

Social Return on Investment: a Case Study in Health

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Sara Olsen
SVT Group

Drew Tulchin
Social Enterprise Associates



About Us



Registered B Corp

Triple bottom line management consulting firm specializing in economic development, microfinance & new ventures

Recent clients:

- Solar Richmond (CA)
- USAID ARIES project, Afghanistan
- The SEEP Network's Value Initiative, Marina GanaVida, the Philippines



Registered B Corp

Consulting and applied R&D firm specializing in impact measurement, management and communication.

Recent clients:

- Stewards of Affordable Housing for the Future
- OneCalifornia Bank & Foundation
- Golden Mean Capital (Sust. Agriculture in W. Africa)
- Social Evaluator (SROI tool + coaching)

Agenda



- Social Return on Investment Overview
- Example Project Description & Status
- Group Exercise
- Discussion

SROI Overview

Social Return on Investment (SROI)

- **Non-financial value** created by an organization relative to the investment required – measuring our impact
- Goals
 - Assess actual value created
 - Inform management decisions
 - Align investment with value
- Answer questions such as:
 - Where is the best place to spend the next dollar?
 - What resources are we leveraging from our partners?
 - What is the social return on the investment in health promotion?

Evolution of Impact Mgmt & SROI

1800s: Cost-benefit analysis first developed

1970s: Cost-benefit analysis required for US federal gov't spending

1993: First known SROI by social enterprise fund: Coastal Enterprises

2000: First SROI Methodology documented by REDF

2006: SROI Framework published by group of practitioners

2008: SROI Network forms to promote consistency and ongoing development of methodology

2009: Scottish and UK Governments pilot adoption of SROI for government grants; SPM Network emerges in microfinance

2010: Mushrooming applications and versions

Investors: Large institutional investors (CalPERS, AIG, UBS), venture capitalists (community development, cleantech), philanthropists and foundations (diverse fields)

Company & Nonprofit Managers: NGOs (advocacy, politics, human services, green building, education, health and prevention, etc.), private corporations (family-owned, venture, emerging markets), publicly-listed corps (Nike, Philips), McKinsey, KPMG, etc.

...Not an exhaustive list...

Measuring *impact* relative to *investment*

Investors



Corporations



Nonprofits and Foundations



Academic Institutions



Government



...Not an exhaustive list...

State of the Industry

Know-How: Approaches

SROI Network

And many practitioners:
SROI Lite (GSBI)
SROI Toolkit & Calculator (SVT Group)
SROI, OASIS, etc (REDF)



