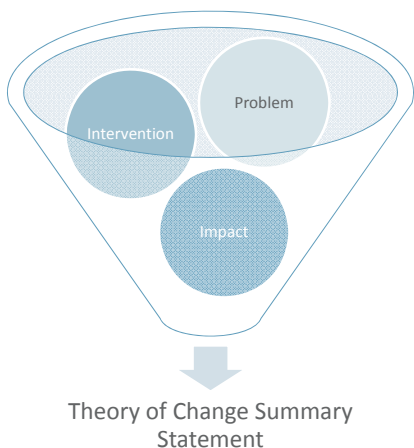
1. **Establishing Scope and Identifying Stakeholders:** Develop Theory of Change summary statement, consider timeframe, determine scope
2. **Mapping Outcomes:** Consider what *changes* and what the alternative would have been
3. **Evidencing Outcomes and Giving Them a Value:** Find appropriate indicators and financial proxies
4. **Establishing Impact:** Discount for attribution, deadweight, displacement, drop-off
5. **Calculating the SROI:** Determine the SROI ratio
6. **Reporting, Using, and Embedding:** Communicate the results, continue development, enhance practice



Step One: Establish Scope, Identify Stakeholders

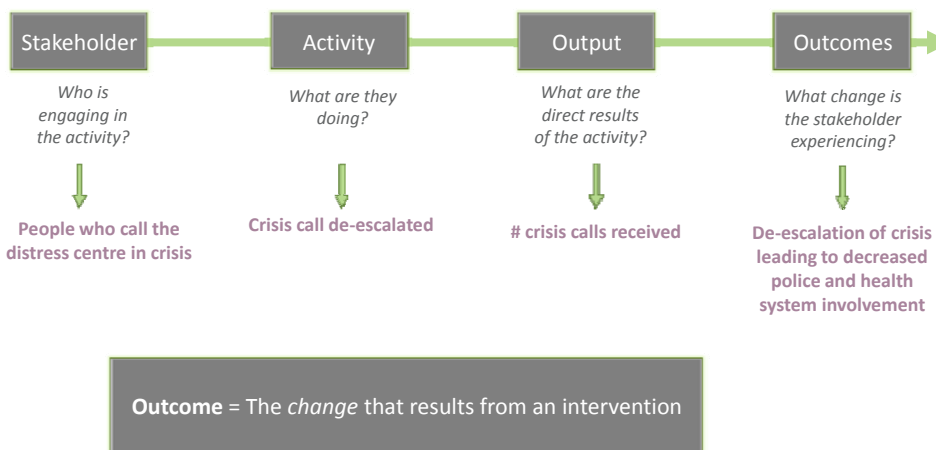
What is the program that will be analyzed?	→	The Distress Centre phone hotline
Who are the target stakeholders?	→	Individuals who phone the Distress Centre in crisis (not just looking for information)
Is it evaluation or forecast?	→	Forecast
Who is the intended audience?	→	Funders, managers, the community
Who else will be affected?	→	Police, health systems, family members, the community
What happened because of the program?	→	De-escalated crisis
What would have happened in the absence of the program?	→	Escalated crisis

Step One: Establish Scope with Theory of Change



- Identify the risks and problems faced by the target stakeholders (“If <X situation exists>”)
- State the proposed intervention or solution (“and <X intervention happens>”)
- Illustrate the change that will result from investment in the program (“then <X change will occur>”)
- Combine into one statement: If <X situation exists> and <X intervention happens> then <X change will occur>

Step Two: Mapping Outcomes



Outcomes are the Foundation

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How to 'monetize' Social Value

<ol style="list-style-type: none"> 1. Cost reallocation - create space 2. Changes in taxes paid 3. Cost savings - reduce scope of problem or cost of service delivery 4. Future cost avoidance – invest a little today, save a lot tomorrow 5. Increased individual or household income 6. Value of improved quality of life 	<p>Direct (the target stakeholder)</p> <p>or</p> <p>Indirect (stakeholders who change as a result of the target stakeholder's changes)</p>
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The SROI Canada Network administers a Financial Proxy Database that can be used to find useful values that relate to the public sector in Canada.