The World Bank

Technology: Cost-Savings

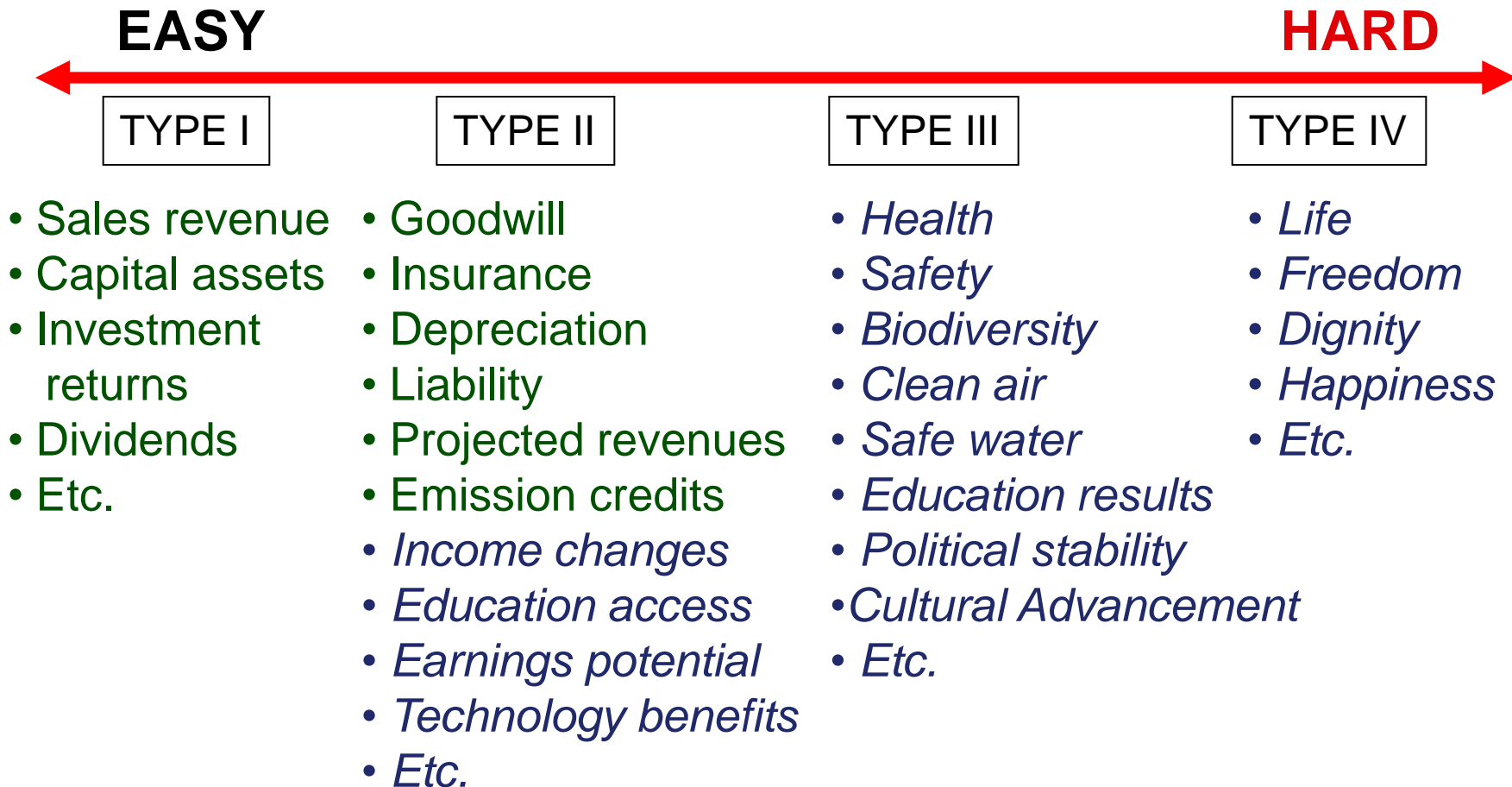


Demand: Leadership



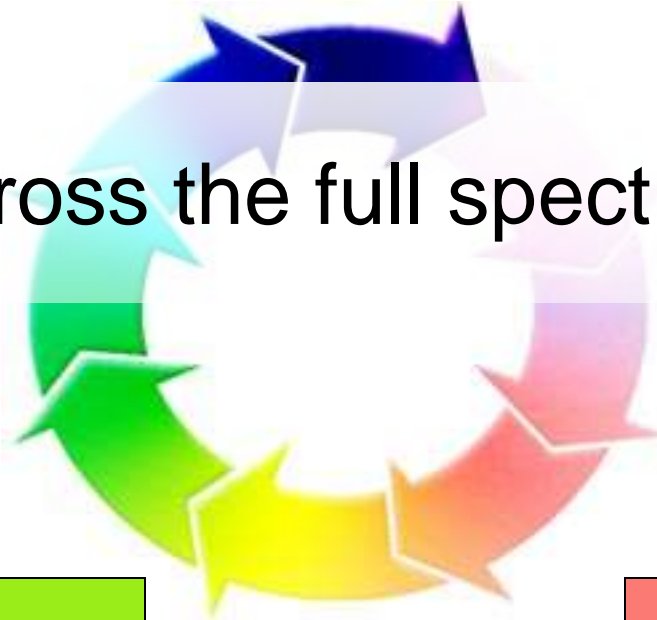
...Not an exhaustive list...

Tangibility Spectrum

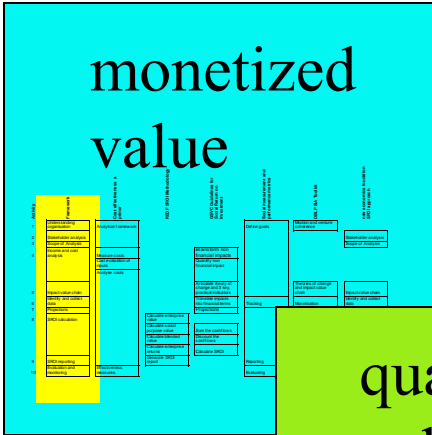


Valuation of Impact

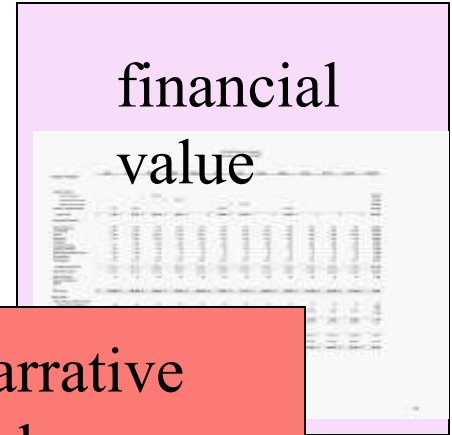
Across the full spectrum



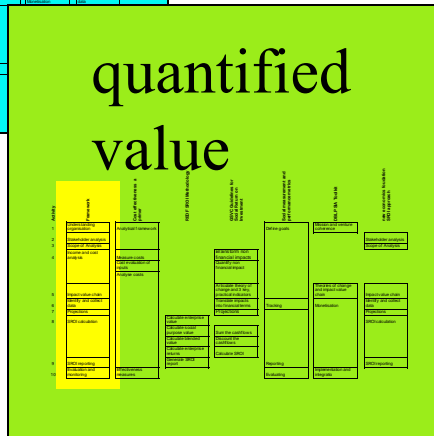
monetized
value



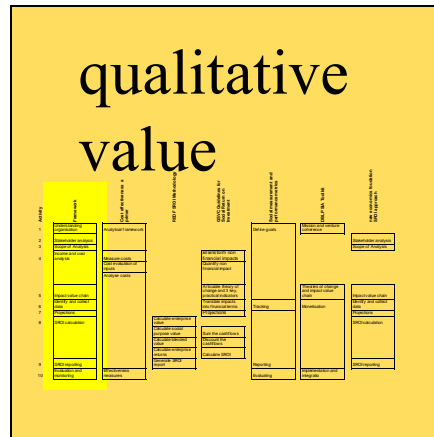
financial
value



quantified
value



qualitative
value



narrative
value

System Failure exposes the failures of the CJA through the stories of the children and families caught in the machinery of California's juvenile justice system, mentioned by a cross section of experts and policymakers. Juvenile Justice in California is currently at a critical juncture in its history. A review of scandals paired with a change in administration that is seemingly amenable to reform has created an opportunity for stakeholders to demand the best possible outcome for the state's youth.

www.cjareform.org

Types of Information about Value...