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Step Three: Evidencing Outcomes and Giving Them a Value

SIMPACT SROI Workbook

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Elizabeth Rummell School, Banff Elementary School, Alberta Health Services (AHS)
Addiction and Mental Health

Stakeholders	Valuing Outcomes						
	Indicator	Financial Proxy	Proxy Value (\$)	Proxy Source	Proxy Indicator Code	Proxy Value Per Person Per Year	Calculation Notes
Children (K-3)	increased harmony among students in the classroom	1. increased referrals to AHS - addictions and mental health	\$110/hour		Value of one hour counselling	-\$550.00	assuming average visits required would be 5
		2. avoided referrals to AHS - addiction and mental health	\$110/hour			\$1,100.00	assuming average # of visits required would be 10
	evidence of self-regulation, talking through options with Wellness Coach	3. reduced need for in-class teaching assistance	\$84/hr	SROI Canada Proxy List	value of one of student time	\$9,528.00	assuming 1 academic year, 1 time per week, 42 weeks

1. SROI Scope / 2. Theory of Change - Summary / 3. Illustrating Outcomes / **4. Valuing Outcomes** / 5. Year 1 / 5. Year 2 / 5 YR proxy / 6. Proxy Summary

- Value created from the outcomes achieved
- Value created by avoiding the alternative
- Value from the stakeholder's perspective

NOTE: Not all outcomes have to be monetized, some can be described in the report (but will then not have an impact on the ratio)

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Key Questions in Establishing Impact

1. **Timeframe:** How long will each change last without further investment ?
2. **Drop off:** Will the effects of the program diminish over time?
3. **Attribution:** What portion of the change was due to the work of someone else? (*i.e. other initiatives, partners outside your budget, referral system, momentum from another source*)
4. **Deadweight:** What portion of the change would have happened anyway? (*i.e. would anyone have made the change without you?*)
5. **Displacement:** Was any other positive activity displaced in order to achieve the outcomes? Were there unintended outcomes?

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Step Four: Establishing Impact

SiMPACT SROI Workbook
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High Level Community Policing Society

Stakeholders		Valuing Outcomes			Impact				
		Financial Proxy	Proxy Value Per Person Per Year	Quantity	Duration	Deadweight %	Displacement %	Attribution %	Drop off %
Enter the total number of target stakeholders that participated in the program in the white cell below.	Beginning with the target stakeholder, who is affected by the project, both directly and indirectly? (Copied automatically from Tab 4)	What financial proxy would you use to value the change? (Copied automatically from Tab 4)	Enter the value of the financial proxy on a per person, per year basis. (Copied automatically from Tab 4)	How many people experienced this change? (if a calculation is required, right click, select "insert comment and provide an explanation of	Please enter 1 in each year the change will occur.	What percentage of this change would have happened without your project?	How much of another positive activity did you displace?	What percentage of this change was influenced by others?	How will the total change decrease in future years? (This decrease will accumulate annually)
					1 2 3 4 5				Year From Initial Funding 1 2 3 4 5
130	Victims (Adults, Youth, children)	1 Cost for Police investigations	\$1,912		1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%
		0 2 Cost prosecutions for Crown	\$1	5	1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%
		0 3 Cost of DV investigation	\$1,912		1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%
		0 4 Cost of stay at women's shelter	\$840		1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%
		0 5 Cost of Doctor Visit	\$32	3	1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%
		0 6 Cost of emergency room	\$331		1 1 1 1 1	0%	0%	0%	10% 10% 10% 10%

1. SROI Scope 2. Theory of Change - Summary 3. Illustrating Outcomes 4. Valuing Outcomes 5. Year 1 5. Year 2 5. Year 3

Focus on understanding and valuing change in one year Calculate value over time and consider impact

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Step Five: Calculating the SROI Ratio

1. Add up all positive value: cost savings, reallocation, changes in income etc.
2. Subtract all value consumed: negative cost reallocations etc.
3. Apply all discounts (determine impact)
4. Add up all investments in the program
5. Divide all value created (1, 2, 3) by the total investment (4) to receive an **XX : 1** ratio (a demonstration of the return for each dollar invested)

Step Six: Reporting, Using, Embedding

Social Return On Investment (SROI) Case Study: Women Moving Forward

Fast Facts
 For many years, support groups have been available for low-income women in the Los Angeles area. Women Moving Forward (WMF) is a new program that provides support to young women who have not had a high school diploma or GED. WMF provides support to young women who have not had a high school diploma or GED. WMF provides support to young women who have not had a high school diploma or GED.