Five basic ways of articulating an organization's value creation:

Financial information

- accounting: cash in, cash/work out

Monetizable

- translating non-financial value into \$ equivalent

Quantitative

- numbers: size, magnitude or degree

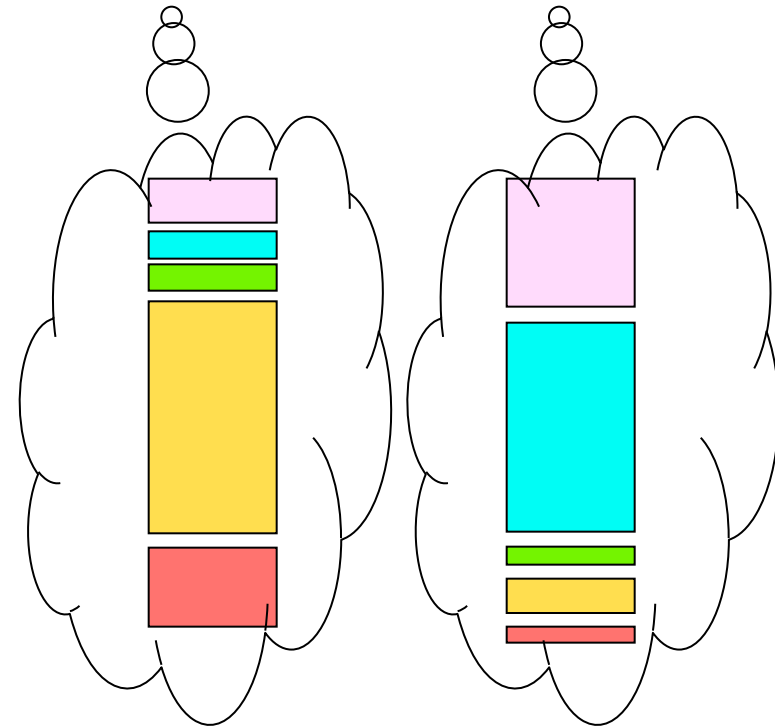
Qualitative

- description: kind, type, or direction

Narrative

- storytelling

Audience 1 Audience 2



... Speak to Different Audiences

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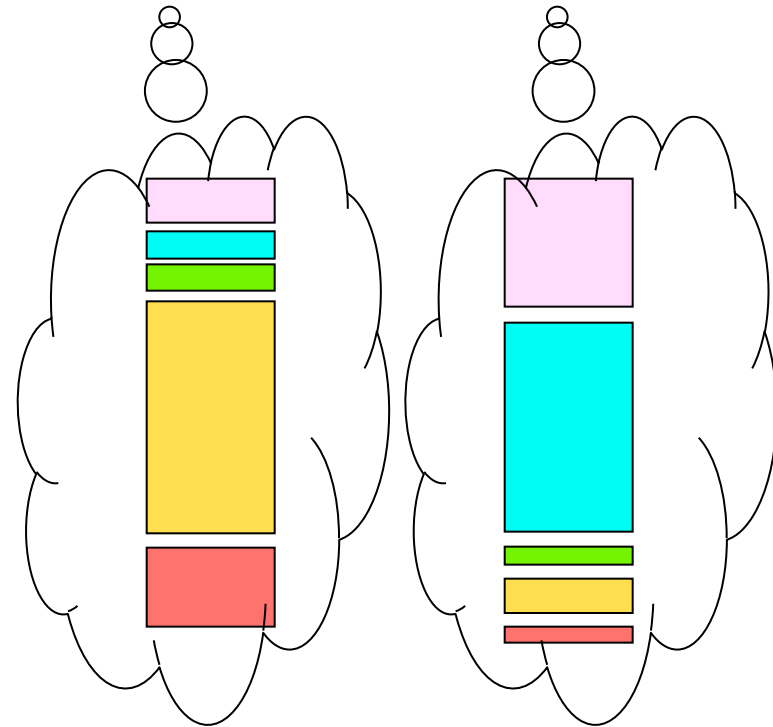
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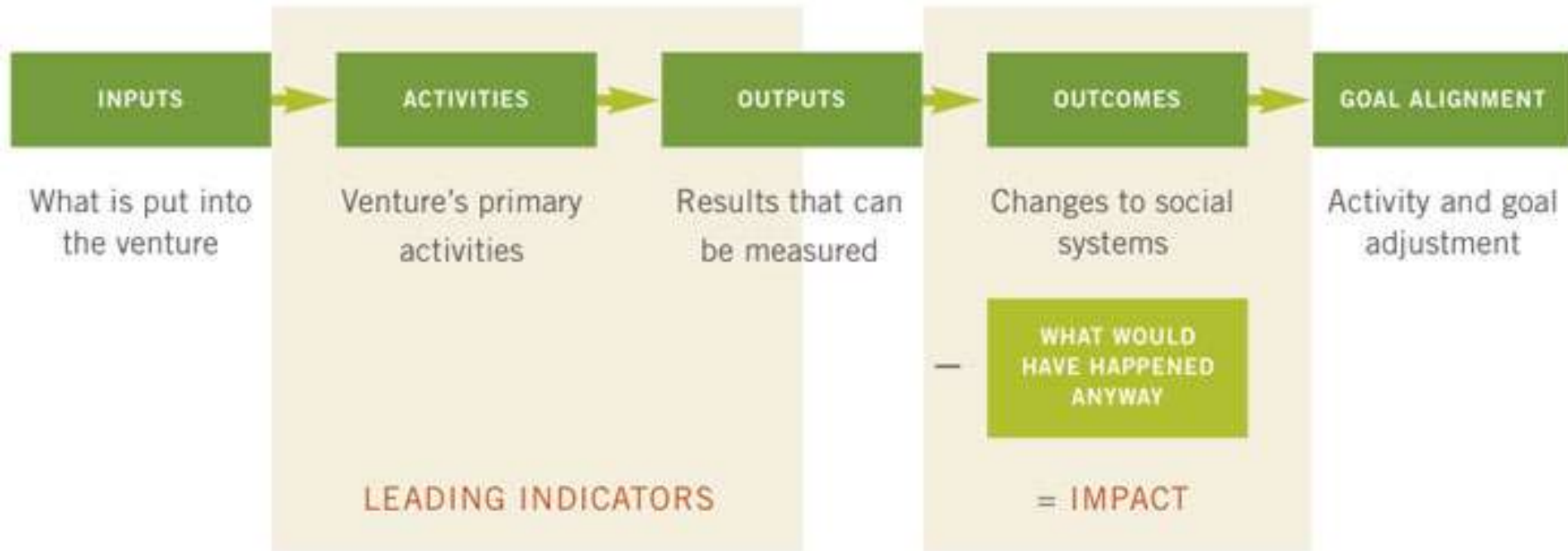


SROI “10” Steps

1. Define Scope/Subject of Analysis
2. Define Theory of Change
3. Identify Stakeholders
4. Calculate Costs
5. Break Out Activities
6. Specify Outputs
7. Determine Outcomes and Subtract “Deadweight” and Attribution to Others => Impact
8. Determine Indicators
9. Value Indicators (in dialog with Stakeholders)
10. Calculate SROI

.....analyze, manage and repeat! 13

Impact Value Chain



NHPS SROI Project Description and Status

Background on NHPS & SROI Initiative

About Nemours

- Nemours Health & Prevention Services
- Tell what Nemours is and what they are doing and why



SROI

- Wanted to answer question for the board, “How do we know the highest & best use of the next \$1”
- Multi-year initiative
- Use as a management tool
- Providing explicit way to compare costs/benefits, pros/cons of different programs
- Partnership with team of consultants to bring best in the field efforts and develop cutting edge analysis

Expected NHPS SROI Outcomes

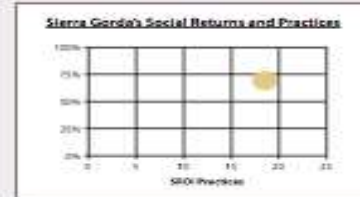
- Evaluate potential SROI of NHPS activities that may be embedded in all projects and initiatives so that we can make “good” decisions
- Measure the actual SROI of NHPS projects over time to better manage the results
 - Key NHPS business process
 - Enable consideration and measurement of long-range impact of initiatives, along with shorter-term measures of effectiveness
 - Enable NHPS to use the data strategically to manage and maximize potential community impact
- Capture the value community partners bring to the table and how we are leveraging additional resources to advance our mission

SROI Toolkit

SROI Analysis Tools

Communicate

Summary plot of results and practices



Manage

Dashboard of key leading indicators that drive impact, with targets, dates and responsible parties

The image shows a screenshot of a dashboard with a table. The table has several columns and rows, with some cells highlighted in green and others in purple. The content is mostly illegible due to blurring.

Measure

Data collection and analysis spreadsheets

The image shows a screenshot of a spreadsheet with multiple columns and rows. A list of spreadsheet files is overlaid on the left side of the spreadsheet, with a double-headed arrow pointing between the list and the spreadsheet content.

- Earth_Monetized_041107.xls.xls
- Earth_Quantifies_040907.xls
- Spirit_(All)_041007.xls
- Wealth_(Econ)_Monetized041507.xls
- Wealth_(Econ)_Qualified_040907.xls
- Wealth_(People)_Monetized041607.xls
- Wealth_(People)_Qualified_040907.xls

Project Components

1. SROI Lite Calculator
2. Childcare Policy
SROI Analysis
3. SROI 360 Degree –
Sussex County



SROI Lite Calculator Input Sheet

17	II. INVESTMENT				
18	A.	Duration	How long is project/tactic?	Length of engagement in weeks (max=52 weeks or rest calendar year)	52
19	B.	Senior staff #	How many senior staff involved?	Number of senior staff involved	2
20	C.	Senior staff time	How much time spent by senior staff on project/tactic?	Average weekly time spent by each senior staff (0 to 40 hours)	20
21	D.	Intermediate/ entry level staff #	How many intermediate/ entry level staff involved?	Number of intermediate/ entry level staff involved	2
22	E.	Intermediate/ entry level staff time	How much time spent by intermediate/ entry level staff on project/tactic?	Avg weekly time spent by each intermediate/ entry level staff (0 to 40 hours)	20
23	F.	Administrative staff/interns #	How many administrative staff/interns involved?	Number of administrative staff/ interns involved	1
24	G.	Administrative staff/interns time	How much time spent by administrative staff/interns on project/tactic?	Avg weekly time spent by each administrative staff/interns (0 to 40 hours)	10
25	H.	Non-staff expenses	What are annual non-staff expenses of project?	Total NHPS annual budget for project less stafftime (includes in-kind, publications, materials, contracts, sponsorship, swag, etc)	\$ 5,000
26	I.	Previous investment	How much has NHPS invested to date in this project/tactic?	Amount invested by NHPS to date, non-staff (if known)	\$ 1,000
27	III. IMPACT AND REACH				
28	1	Type of project/ tactic	How well established is this type of project or tactic?	Level of research-based validity for this type of project or tactic	Emerging trends/practices
29	2	# Children reached directly	How many children are reached directly?	Estimated number of kids reached in targeted population annually	10,000
30	3	Amount of direct time	How much program time is between NHPS / partner and children, i.e. if there is class time, how long; if it involves tech. assist., how long?	Please estimate the amount of program time (in hours) each recipient will receive with this project/tactic over time period (up to 1 year).	10 mins to 1 hour of programming