Program Background
 Women who become adolescent mothers are at a young age their most vulnerable. They receive generally an inadequate high school degree and the lack of resources to create an income plan that can get them on their own.

Theory of Change - Summary
 Young, adolescent mothers who demonstrate their commitment to breaking the cycle of poverty will become economically self-sufficient, more active in their community and stronger role models for their children when they are offered support and opportunities to change their circumstances.

Impact
 WMF provides support to young women who have not had a high school diploma or GED. WMF provides support to young women who have not had a high school diploma or GED. WMF provides support to young women who have not had a high school diploma or GED.

Contact Us
 1 (415) 662-2733 x 238
www.womenmovingforward.org

Illustrating Outcome	Impact	Value
Women find first job in career field, Women begin upgrading to complete high school, Women begin training program,	WMF Evaluation, self-reporting	Using the 5-yr, when in order, no long term plan, continued reliance on social assistance, rate of poverty continues to rise at the same or more level
Increase in health relationships, better financial management/spending habits	WMF Evaluation, self-reporting	no financial back-up, negative relationships, including potential for domestic violence, alcohol, drug addictions, independent educational preparation, lack of relationship with doctor, being pregnant
Women self-advocate for their rights, 8 of 10 call seeking help and guidance (observed), 80% of women report they know where to find resources, 94% of children on their list of rights of women and infants better, women have a strong support system in place	WMF Evaluation, self-reporting	inability to access support services, lose out on opportunities to get food vouchers, transportation, dental, etc.
80% of women feel more positive about who they are, 80% feel more in control of their lives, women become more engaged in school and community, more successful in advocating for themselves	WMF Evaluation, self-reporting, staff observation	isolation, lack of self-confidence, lack of self-esteem, poor mental health, increased stress

...a Story Not a Number

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SROI Experiences



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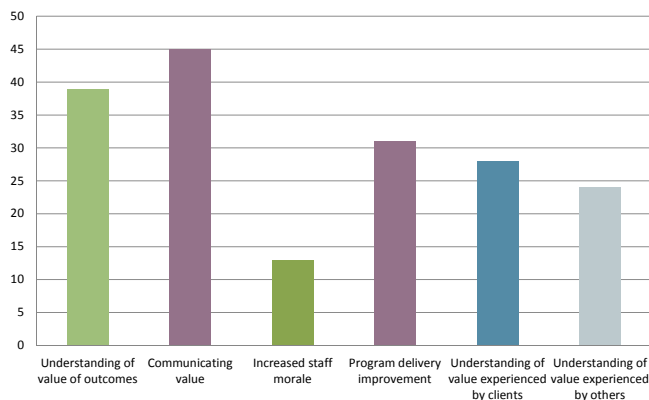
SROI 'User' Experience (SiPACT Tools)

- Better grasp on scope and complexity of our work
- Able to summarize 'theory of change'
- More focused relationships with partners
- ***We create value that is beyond warm fuzziness!***
- Stimulates internal discussion on whether having a desired impact
- On-going performance review becomes part of management routine



What Agencies are Saying

SROI Benefits (experienced or anticipated)

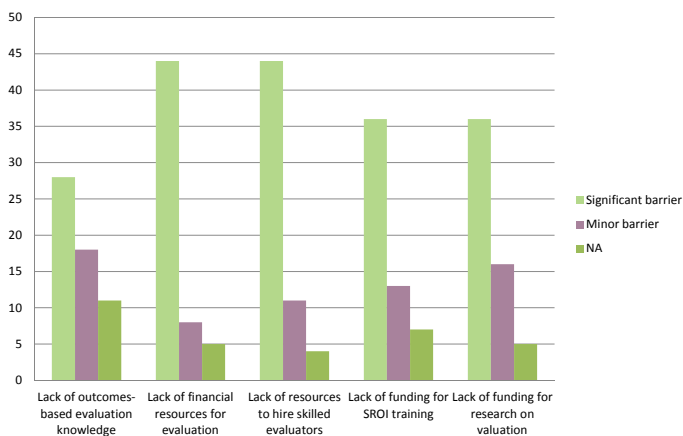


If community agencies become skilled at outcomes-based evaluation and then SROI, they become clearer about the value of their work, and are able to report back on that value more effectively.

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

Challenges for Agencies

Barriers to Collecting Outcomes Data or Conducting SROI Analysis



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

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Questions?



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