Annual Social Return on Investment (SROI) Lite Calculator Tool V.1.0

Project / Tactic:	Project/Tactic ABC
Calculator Owner:	Jane Smith, YYY Sector
Analysis Date:	11/11/2008
Project Start Date:	1/1/2006

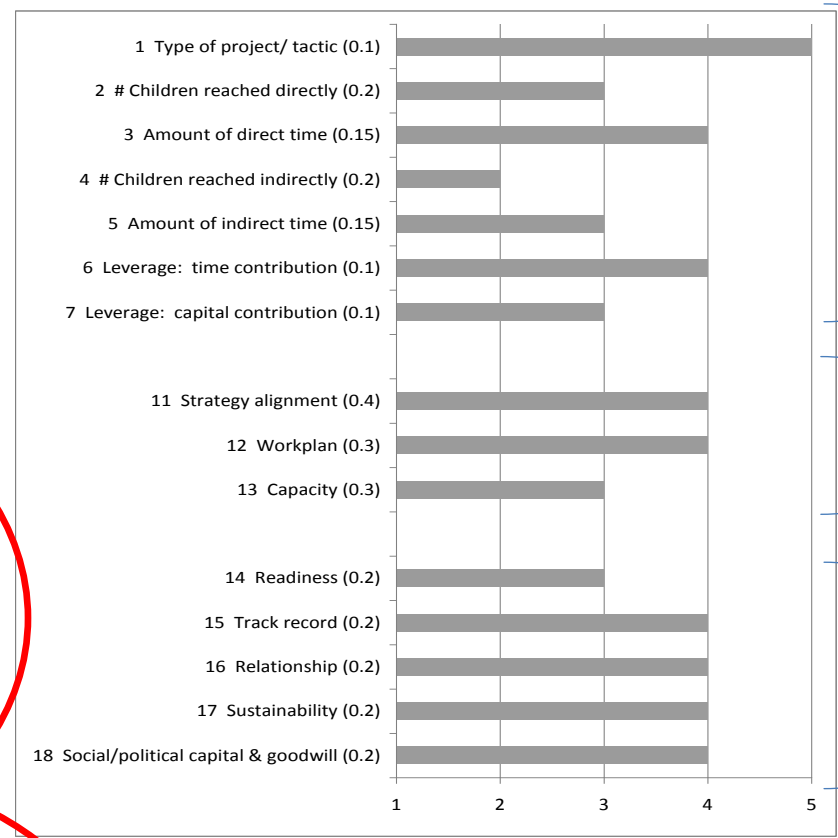
TOTAL SCORE (Scale of 1 - 10 where 10 is strongest)	6.5
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CATEGORY SCORES & WEIGHTINGS	SUB-SCORE (1-10)	TOTAL SCORE CONTRIBUTION
IMPACT & REACH	6.1	60%
INTERNAL CAPABILITY & ALIGNMENT	7.1	15%
ATTRIBUTES OF POTENTIAL PARTNER & RELATIONSHIP	7.3	25%

IMPACT & REACH	
Total # children involved annually through this effort	7,000
Total # child influencers involved annually through this effort	20
Avg # of children each child influencer will reach	100
Total annual program hrs (# children * avg time of contact)	640,000
Expected impact type	Health outcome change
Expected impact timing	2 years
Level of impact	High impact
Other expected impact not accounted for, either for NHPS or the partner?	
Description of other expected impact	

INVESTMENT	
<i>= total staff time * value of time (see assumptions) by category of staff</i>	
Annual value of senior staff time	\$ 43,200
Annual value of intermediate/entry-level staff time	\$ 19,800
Annual value of administrative staff/intern time	\$ 5,600
Total NHPS budget for project (minus staff time)	\$ 50,000
TOTAL INVESTMENT (\$)	\$ 118,600
Amount invested by NHPS to date, non-staff (if known)	\$ -

EFFICIENCY METRICS	
Cost per hour	\$ 0.19
Ratio of dollars invested in project/tactic to hours with target population	
Cost per child	\$ 16.94
Ratio of dollars invested in project/tactic to number of children reached	
Cost per child influencer	\$ 5,930.00
Ratio of dollars invested in project/tactic to number of child influencers reached such as teachers, administrators, etc.	



Metrics above (subcategories): Scale of 1-5 (5 is strongest)

Staff Assumptions	Value	Value (\$)
Value of 1 hr Sr staff time (Sr. Mgr, Leads & Sr. Level)		\$ 60
Value of 1 hr Mid/Entry level staff time (Level I & II)		\$ 33
Value of 1 hr administrative staff/intern time		\$ 20

Project/tactic description
Example: The ABC Intervention involves working with...

Risks in project/tactic and what at risk if NHPS DOES NOT participate
Example: While NHPS will have to ensure it is maintaining its brand, we risk losing the strong relationship with this organization if we decline to...

Sectors involved: if there is sector integration, what is the value added?



Childcare Policy SROI Analysis

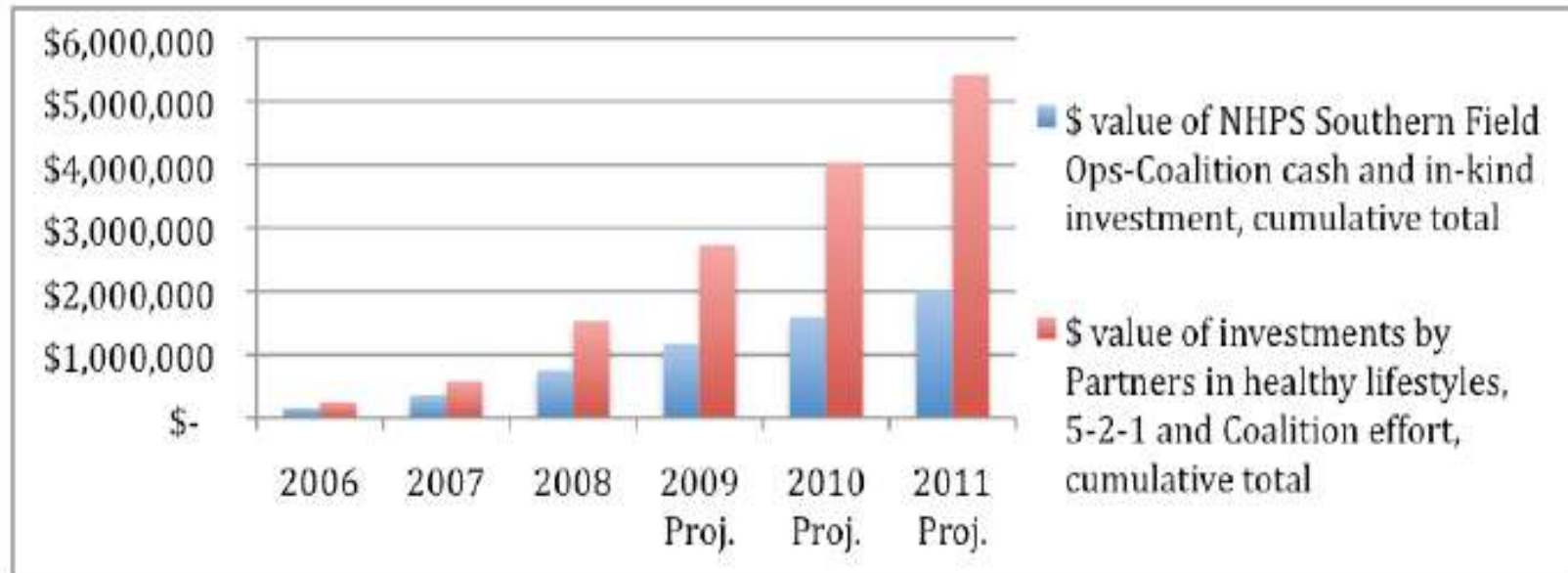
Impact if NHPS Child Care Policy Practice Work Achieves 2% Reduction Within 1 Year in DE	
1. Health costs in DE due to children obese/overweight/at risk in 2009	\$ 223,560,000
2. Health costs per child obese/overweight/at risk in 2009	\$ 2,931
3. Health care cost savings, NHPS reduces children obese/overweight/risk by 2% in 2009 <i>for one year</i>	\$ 1,139,409
4. NHPS Child Care Team Expenses for 2009	\$ 318,220
5. Social Return on Investment (SROI) 2009 (Line 3/Line 4)	3.58

SROI for NHPS's expenses on child care 3.6:1; health care cost savings to the "system", rising thereafter. 'Social profit' significant

Table 3. Breakeven Analysis	2008
NHPS child care team expenditure per year	\$ 318,220
Health costs per kid obese/overweight/at-risk	\$ 2,749
# Children who would need to be removed from at risk/overweight/obese category each year, to reach breakeven	116

If NHPS child care efforts reduce incidence of obesity by 116 children, achieves 'breakeven' on expenses for the child care team

More Resources Devoted to Obesity Prevention Based on Nemours Investment: Nemours as a Catalyst for Change



Note: Includes staff time, the value of volunteer time priced at the cost of time for local a job of equivalent skill, cash and in-kind expenses, and sponsorships. Value of time is priced at same rates as for NHPS. **Source:** SROI 360 Partner Models, Version 1.0 (2008) for Woodbridge School District, Western Sussex Boys & Girls Club, Delaware Technical & Community College Child Development Center. **Credibility:** Medium

SROI – Important Program Information

- Children tend to lose track of *5-2-1-Almost None* principles when they go home
 - Need to engage children in communicating with their parents and educate parents through NHPS social marketing efforts
- The impact of one partner may be visible at sites of other partner organizations
 - Children eating healthier while in school may be reflected in data collected by youth-serving organizations
 - Individual partner results tell a different story than the collective measurement needed to truly understand impact
- The collective impact of these partners working together towards a common health outcome is beginning to show
 - NHPS and partners now have models to more efficiently track metrics, manage performance and communicate with stakeholders
- NHPS is using this SROI information to inform our programmatic decision-making to ensure that it is more effective

Next Steps: 2010 and Beyond

2010

- Alignment of SROI Calculator & SROI 360 in common platform
- Developing systems and documentation for on-going use including further customization. For example: Social Marketing
- Dissemination of findings

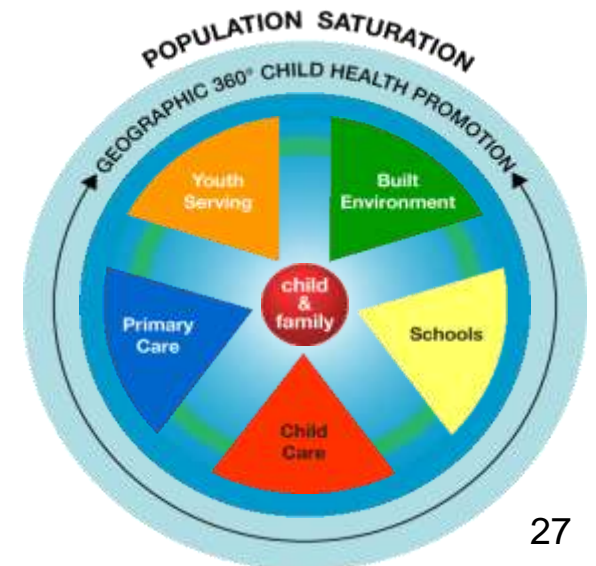
...and Beyond

- Tools will have lifelong impact at NHPS
- Will be better able to align budget with NHPS' mission *and* number of children impacted
- Confirming NHPS' projects are impacting Delaware children
The “social return” on our dollar investment

Group Exercise

360 Degrees – Sussex County Objectives

1. Understand impact child health promotion approach to childhood obesity
 - Consume 5+ fruits & vegetables daily
 - Limit screen time to <2 hours
 - Spent >1 hr on active play or exercise
 - Drink almost no sugary beverages
2. Develop a 360 degree geographically-focused SROI assessment
3. Pilot partner-friendly tools to assess both progress today and progress going forward



360 Degrees – Sussex County Deliverables

- Excel tracking tool for each partner
- SROI 360 report for each partner
- Overall Sussex 360 SROI report with combined outcomes of all pilot partners

NHPS-Sussex County Child Health Promotion Coalition 360° SROI Analysis
Social Return on Investment (SROI) Analysis
NHPS and Sussex Coalition VERSION 1.0

RESULTS SUMMARY

5-2-1 Component	2008 Efficiency Metric	2008 Results
Investment	\$ invested by NHPS-Coalition in 2008	\$ 391,970
	\$ invested by Coalition partners in 2008	\$ 949,090
	Ratio of partner to NHPS/Coalition investment	2.42
Partner Engagement	Estimated number of high impact partners who are active	16
	Total \$ invested by NHPS per high impact partner who is active	\$ 24,498
	Number of active partners per \$1000 invested	0.04
Awareness: Children	Estimated number of all participants who can provide correct 5-2-1 definition	784
	Total \$ invested per participant who can provide correct 5-2-1 definition	\$ 1,211
	Number of participants who can provide correct 5-2-1 definition per \$1000 invested	0.83
5	Estimated number of participants reaching recommended daily fruit/vegetable consumption	233
	Total \$ invested per participant reaching recommended daily fruit/vegetable consumption	\$ 870
	Number of participants reaching recommended daily fruit/vegetable consumption per \$1000 invested	1
2	Estimated number of participants limiting screen time to 2 or fewer hours per day	1301
	Total \$ invested per participant limiting screen time to 2 or fewer hours per day	\$ 1,003
	Number of participants limiting screen time to 2 or fewer hours per day per \$1000 invested	4.04
1	Estimated number of participants attaining 1 hour or more per day of physical activity	1,979
	Total \$ invested per participant attaining 1 hour or more per day of physical activity	\$ 379
	Number of participants attaining 1 hour or more per day of physical activity per \$1000 invested	2.64
Almost None	Estimated number of participants eating equal to or less than recommended daily sugary snack consumption	932
	Total \$ invested per participant eating equal to or less than recommended daily sugary snack consumption	\$ 218
	Number of participants eating equal to or less than recommended daily sugary snack consumption per \$1000 invested	4.60

Scenario School Partner for 360 Degrees

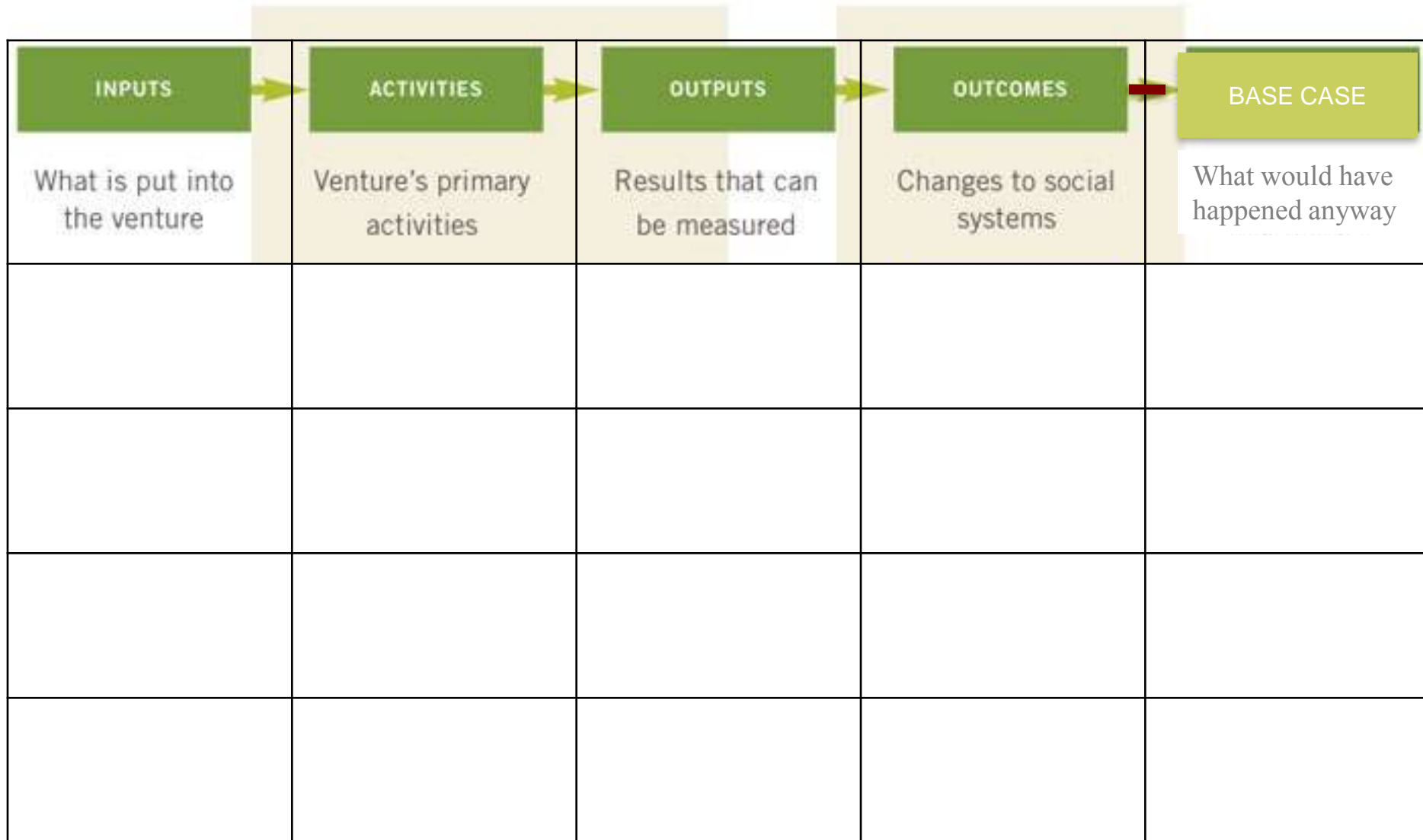
- NHPS and Woodbridge

- Your turn

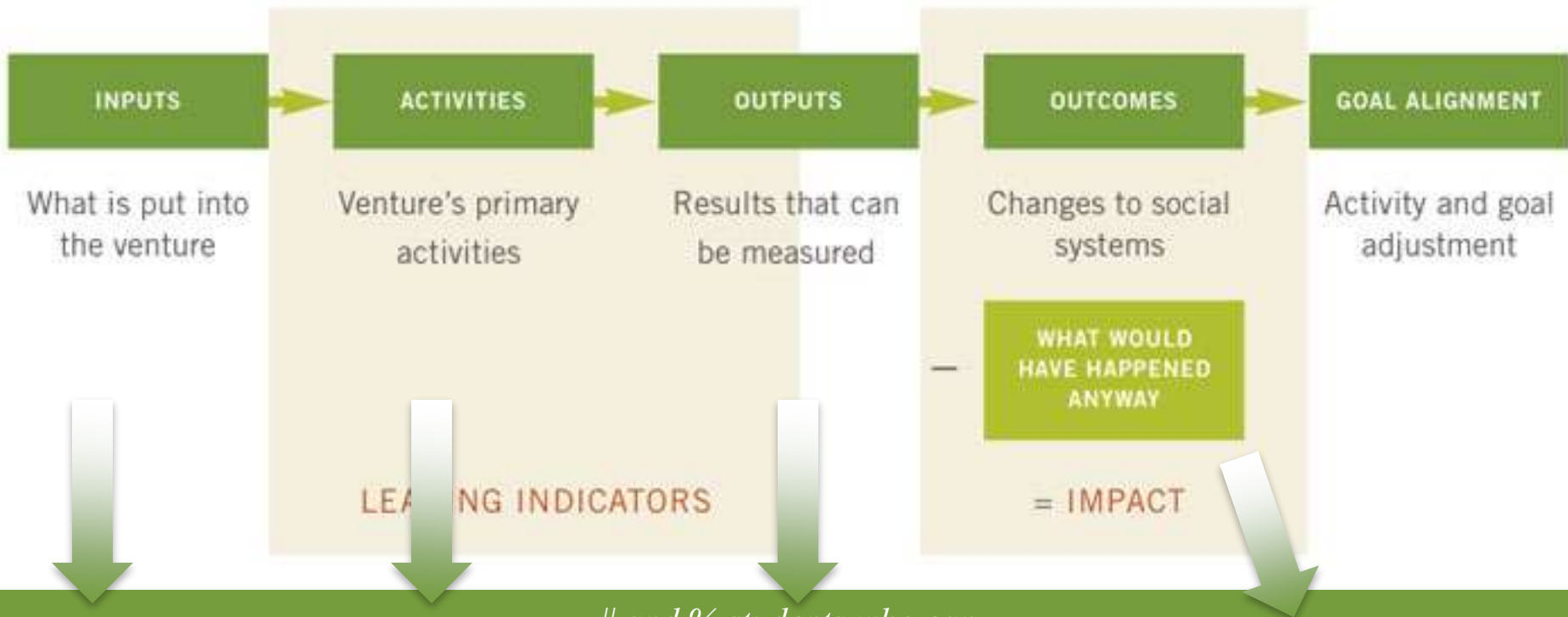
Discussion

- What are the specific indicators you think are most important to track?
 - How would you determine what would have happened anyway?
 - What would you do to collect the necessary data on an ongoing basis?

Case Study: Brainstorm



Proving the Theory



\$
Time
Know-how
Capital assets

Outreach
Training
Menu changes
Schedule changes

and % students who can
define 5-2-1-AN
and % students achieving
recommended levels of fruit &
vegetable consumption; sugary
beverage consumption; screen
time; and physical activity
and % students within healthy
BMI

Reduced cases of heart disease,
diabetes, hypertension
Better behavior
Better learning in school
Lower healthcare costs to
students, families, health
systems, government

Discussion

Q & A

Contact Info:

Drew Tulchin
Social Enterprise
Associates

www.socialenterprise.net
drew@socialenterprise.net

Sara Olsen
SVT Group

www.svtgroup.net
sara@svtgroup.net